STAFF MEMORANDUM

TO: COMMISSIONERS AND ADVISORS

FROM: BRITTANY MEHLHAFF, ERIC PAULSON, AND JENNIE FUERST

RE: EL25-033 - IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY DBA XCEL ENERGY FOR APPROVAL OF ITS 2026 INFRASTRUCTURE RIDER PROJECT ELIGIBILITY AND FACTOR UPDATE

DATE: MAY 26, 2026

BACKGROUND

On October 1, 2025, the South Dakota Public Utilities Commission (Commission) received a petition from Northern States Power Company dba Xcel Energy (Xcel or Company) for approval of its 2026 Infrastructure Rider Project Eligibility and Factor Update.

The Infrastructure Rider was established in Docket EL12-046 and was revised in Docket EL14-058 to require annual Commission-approved filings. Since then, the Company has made annual filings requesting approval of revenue requirements, project eligibility, and rates. The Infrastructure Rider is based on estimated costs of the capital projects subject to annual true-up to their actual costs and recoveries.

In Docket EL24-029, the Commission approved Infrastructure Rider recovery of the 2025 revenue requirement associated with 83 projects, with nine of those being new projects, PTCs, PTC Floor Cacluation, Sherco 1 Land Sale, and O&M associated with wind projects. The Infrastructure Rider rate was effective January 1, 2025. On March 31, 2025, the parties filed an Amended and Restated Settlement Stipulation in Docket EL22-017, which was subsequently approved by the Commission. The Amended and Restated Settlement Stipulation allows Xcel to return the Nuclear PTCs through the Infrastructure Rider rather than the Fuel Clause Rider (FCR). The timing of the Infrastructure Rider filing also changed as a result of this amendment, with the filing made on October 1 of each year with a March 1st effective date. Consistent with the Amended and Restated Settlement Stipulation, Xcel filed to update the Infrastructure Rider rate to include the 2024 nuclear PTCs credit, and the updated rate of $(0.005689) per kWh became effective May 1, 2025.

In this current filing, Xcel proposed to reduce the Infrastructure Rider rate to an estimated $(19,060,133) in revenue requirements for 2026. The resulting rate proposed to be implemented on January 1, 2026, was $(0.008032) per kWh. Xcel estimated the average bill impact for a typical residential customer using 750 kWh per month to be a credit of $6.02 per month, a decrease of $1.75 per month compared to the current rate. Xcel proposed to roll several projects into base rates in Docket EL25-024 and thus are not included in the Infrastructure Rider beginning January 1, 2026. The settlement approved in Docket EL25-024 reflects the proposed roll-in.

On April 7, 2026, Xcel filed a Supplemental Filing to update the filing to include actual nuclear PTCs for 2025 and to remove a certain project (Project) from its initial proposal. The initial filing included estimated 2025 nuclear PTCs and pursuant to the Amended and Restated Settlement Stipulation in Docket EL22-017, the Company updated the 2026 revenue requirement and adjustment factor to incorporate actual 2025 nuclear PTCs, net of transaction costs. The Supplemental Filing also temporarily removed costs associated with Project as Staff was evaluating the project in the context of its resource planning analysis in the Company's pending rate case, Docket EL25-024.

On April 29, 2026, Xcel filed a Second Supplemental Filing. This filing reflects updates including: inclusion of Sherco Solar 1, 2, and 3 consistent with the settlement in Docket EL25-024; inclusion of Project; and inclusion of the Saver's Switch Replacement Initiative project. The updated proposed 2026 revenue requirement is an estimated $(10,974,518). The resulting rate proposed to be implemented on July 1, 2026 is $(0.006619) per kWh. Xcel estimates the average bill impact for a typical residential customer using 750 kWh per month to be a credit of $4.96 per month, a decrease of $0.69 per month compared to the current rate. Staff's recommendation is based on its analysis of Xcel's filing, discovery information, relevant statutes, and previous Commission orders. Staff reviewed updates regarding previously approved projects, the 2025 tracker report, new projects proposed for recovery, the forecasted 2026 revenue requirement, and rate calculations.

EXISTING PROJECTS

Attachment 12 to Xcel's petition in this docket provides a list of all previously approved projects.

