

Applicant Questions and Answers

Northern States Power Company 2023 Firm Dispatchable Proceeding
Docket No. E002/CN-23-212

December 29, 2023

5) Question: What is NSP's timeline for bid selection and PPA signing?

Answer: This acquisition follows the Xcel-Bid Contested Case/Track 2 Process, detailed in Appendix A of the Commission's April 15, 2022 Order in Docket No. E002/RP-19-368, as a Certificate of Need like proceeding. The Commission set a procedural schedule for this proceeding in its November 3, 2023 Order in Docket E002/CN-23-212. Please see the November 3, 2023 Order for details on the timeline for this proceeding. Per the Xcel-Bid Contested Case/Track 2 Process, Xcel Energy will spend up to four months negotiating a power purchase agreement after the Commission determines the resource most suited to fill the resource need.

6) Question: With PUC approval anticipated late 2024, are the bids binding for 12 months?

Answer: Under the approved procedural schedule, project applications are due to the Commission January 22, 2023, with a completeness determination expected on or before March 28, 2024. The Commission will make a determination on whether applications are complete, and only complete applications will proceed to consideration. The Commission will determine the winning project applications in late 2024, with negotiations occurring after and also requiring subsequent Commission approval.

7) Question: Is NSP able to share information about (a) its load profile; and (b) its shadow/proxy electric (avoided) costs in a 12x24 or similar format?

Answer: No, the Company is not able to publicly post on the website information about its load profile or shadow/proxy electric (avoided) costs. Furthermore, such data would be from past analyses or integrated resource plans, whereas an updated EnCompass model from the Company's next Integrated Resource Plan (IRP) (to be filed February 1, 2024) will be used to evaluate all applications received in this proceeding. The Company is willing to enter into non-disclosure agreements or other appropriate measures after the IRP is filed on February 1, 2024 in order to share EnCompass input files and modeling information relevant to this proceeding.

8) Question: Referring to ID 12 in the Resource Attribute Matrix, what specific methodology is Xcel proposing to assume resource accreditation values? (Current MISO methodology or proposed D-LOL methodology)

Answer: MISO has not officially filed a proposal with the Federal Energy Regulatory Commission (FERC) for the Direct Loss-of-Load (D-LOL) methodology; as such the initial

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estimate of capacity accreditation for some resource types will be evaluated based on current MISO methodology. However, should available information change significantly, such as the filing of the D-LOL methodology, the Company reserves the right to incorporate such information into the capacity accreditation values used for evaluation.

- 9) **Question: Can NSP state or point to a resource which specifies the 50-100 tightest hours on its system/BA?**

Answer: No. While time periods of 50 to 100 hours have been mentioned in Docket No. E002/CN-23-212, the Company had mentioned these time lengths due to the need for resources with the technical capability to dispatch for this duration at any given time, not to specific hours. Resources with technical capabilities to dispatch for long durations at any time will be able to dispatch during times of low renewable output, which may not necessarily occur at the same times as hours with high predicted system need.

- 10) **Question: Are Battery Energy Storage Systems exempt from the 48-hour continuous, stable, and controllable mode, required for consideration as a BSU?**

Answer: No. The BSU is expected to be able to provide restoration support services as well as provide start-up power to a target unit. The 48-hour continuous requirement also allows for multiple restart attempts.

- 11) **Question: Pertaining to requirements for BSU, is the 1 MW limit a resource-specific block limit or is it a command block that will be sent to the operating resource by NSP?**

Answer: Command Block. In isochronous mode, the BSU should respond to loads as they are added. In restoration plans, loads of 1-5 MW are considered in the early restoration phase.

- 12) **Question: Within “Section 6. Filing Requirements” of the Applicant Guide, Xcel refers to the “Xcel-Bid Contested Case/Track 2 Process and Commission rules.” This document is unable to be found. Can you please provide a copy or direct us to where it is located?**

Answer: Please see Appendix A, pages 2-4, of the Minnesota Public Utilities Commission Order issued April 15, 2022 in Docket No. E002/RP-19-368. The Order is available at the MPUC’s eDockets site: [MN DOC Efiling \(state.mn.us\)](https://www.mn.gov/MPUC/eDockets).

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- 13) **Question: What is the definition of an “Alternative Proposal/Project,” as mentioned within “Section 6. Filing Requirements” of the Application Guide? (i.e. how does a proposal/project get classified as “alternative”?)**

Answer: Alternative Proposal/Project are those proposed by Applicants other than Xcel Energy into this proceeding to meet all or part of the identified resource need.

- 14) **Question: Will PPA tenors for storage projects greater than 15 years be accepted?**

Answer: For standalone storage, generally the Company considers the maximum PPA length limited to 15 years. For hybrid PPAs, such as solar plus storage or wind plus storage, the Model PPA the Company has provided in the Supplementary Materials on its website provides a contract structure in which payments occur on a \$/kW-mth basis. Contracts in this format cannot exceed a term of 15 years. However, the Company does not have a similar length restriction on hybrid PPAs with a \$/MWH Energy Payment Rate format, in which there are no \$/kW-mth payments, and where the MWH in the Energy Payment is based on the MWH generated by the wind or solar component of the hybrid asset. Contracts using this \$/MWH Energy Payment Rate format can be for a term length longer than 15 years. The Company can provide a data intake form structure for this format upon request.

- 15) **Question: What is the definition of a “Demand Response Technology” as mentioned within tab “DR1-Demand Response PPA Pricing” of the Data Intake Form? What type of projects would qualify for this?**

Answer: We consider a demand response technology as that used to reduce or shift a retail customer’s electric demand in response to a signal or schedule from a utility, a third party implementing a similar program under contract with a utility. Examples of projects that would meet this definition include, but are not limited to:

- Load control switches for HVAC systems and/or water heaters
- Energy managements systems that can reduce a facility’s load
- On-site generation a customer can start in response to the program to provide a contracted load reduction

Please see MISO BPM-011 Resource Adequacy 4.2.5 (Load Modifying Resource Obligations and Penalties) and MISO BPM-026 Demand Response for additional reference.

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