



500 West Russell Street
Sioux Falls, South Dakota 57101-0988

June 29, 2012

--Via Electronic Filing--

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501

Re: 2012 REPORT OF NORTHERN STATES POWER COMPANY ON MEETING THE
RENEWABLE, RECYCLED AND CONSERVED ENERGY OBJECTIVE

Dear Ms. Van Gerpen:

In accordance with SDCL 49-34A-105, Northern States Power Company, a Minnesota corporation, provides the attached report on meeting the state's renewable, recycled and conserved energy objective for 2011.

Based on the jurisdictional energy allocator applicable to South Dakota, we have determined that the share of system-wide energy from renewable resources allocable to South Dakota was 260,799 megawatt-hours. This represents the energy we provided to our customers in 2011 that was generated by renewable generation facilities as defined by SDCL 49-34A-94.

After restricting the renewable energy from hydro resources to only those with an in-service date on or after July 1, 2008 and adjusting retail energy sales as provided in Chapter 49-34A-103, we calculate that approximately 13.3 percent of the energy provided to South Dakota customers in 2011 was from renewable energy resources. This percent reflects an increase from the 2011 level of 10.7 percent due to the continued addition of renewable resources and the resolution of the assignment of silent Renewable Energy Credits ("RECs") pertaining to renewable contracts that did not contain specific REC provisions. In 2009 and 2010 we included all potential silent RECs in the REO calculation. This year, we no longer include in the calculation the silent RECs associated with PURPA or amended contracts that were awarded to the generator owners. In addition, no renewable energy credits have been retired to date to comply with the South Dakota renewable energy objective ("REO").

Attachment 1 includes the following information as requested by the Commission:

Retail Sales (MWh) - Total & SD-based
Total Renewable Generation Capacity Owned (MW) - All States & SD¹
Renewable Generation Capacity Owned (MW) - Total & SD-based by
technology¹
Renewable Generation with RECs Retired for SD (MWh) - Total & SD-
based by technology¹
Renewable Generation with RECs Retired for other states/purposes
(MWh) - Total & SD-based by technology¹
Conserved Energy (MWh) and Capacity (MW)

Attachment 2 presents the renewable energy calculations.

We include in the report the amount of conserved energy achieved in 2011.² In 2011 the Company had not yet implemented our recently approved DSM plan, thus the conserved capacity and energy as shown on Attachment 1 for the State of South Dakota are based on our previously existing limited demand side management programs.

The Company had previously identified transmission capacity and the MISO Generator Interconnection Process as challenges to interconnecting wind projects. Significant work is now underway on our CAPX2020 projects and we will see additional transmission capacity in the near term. In addition, MISO continues to make improvements to the Generator Interconnection Process and to how costs of transmission upgrades are allocated, which should allow renewable projects to interconnect in a more timely fashion. Our current expectation is that challenges with interconnecting wind projects will continue but will diminish over the next few years.

Additionally, the Commission's Order in Docket No. EL09-029, dated February 12, 2010, directs the Company to report any sales of RECs in this report. Vintage 2011 RECs sold from transactions executed to date are shown in row 17 of Attachment 2.

Finally, the Company continues to seek to incorporate renewables and energy efficiency measures when and where those measures are cost effective. The Company expects to continue to be able to meet the renewable energy objective in South Dakota.

¹ As Defined in SDCL 49-34-94.

² These figures were calculated using both the deemed and measured energy savings approaches outlined in the Commission's rules, SD Admin. R. 20:10:38:04 and 20:10:38:05. However, the Company does not include conserved energy toward our compliance with the REO at this time.

If there are questions regarding information contained in the report, please feel free to contact me at (605) 339-8350 or Kari Chilcott Clark at (303) 571-6905.

SINCERELY,

A handwritten signature in black ink, appearing to read "JC Wilcox". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

JAMES C. WILCOX
Manager, Government & Regulatory Affairs

ENCLOSURES

Please provide a value in each of the boxes below with an "X" in it.