Attachment 4 to Xcel's petition in this docket provides a comparison of the revenue requirements for each project compared to the previous filing.

Pages 6 and 7 of Xcel's filing provides updates on existing projects, including: construction delays for the Line Install – Great Plans project, phased in-service dates for the Chestnut Service Center Redevelopment project, timing of new fleet asset costs, delayed in-servicing and reduced project costs for the Grand Forks Service Center, and revised cost estimates for the Monticello Ground Water Mitigation project.

Regarding the ITC-VMWare project approved in docket EL23-025. As part of this project, a software upgrade, there was O&M savings that were achieved. The start of this software contract was July 1, 2023, and it runs through June 30, 2028. In Docket EL24-029, Staff recommended that starting with the 2025 Infrastructure Rider docket, Xcel credit ratepayers the O&M savings related to this software update, dating back to the start of the contract (July 1, 2023), to account for savings achieved in comparison to associated costs currently recovered through base rates. O&M savings are shown on Attachment 2 of Xcel's petition. O&M savings are not reflected beginning in 2026 due to new base rates going into effect January 1, 2026, which no longer include the previous costs, and the ITC-VMWare project being transferred to base rates.

PRODUCTION TAX CREDITS

As part of the EL22-017 settlement, all wind PTCs are now credited to customers through the Infrastructure Rider instead of the fuel clause in order to help reduce volatility on customers' monthly bills. The estimated 2025 credit included in the previous docket was $18,388,269. Xcel's Second Supplement Filing in this docket updates that amount to $20,718,301 . The Company's initially estimated credit for 2026 filed in this docket was $20,450,482. Xcel updated this estimate in its Second Supplemental Filing to $22,949,909. The update includes PTCs for Sherco Solar 1, 2, and 3.

In addition, per the EL22-017 settlement, the Parties agreed to track the PTCs in order to ensure customers receive the benefits expected. The settlement establishes a baseline PTC floor for the Company's wind portfolio equal to 90% of the PTC forecasts the Company used to justify the prudence of the wind projects. Actual PTCs received are tracked and compared to the floor annually. Any amounts of PTCs above the PTC floor will be carried forward in the tracker for the following year. If the actual PTCs are below the 90% floor, then the Company will refund to customers the value of the difference through the Infrastructure Rider, net of any positive balances in the tracker mechanism. Per the stipulation, the first evaluation will occur in 2024 and is based on actual PTC performance that is tracked and considered on a cumulative three-year basis. Thereafter, the tracker balance will be compared to the 90% floor on an annual basis. In EL23-025, the estimated amount in the tracker at the end of 2023 to be returned to customers in 2024 was $427,434. EL24-029 updated that estimate to a credit of $621,999. In EL24-029, the estimated amount in the tracker at the end of 2024 to be returned to customers in 2025 was $225,683. This docket updates that estimate to a credit of $204,473. This amount is associated with crediting customers for not meeting the PTC floor on a cumulative basis for 2022-2024. Xcel provides the PTC Floor Tracker calculations on Attachment 11. In Xcel's Second Supplemental Filing, the Company updated the PTC Floor Calculation to include the Sherco solar projects beginning in 2024[1]. Staff summarizes the updated tracker for 2021-2023 below[2].

	2022	2023	2024
Actual PTCs	$ 5,326,178	$ 7,247,206	$ 8,447,480
Baseline PTCs	$ 5,086,461	$ 7,730,405	$ 8,701,863
Yearly Balance	$ 239,717	$ (483,199)	$ (254,384)
Yearly Balance Grossed Up	$ 303,439	$ (611,644)	$ (322,004)
Cumulative Balance	$ (10,355)	$ (621,999)	$ (322,004)

The estimated amount in the tracker at the end of 2025 to be returned to customers as a credit in 2026 is $98,611.

[1] Sherco Solar I was in-service 10/31/2024.

[2] SD Allocated amounts

NUCLEAR PTCs

The federal Inflation Reduction Act of 2022 (IRA) created a new PTC for existing nuclear resources beginning in 2024. The value of the nuclear PTCs is subject to a sliding scale based on the revenue generated by the nuclear facilities, measured based on the locational marginal price (LMP) of energy, with the value of the credit diminishing as the LMP rises[3].

