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Xcel Energy

Data Request No. 2-7

Docket No.: EL20-026

Response To: South Dakota Public Utilities Commission

Requestor: Patrick Steffensen

Date Received: November 17, 2020

Question:

Refer to Xcel's response to DR 1-13. Provide an analysis that shows a net benefit of repowering when you isolate the costs and benefits of repowering and don't include any costs/benefits of ownership (versus PPA).

Response:

The negotiated Purchase and Sale Agreement (PSA) allows the Company and our customers to benefit from the repowering. Were Mower not repowered, or were Mower repowered without the negotiated PSA, we would continue to pay for the project under the pricing and term of the existing PPA—in other words, in that situation, the benefits of the repowering would flow exclusively to the developer. Therefore, the avoided costs of the existing PPA are appropriately included as a benefit of the Company-owned repower project and are included in the analysis provided in Attachment 9C in the Petition. We do not have the option to cancel the existing PPA.

Under Company ownership, the benefits of the PTC for the repowered project accrue to the Company for the benefit of our customers. Attachment A to this response is an updated version of Attachment 9C in the Petition that breaks out the PTC benefit of the repower from the forecasted revenue requirement in lines 35-36.

Pursuant to South Dakota Admin. R. 20:10:01:41, we provide the following support for our request to classify certain information marked above as confidential trade secret data.

- (1) An identification of the document and the general subject matter of the materials or the portions of the document for which confidentiality is being requested.**

We request confidential treatment of the curtailment information contained in Data Request No. 1-9 on the grounds that the material is trade secret information, the disclosure of which could result in damage to the Company's financial or competitive position with respect to negotiations with parties for the purchase of power. Curtailment pricing is negotiated under the terms of a Power Purchase Agreement and is not available to the general public.

- (2) The length of time for which confidentiality is being requested and a request for handling at the end of that time. This does not preclude a later request to extend the period of confidential treatment.**

The Company requests that Data Request No. 1-9 be recognized as trade secret data in perpetuity.

- (3) The name, address, and phone number of a person to be contacted regarding the confidentiality request.**

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- (4) The statutory or common law grounds and any administrative rules under which confidentiality is requested. Failure to include all possible grounds for confidential treatment does not preclude the party from raising additional grounds in the future.**

The claim for confidential treatment is based on South Dakota Admin. R. 20:10:01:39 (4) and S.D. Codified Laws Chapter 1-27-30. The information contained within the referenced documents meets the definition of "trade secret" under S.D. Codified Laws Chapter 37-29-1(4)(1), the South Dakota Uniform Trade Secrets Act, which is defined as information that "Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and... is the subject of efforts that are reasonable under the circumstances to maintain its secrecy."

- (5) The factual basis that qualifies the information for confidentiality under the authority cited.**

Curtailment pricing derives independent economic value from not being generally known as negotiating parties could use the information to their advantage in future power purchase transactions.

Preparer: Stan Dufault
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