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Xcel Energy

Data Request No. 1-2

Docket No.: EL20-026

Response To: South Dakota Public Utilities Commission

Requestor: Patrick Steffensen

Date Received: October 27, 2020

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Question:

Refer to the Freeborn and Blazing Star II cost increases described on page 7 of the petition.

- a. Given the delays were COVID-related resulting in force majeure, is there any recourse available to Xcel for this delay?
- b. Explain the Blazing Star II project design efforts that were undertaken and how they were able to gain additional customer savings after the Tax Cuts and Jobs Act adoption.
- c. Explain all the factors that cause increased costs when there are supply chain delays.

Response:

- a. The recourse available is specific to the applicable contract language which generally requires the party claiming a Force Majeure event to provide sufficient details supporting their claim and to prove they used commercially reasonable efforts to mitigate risks to the project. Contractually, Xcel has acknowledged the COVID-19 risk, but each instance of delay will be fully vetted to determine opportunities for Xcel to work with our vendor partners to alleviate costs to the projects.
- b. By working with Vestas after the Tax Cuts and Jobs Act adoption, we were able to find project savings through the anticipated use of Vestas' latest V150-4.0MW technology. The technology reduced the number of turbines at the site reducing project capital and ongoing operational costs compared to the V116-2.0 technology we initially planned to utilize.
- c. Delays in shipment of equipment to the project sites has impacted the project build schedule. These delays have and will continue to increase costs in

construction equipment rentals, crane rentals, work force, and AFUDC.  
Furthermore, winter construction will increase costs due to lower productivity.

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