

The Commission met on **Thursday, November 1, 2012**, with Chair Heydinger and Commissioners Boyd, O'Brien, Reha, and Wergin present.

The following matters came before the Commission:

ENERGY AGENDA

E-002/M-12-974

In the Matter of a Request for Approval of a One-Time Waiver of its Street Lighting System Service Tariff to Allow Implementation of a Two-Year Light-Emitting Diode Street Lighting Pilot Project

Commissioner Wergin moved that the Commission approve the tariff waiver request, with a reporting requirement, as recommended by the Department.

The motion passed 5 – 0.

E-002/M-12-997

In the Matter of a Petition for Approval to Sell Used Electrical Equipment to Cypress Semiconductor Corporation

Commissioner Boyd moved that the Commission approve the sale, as recommended by the Department.

The motion passed 5 – 0.

E,G-002/M-12-531

In the Matter of a Petition for Approval of a Revised Standard Billing Form Back Modification

Commissioner Boyd moved that the Commission approve the modification, as recommended by the Department.

The motion passed 5 – 0.

E,G-002/M-12-608

In the Matter of a Petition for Approval of Changes to the Standard Customer Bill Form and Standard Billing Form Back

Commissioner Wergin moved that the Commission approve the changes as modified, as recommended by the Department.

The motion passed 5 – 0.

E-002/CN-08-509

In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Certificate of Need for an Extended Power Uprate at the Prairie Island Nuclear Generating Plant

Chair Heydinger moved as follows:

1. Since Northern States Power Company d/b/a Xcel Energy (Xcel) no longer wants to proceed with the certificate of need for an extended power uprate at the Prairie Island Nuclear Generating Plant and asserts that it is no longer in the public interest, within 15 days of the Commission’s order the parties shall make a filing showing cause why this Commission should not terminate Xcel’s Prairie Island Uprate Certificate of Need as of the date of that order.
2. Parties may file reply comments within 15 days of the initial filings to show cause.

The motion passed 5 – 0.

E-002/CN-11-184

In the Matter of the Certificate of Need Application for the Black Dog Repowering Project in Burnsville, MN

Commissioner Wergin moved that the Commission:

1. Close this docket.
2. Direct staff to open a new certificate of need docket to address the resource needs to be identified in Xcel’s Integrated Resource Plan (Docket No. E-002/RP-10-825), taking administrative notice of the filings in this docket.
3. Adopt a procedural schedule in the new certificate of need docket as follows:

Deadline	Action
January 31, 2013	Xcel to file Notice Plan for Certificate of Need that does not specify the size or type of resources to be solicited.
March 18, 2013	Xcel and other interested competitors’ resource proposals to meet identified need shall be filed in the new certificate of need docket, Docket No. _____ (to be established).
April 2013	Commission determines completeness of proposals, refers matter to OAH if warranted.
September – October 2013	ALJ Report, if referred to OAH.
October – November 2013	Commission decision on competitive resource acquisition process.

The motion passed 5 – 0.

E-002/RP-10-825

In the Matter of Xcel Energy's 2011-2025 Integrated Resource Plan

Commissioner O'Brien moved to do the following:

1. Defer approving, rejecting, or modifying Xcel Energy's resource plan until size, type, and timing for a base range of Xcel's resource need can be developed.
2. Continue the integrated resource plan (IRP) docket to further develop Xcel's five-year action plan with a finding on size, type, and timing for a base range of Xcel's resources.
3. Adopt the proposed timeline of Xcel and the Minnesota Department of Commerce (the Department) as follows:

Deadline	Action
December 18, 2012	The Department's and Xcel's supplemental modeling and any comments on information parties believe should be supplied in order to submit a complete proposal.
January 16, 2013	Interested Parties: Reply comments Xcel: Notice Plan Proposal
February 2013	Commission finding, close IRP docket

4. Require Xcel to file its next resource plan by February 1, 2014.
5. Require Xcel to file a "fuel acquisition and risk management plan" by July 1, 2013.
6. Require Xcel to submit a Sherco Life Cycle Management Study that examines the feasibility and cost-effectiveness of continuing to operate, retrofitting, or retiring Sherburne County (Sherco) Generating Station Units 1 and 2, with the following conditions:
 - a. A July 1, 2013 deadline;
 - b. Ability for intervenors to conduct discovery and comment;
 - c. Reference case that accounts for all likely federal Environmental Protection Agency (EPA) regulations;
 - d. Reference case that includes Commission-adopted carbon dioxide (CO₂) costs and externality values;
 - e. Scenarios that include a ranged of updated externality values based on those used by the federal government for regulatory impact analyses;

- f. Provision of specific cost estimates of controls and other required investments;
 - g. Scenarios that include a wide range of fuel prices;
 - h. Scenarios consistent with Minnesota's greenhouse gas reduction goals;
 - i. Least-cost scenarios for meeting 50% and 75% of retired capacity with renewables and conservation; and
 - j. Reliability impacts if either Sherco unit would come offline due to retrofit installations, retirement, or replacement.
7. Direct Xcel work with interested parties to identify useful measures of rate impacts associated with the Company's resource plans and incorporate them into the next IRP filing.
 8. Require Xcel to include in the base case CO₂ values consistent with the Commission-approved range of \$9 to \$34 per ton beginning in 2017, for planning purposes.
 9. Require Xcel to include scenarios which evaluate higher levels of cost-effective and feasible demand response capability.
 10. Require Xcel to reassess acquiring new wind generation for the 2015 to 2016 timeframe, and incorporate a wind assessment in the next resource plan.
 11. Require Xcel to include a comprehensive section of all EPA rules which may affect the Company's operations in the next resource plan.
 12. Require Xcel to evaluate the costs, benefits, and effects of including higher levels of distributed generation, including industrial-sized distributed generation, utility-scale solar, and combined heat and power.
 13. Require Xcel to include least-cost 50 and 75 percent renewables and conservation scenarios for all "new and refurbished" capacity, as those terms are used in Minn. Stat. § 216B.2422.
 14. Require Xcel to include least-cost scenarios consistent with Minnesota's greenhouse gas reduction goals, as defined in Minn. Stat. § 216H.02.
 15. Order Xcel to consider untapped demand response identified under the "expanded business-as-usual" scenarios in its 2012 Demand-Side Management (DSM) Market Potential Assessment to meet a portion of projected demand in the 2017-2019 timeframe.

The motion passed 5 – 0.

E-002/GS-11-307

In the Matter of the Site and Route Permit Application for the Black Dog Repowering Project in Burnsville, MN

Commissioner Boyd moved to grant Xcel Energy's request to withdraw its Site and Route Permit application, and to close this docket.

The motion passed 5 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: November 28, 2012

A handwritten signature in black ink that reads "Burl W. Haar". The signature is written in a cursive style with a horizontal line underneath it.

Burl W. Haar, Executive Secretary