The EL22-017 Amended and Restated Settlement Stipulation allows Xcel to return the Nuclear PTCs through the Infrastructure Rider rather than the FCR. Xcel's initial filing included an estimate of $(5,410,377) for 2025 nuclear PTCs to be credited to customers in 2026. Net of transaction costs of $10,653, the total credit to customers was estimated to be $(5,399,724). The Company's Supplemental Filing was updated to incorporate actual 2025 nuclear PTCs of $(6,059,932). Net of transaction costs of $10,653, the total credit to customers is $(6,049,279).

NEW PROJECTS

The EL22-017 Settlement specified that new projects to be included with in-service dates in 2024 or later would be subject to a $250,000 threshold. Beginning on page 5 of Xcel's Attachment 12, the Company discusses new proposed projects: Wildfire Risk Mitigation, Project, Chestnut Service Center Redevelopment, Advanced Grid Intelligence and Security (AGIS), and St. Paul Service Center. The Sherco Solar 1, Sherco Solar 2, Sherco Solar 3, and Saver's Switch projects are discussed in the Company's Second Supplemental Filing.

Description	2026 Revenue Requirement
Wildfire Risk Mitigation	$2,118,178
Project	$1,776,769
Chestnut Service Center Redevelopment	$545,780
AGIS	$0[4]
St. Paul Service Center	$86,660
Saver's Switch	$210,320
Sherco Solar 1	$0[5]
Sherco Solar 2	$0[5]
Sherco Solar 3	$1,500,059
Total	**$6,237,766**

[3] Petition, page 9.

[4] While listed under the "New Projects" section, no new costs related to the AGIS project, Sherco Solar 1, and Sherco Solar 2 are included for the 2026 revenue requirement. All costs related to these projects added in this filing are unrecovered costs from years 2022-2025 not yet included for recovery. AGIS costs, Sherco Solar 1, and Sherco Solar 2 rolled into base rates January 1, 2026, making the 2026 rider revenue requirement $0.

Wildfire Risk Mitigation

Xcel proposed to include costs related to their Wildfire Risk and Mitigation Program. Attachment 13 to the Petition includes a detailed look at the program.

The Company made some investments during 2025 and anticipates increasing those investments in 2026. Xcel states: "[b]y taking reasonable steps to mitigate the risk of wildfires, the Company can improve the resiliency of its own systems against wildfire risk, while also reducing the risk of wildfire impacts to customers and communities near our infrastructure. In addition, wildfire mitigation investments are important to managing the costs of the Company's insurance and financial health. Many of the Company's wildfire investments will also improve overall reliability, including on blue sky days and during periods of non-wildfire extreme weather."[5]

The Company provides information regarding its risk mitigation efforts to underwriters when negotiating terms and premiums for its insurance program, including information regarding wildfire risk. The expectation is that this will help mitigate increased rates and promote the continued availability of insurance. If Xcel does not implement a comprehensive wildfire risk mitigation program, they anticipate the cost of insurance is expected to be substantially higher, which would impact customers in South Dakota as well as all the jurisdictions Xcel serves.[6]

A key part of Xcel's efforts to analyze the wildfire risk in its service territories was the retention of an independent third-party consultant, EDM International, Inc. (EDM), to develop a geospatial wildfire risk map of the Company's service territory. The majority of areas covered in the Xcel Energy Wildfire Operations Map for South Dakota are designated as Tier 1 (lower wildfire risk), some areas are designated as Tier 2 (moderate wildfire risk), and no areas are designated as Tier 3 (higher wildfire risk).