Company:
Northern States Power Company

Calendar Year 2011 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	42,308,163	
SD (MWh)	2,009,443	
Renewable Generation Capacity Owned/Purchased¹		
Total - All States (MW)	2,094	
SD (MW)	54	MinnDakota Wind (2) - 54 MW
Renewable Generation Capacity Owned/Purchased		
Total - All States (MW)		
Wind	1,556	Includes capacity for Windsource program
Solar	3	
New Hydro	12	Dellis Upgrade of units 2 - 4, Dec 2008 - July 2009; SAF Hydro COD 2011
Old Hydro	264	
Hydrogen	-	
Biomass/RDF/Landfill Gas	259	Capacity from all steam turbines is presented for mixed fuel plants; only the renewable generation creates RECs
Geothermal	-	
Recycled	-	
Total - All States (MW)	2,094	
SD (MW)		
Wind	54	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass/RDF/Landfill Gas	0	
Geothermal	0	
Recycled	0	
Total SD (MW)	54	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass/RDF/Landfill Gas	0	
Geothermal	0	
Recycled	0	
Total - All States (MWh)	0	
Generated in SD (MWh)		
Wind	-	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass/RDF/Landfill Gas	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	-	
Renewable Energy Credits Retired for Other States³		
Total - Generated In All States (MWh)		
Wind	3,272,562	
Solar	647	
New Hydro	-	
Old Hydro	838,217	
Hydrogen	-	
Biomass/RDF/Landfill Gas	1,196,205	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	5,307,631	
Generated In SD (MWh)		
Wind	145,736	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	145,736	
Conserved Energy & Capacity		
Conserved Energy (MWh)⁴		
Total - All States	501,774	
SD	70	
Conserved Capacity (MW)⁵		
Total - All States		
SD		

Footnotes:

¹ Includes owned generation and purchased generation (nameplate capacity) for renewable resources only

² "Silent" RECs are related to renewable energy purchases initiated prior to the renewable energy credits

market. Capacity from PPAs in which the RECs have been assigned to the generator owner through negotiated agreements or MNPUC Docket E-002/M-08-440 are not included.

³ RECs present demonstrate RECs retired for WI RPS and MN RES compliance. It does not include RECs retired on behalf of WI Wholesale Customers

Retired RECs are a combination of vintages 2007, 2008, 2009, 2010 and 2011

⁴ Conserved Energy expressed as the annualized energy savings resulting from utility DSM program achievements in 2010.

⁵ Conserved Capacity expressed as the available load management system peak reduction plus the annualized capacity savings resulting from utility energy-efficiency program achievements in 2010.

South Dakota Renewable, Recyclable and Conserved Energy Objective 2011 Status Report

Attachment 2
Page 1 of 1

System Total Generation (and Jurisdictional Allocator)

State	Energy (MWh)	Percentage
1 MN	32,893,908	74.10721%
2 ND	2,360,154	5.31723%
3 SD	2,037,447	4.59020%
4 WI/MI	7,095,408	15.98536%
5 NSP System	44,386,917	

System Renewable Generation

Source	M-RETS RECs
6 Wind	4,496,372
7 Solar	3,332
8 Hydro	916,309
9 New Hydro (post 7/1/2008)	3,261
10 Biomass\Wood\Landfill Gas	997,180
11 Refuse-Derived Fuel (RDF)	219,191
12 NSP System	6,635,645

SD RREO Renewable Energy

13 SD % of System Total Generation:	4.59020%	L3
14 System RECs allocated to SD:	304,589	L12 x L13
15 Remove Old Hydro (per SD RREO):	(42,060)	-L8 x L13
16 SD RREO qualifying renewable energy:	262,529	
17 Vintage 2011 REC Sales ¹ :	(1,730)	
18 Net SD RREO qualifying renewable energy:	260,799	
19 SD retail sales:	2,009,443	FERC Form 1
20 Remove SD Hydro allocation (per SD RREO)	(42,060)	-L8 x L13
21 SD REO adjusted retail sales:	1,967,383	
22 SD REO renewable energy %:	<u>13.3%</u>	(L18/L21)
23 RECs retired for 2011 REO compliance	<u>0</u>	

1 Vintage 2011 REC sales executed as of June 22, 2012