The mitigation measures and tools Xcel can deploy fit into four broad categories: Situational Awareness, System Resilience, Operational Mitigations, and Customer Support. Xcel plans to deploy measures in the following categories:

A. Situational Awareness
    1. Artificial Intelligence
    2. Weather Stations
    3. Subscription-Based Information Services
B. System Resilience
    1. Small Conductor Replacement Program
    2. Open Wire Replacement
    3. Non-Expulsion Upgrades
    4. Overhead Pole Assessment
    5. Pole Loading and Clearance Assessments
C. Operational Mitigations

[5] Attachment 13, page 1
[6] Attachment 13, pages 1-2

1. Enhanced Powerline Safety Setting Program

D. Customer Support

For 2026, Xcel plans to invest in the following:

A. Situational Awareness
    1. Artificial Intelligence – Install 4 AI cameras in the South Dakota service territory.
    2. Weather Stations – Install 2 weather stations in the South Dakota service territory.
    3. Subscription-Based Information Services – Xcel will start using a variety of subscriptions as discussed in more detail on page 12 of the Petition.
B. System Resilience
    1. Small Conductor Replacement Program – Starting in 2026 and going through 2029, Xcel is planning to start a conductor replacement program involving 35 miles of distribution feeders.
    2. Open Wire Replacement - Starting in 2026 and going through 2029, Xcel is planning to start a conductor replacement program involving 35 miles of distribution feeders.
    3. Non-Expulsion Upgrades- Starting in 2026 and going through 2029, Xcel is planning upgrades to 31 distribution feeders and the replacement of approximately 6,650 individual pieces of equipment.
    4. Overhead Pole Assessment – Starting in 2025 and continuing into the future, Xcel anticipates assessing 20 percent of structures annually in Tier 2 areas.
    5. Pole Loading and Clearance Assessments – Starting in 2025 and continuing into the future, Xcel anticipates assessing 5 percent of structures annually in Tier 2 areas.
C. Operational Mitigations
    1. Enhanced Powerline Safety Setting Program – Between 2025 and 2029 Xcel upgrading 31 feeders.

The 2026 revenue requirement associated with the Wildfire Risk Mitigation project is $2,118,178.

Project

Staff's consultant, Colton Kennedy (CMK Energy Group), reviewed the Project and provides the following discussion regarding resource planning and prudence findings.

Project Background

In this filing, the Company requests rate recovery for investments tied to the construction of a new natural gas combustion turbine and five Reciprocating Internal Combustion Engine (RICE) units. The Company states that the project is needed to provide needed capacity, stability support, and transmission system reliability, particularly at times of peak energy demand. The necessary regulatory approvals have been issued and the project is now in service.

Staff Review and Recommendation

Both publicly available information and non-public information provided in Docket EL25-033 were considered regarding the Company's proposed new generation infrastructure investment described above. Based on that evaluation, the Project is prudent, efficient, economical, reasonable, and necessary.

Although no detailed engineering assessment of the Company's system was performed, the evaluation considered the Company's stated need for the Project, the circumstances leading to the retirement of the existing generation resources, the general capabilities of the proposed replacement resources, and the alternatives available to meet the identified reliability need. This information supports a finding that the Project reasonably restores aging existing capability with more reliable, modern generation technology.

The Company's decision to retire the existing generation resources that created the need for the additional generation investment is also reasonable. That conclusion is based on the age and condition of the existing assets, the degradation of asset reliability, and the general lack of market availability of components necessary to reasonably maintain or extend the useful life of those resources. Continuing to rely on aging generation resources with declining maintainability would not be a reasonable long-term approach to meeting the identified reliability and system needs.

The proposed additional generation resources are an economically efficient means of providing the required system reliability attributes. The selected resource type, size, and operating capabilities are consistent with industry approaches for meeting like system needs. Based on the information evaluated, alternative resource types would not provide the same combination of system capability, capacity value, operational flexibility, and reliability support at a lower cost. In particular, resources that are energy-limited, weather-dependent, or not capable of providing the required firm dispatchable characteristics would not be adequate substitutes for the specific reliability and system functions evaluated.

The overall project cost was reviewed relative to comparable recently constructed or approved regional generation resources. Based on that comparison, the Project's cost is generally consistent and does not indicate a material cost premium for the selected resource configuration.

The resource configuration and location make appropriate use of existing infrastructure for which the Company and its customers have already invested. Using existing infrastructure avoids unnecessary duplication of facilities, supports cost-effective interconnection and integration, and helps align the scale of the new resources with the system functions previously provided by the retiring generation.

For these reasons, the Project satisfies the applicable public-interest standard. The Project is necessary to support reliable service and system capability, prudent in light of the condition and retirement of existing generation resources, efficient in its use of existing infrastructure, economical relative to reasonable alternatives, and reasonable in scope and design.

The 2026 revenue requirement associated with the Project is $1,776,769.

Chestnut Service Center Redevelopment

The Chestnut Service Center Redevelopment project consists of two main phases. The first phase is the selective demolition of a 2-story building that will be fully remodeled into material storage areas and laboratory spaces. The second phase is a full demolition of an existing building and then constructing a new 3-story precast concrete building in its place. This building will be used for office spaces along with service and storage areas for all the Xcel Energy service trucks for the downtown Minneapolis region. The 2026 revenue requirement associated with the Chestnut Service Redevelopment project is $545,780.

Advanced Grid Intelligence and Security (AGIS)

Xcel is continuing implementation of various components of the AGIS Initiative to modernize the distribution system. These AGIS investments, in concert with future investments, will provide cumulative benefits that will help to modernize the distribution system while also providing improved customer experience. Xcel includes AGIS related capital from 2022-2025 not already being recovered. AGIS expenses rolled into base rates January 1, 2026 with the EL25-024 interim rate implementation. Therefore, the 2026 revenue requirement associated with the AGIS project is $0.

St. Paul Service Center

The new facility will house field crews, dispatchers and design teams working on the Company's electrical and natural gas systems, along with the expanded office spaces, equipment storage and maintenance shops. The site will also include room for 50 percent more fleet vehicles. The new service center will provide a larger space to fit the needs of crews and improve safety by enhancing safety communications and providing technology support for employees and contractors. The Service Center will also be in an area with easier access to freeways and better proximity to expected future work that will improve response times. The 2026 revenue requirement associated with the St. Paul Service Center project is $86,660.

Sherco Solar 1 & 2

The Company developed, owns, and operates 460 MW of photovoltaic (PV) capacity at the Company's Sherburne County (Sherco) generation facility site. The Company acquired the Sherco Solar 1 site that was under development by National Grid Renewables. The Sherco Solar 1 site is combined with the Sherco Solar 2 site developed by the Company. Constructing new solar generation at the Sherco site to meet capacity needs in the near term allows the Company to reutilize its transmission interconnection rights as its coal units cease operations. Sherco Solar 1 was placed in service in October 2024 and Sherco Solar 2 was placed in service October 2025.[7]

Xcel originally proposed recovery of Sherco Solar 1 and 2 in Docket EL23-035. The project costs were removed in order to allow time for additional Staff analysis. Xcel and Staff later agreed to review the Sherco Solar projects as part of the Company's next rate case rather than conducting the review in the

[7] See Second Supplemental Filing for more info.

Infrastructure Rider for administrative efficiency purposes. Xcel reserved the right to request recovery of the 2023-2025 revenue requirements associated with Sherco Solar 1 and 2 once the rate case review was complete[8].

Staff analyzed the Sherco Solar 1 and 2 projects as part of its resource planning review in rate case Docket EL25-024. The EL25-024 Settlement, approved by the Commission, allows for cost recovery of Sherco Solar 1 and 2. Since interim rates in Docket EL25-024 were effective January 1, 2026, Xcel requests recovery of Sherco Solar 1 and 2 costs for 2024 and 2025 in the Infrastructure Rider, consistent with the agreement in Docket EL23-025 allowing Xcel to reserve the right to request recovery of the previously proposed revenue requirements, beginning in 2024 when Sherco Solar 1 was placed in-service. The 2024 and 2025 revenue requirements flow through the Infrastructure Rider tracker. Beginning in 2026, the revenue requirements associated with Sherco Solar 1 and 2 are $0 in the Infrastructure Rider given the projects are being recovered through base rates as of January 1, 2026.

Sherco Solar 3

Sherco Solar 3 is a 250 MW solar PV generation project being developed by Xcel, located near the existing Sherco facility site. Engineering and procurement occurred in 2023 and 2024 and construction began in 2025. The project is expected to go into service in the third quarter of 2026. Like Sherco Solar 1 and 2, Sherco Solar 3 is well-positioned to take advantage of the solar PTC provisions in the IRA[9]. The EL25-024 Settlement also allows for cost recovery of Sherco Solar 3 beginning in 2026. The 2026 revenue requirement associated with Sherco Solar 3 is $1,500,059.

Saver's Switch Replacement Initiative

Xcel has offered its Saver's Switch program to customers since around 1990. Participating residential and commercial customers receive annual incentives for allowing the Company to temporarily cycle AC units off during times of congestion on the grid. A subset of switches are past their useful life and the systems used to control them are nearing end of life. Therefore, the Company is replacing the outdated switches with new replacement switches operated via the networks built for carrying meter data in the AGIS.[10]

Historically the Company has recovered the costs of the saver switches in the Demand Side Management Program (DSM) Rider. The Saver's Switch program continues to be a part of the DSM program, most recently approved in Docket EL25-020. However, the Company proposed to recover the costs of the replacement switches in the rate case, Docket EL25-024. Since the project was not yet in-service, the EL25-024 Settlement did not include recovery of this investment in base rates.

However, as part of the EL25-024 Settlement, Staff and Xcel agreed that beginning in 2026, Xcel may propose to include projects with an annual revenue requirement of at least $100,000[11], which replaces

[8] Docket EL23-025, October 8, 2024 Letter
[9] Second Supplemental Filing, pages 3-4.
[10] Second Supplemental Filing, page 4.
[11] Projects must also be non-operating income producing.

the previous threshold of $250,000. The Saver's Switch Replacement Initiative meets this new $100,00 revenue requirement threshold and therefore, the Company requests inclusion of these costs in its Second Supplemental Filing.

Since the costs of the 2026 Saver's Switch Replacement Initiative were not included in the DSM Rider, they were not part of the cost-effectiveness analysis of the 2026 Saver's Switch program in Docket EL25-020. The Company, however, provided Staff with analyses to support the cost-effectiveness of the investment.[12] For Residential, the Total Resource Cost (TRC) test has a benefit/cost ratio of 4.56. For Business, the TRC score was 2.48. Given the high TRC scores, and given that the Saver's Switch programs continue to be a part of the Company's DSM program, Staff supports inclusion of these investments in the Infrastructure Rider.

The 2026 revenue requirement associated with the Saver's Switch Replacement Initiative is $210,320.

2025 TRACKER REPORT

The Infrastructure Rider rate approved in Docket EL24-029 was based on the estimated 2025 revenue requirements associated with Continuing Wind in the rider, From Rate Case K&Ms, Additional Projects all included as a result of the Settlement in Docket EL22-017 as well as revenues related to 2 additional projects included in the 2023 rider, and 5 new projects, Wind PTCs, PTC Floor Calculation, Sherco 1 Land Sale, and Nuclear Production Tax Credits.

In this docket, Staff reviewed the Second Supplemental filed 2025 project revenue requirement of $26,624,440 to determine if the costs were prudent and at the lowest reasonable cost to ratepayers. As described in the Company's filing, the 2025 forecast for projects in the Infrastructure Rider is $4,338,453 more at this time compared to the estimate provided in Docket EL24-029. Staff also reviewed the Wind O&M, Wind PTCs, PTC Floor Calculation, and Nuclear Production Tax credits.

2026 INFRASTRUCTURE RIDER REVENUE REQUIREMENT

Xcel's Second Supplemental Filing proposed a 2026 revenue requirement of $(17,085,127), based on the proposed 2025 under-collection of $51,399 and the 2026 revenue requirements associated with 11 projects, with 6 of these being new projects not previously approved for recovery in prior dockets[13], Wind O&M, PTCs, PTC Floor Calculation, and Nuclear Production Tax Credits.

2026 INFRASTRUCTURE RIDER ADJUSTMENT FACTOR

The revised Infrastructure Rider rate is designed to be implemented effective July 1, 2026. The rate is calculated based on forecasted sales from July 2026 through February 2027. The Infrastructure Rider rate based on the 2026 estimate of overall revenue requirements of $(10,974,518) is negative $0.006619 per kWh, as shown on Revised Attachment 1. The average residential bill impact, using 750

[12] Email from Andrew Wischnack to Brittany Mehlhaff on 4/3/26.
[13] A total of 9 new projects were proposed for recovery. 3 of those projects have prior year revenue requirements, with no 2026 revenue requirements as the projects are recovered in base rates beginning in 2026.

kWh, of the 2025 Infrastructure Rider is a credit of $4.96 per month, a decrease of $0.69 per month compared to the average residential bill impact of the revised 2025 Infrastructure Rider of a credit of $4.96 per month.

ANNUAL REPORT ON WIND PROJECTS PERFORMANCE

In past rate case and infrastructure rider dockets, Xcel agreed to report information related to capital costs, operating costs, and plant performance for the Pleasant Valley, Border, Courtenay, Blazing Star I, Crowned Ridge II, Foxtail, Lake Benton II, Blazing Star II, Freeborn, Dakota Range I & II, Jeffers, Community Wind North, Mower, Northern Wind, Nobles Wind Repower, Rock Aetna, and Grand Meadow projects once completed and in-service, so that Staff may assess the actual economics of the projects.

Xcel provided the Wind Project Performance Annual Report information for calendar year 2024 in Attachment 14 for Pleasant Valley, Border, Courtenay, Blazing Star I, Crowned Ridge II, Foxtail, Lake Benton II, Blazing Star II, Freeborn, Dakota Range I & II, Jeffers, Community Wind North, Mower, Northern Wind, Nobles Wind Repower, Rock Aetna, and Grand Meadow, as these were the projects placed in-service by the end of 2024. In prior Infrastructure Rider dockets, Xcel agrees to provide this information for repowered Border and Pleasant Valley projects in subsequent infrastructure rider filings. Staff summarizes the 2024 information contained in Xcel's report in the table below.

Project	In-Service Date	Operating Capacity	2024 Total Capital to Date	2024 O&M	2024 Congestion & Loss	2024 Average Capacity Factor
Pleasant Valley	2015	200 MW	$331,791,894	$4,966,544	$3,609,444	44.00%
Border	2015	150 MW	$261,586,803	$3,156,931	$2,362,187	46.70%
Courtenay	2016	200 MW	$286,071,556	$4,579,151	$547,830	42.10%
Foxtail	2019	150 MW	$230,285,739	$1,954,945	$10,651,651	40.90%
Lake Benton II	2019	100 MW	$158,310,519	$2,194,711	$6,959,820	49.80%
Blazing Star I	2020	200 MW	$315,596,497	$5,224,444	$11,438,960	42.70%
Crowned Ridge II	2020	200 MW	$302,518,867	$3,984,037	$15,342,164	49.70%
Blazing Star II	2021	200 MW	$342,861,265	$5,116,402	$11,355,307	43.40%
Freeborn	2021	200 MW	$318,136,304	$6,316,679	$6,499,462	39.30%
Jeffers	2021	44 MW	$72,029,057	$1,205,239	$2,624,949	50.60%
Community Wind North	2021	26.4 MW	$66,622,809	$649,923	$1,496,564	49.50%
Mower	2021	98.9 MW	$158,385,544	$2,318,263	$1,351,481	39.70%
Dakota Range I & II	2022	302.4 MW	$377,725,482	$5,309,786	$20,745,406	38.90%
Rock Aetna	2022	22.3 MW	$34,228,366	$378,998	$1,317,929	43.10%
Nobles Repower	2022	201 MW	$213,146,348	$4,980,043	$16,882,914	40.40%

Northern Wind	2023	100 MW	$185,957,788	$1,958,408	$5,938,164	42.10%
Grand Meadow	2023	100.5 MW	$112,690,680	$2,859,823	$1,797,792	40.50%

Some of the wind projects are now included in base rates and only the projects in-service in 2025 and beyond are included in the Infrastructure Rider. However, the PTCs associated with the entire wind portfolio are passed through the customers in the Infrastructure Rider. The PTCs are integral to the economics of the wind projects and are calculated based on the actual generation of each wind facility, and thus are reflective of the wind projects' capacity factors. Staff notes that with the addition of the PTC tracker and floor established in Docket EL22-017, customers are protected from years where the Company's wind portfolio has capacity factors well below what was used to justify cost effectiveness and need for the wind resources.

RECOMMENDATION

Staff recommends the Commission approve the revised Infrastructure Rider Adjustment Factor of negative $0.006619 per kWh and tariff sheet effective July 1, 2026.