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June 14, 2022

—Via Electronic Filing—

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501-5070

RE: XCEL ENERGY RESPONSE TO 2022 SUMMER READINESS AND REQUEST FROM
SDPUC'S MAY 24, 2022 MEETING

Dear Ms. Van Gerpen:

Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company), submits this letter in response to the Commission's request for information regarding the summer readiness of MISO utilities in South Dakota. We appreciate the Commission attention to this important matter and provide response to each questions below.

- A. Are South Dakota MISO utilities ready to reliably serve peak load for summer 2022? If so, please explain how.
 - We operate our NSP System in the Upper Midwest as one system serving load in South Dakota, North Dakota, Minnesota, Wisconsin, and Michigan. The entire NSP system is in MISO and we use all NSP resources to serve our load. We have a surplus of capacity ready to serve NSP's peak load this summer. Spring maintenance outages have been completed. We do expect an increased frequency of events in which our generators will be called upon to support regional issues.

- B. Do South Dakota MISO utilities participate in MISO's emergency drills including the firm load shed drill?
 - Yes. NSP participates in MISO Emergency Drills annually.

- C. Do South Dakota MISO utilities have a comprehensive plan for firm load shed?
- Yes. Xcel Energy (NSP) has a procedure for firm load shed that is reviewed and trained on annually. Controlled outages will be implemented where most effective to maintain overall transmission system reliability in real time. As part of our operational planning process and protocol, we identify hospitals and other sensitive customers and the specific feeders that serve their facilities so they may be excluded from controlled outages. When planning for controlled outages, we identify these customers using a vetting process involving several departments within Xcel Energy including our Engineering team, Operations team, and Account Management team. Our procedures include communication with customer in advance of and during any load shed.
- D. How often do South Dakota MISO utilities update their firm load shed plans?
- Xcel Energy (NSP) reviews the load shed plans annually as required by NERC Emergency Operations Procedures EOP-011. Updates are made as additional load needs are identified or changes on the system require the need for modifications to the plan.
- E. Do South Dakota MISO utilities have any concern with MISO's recent capacity auction result or are South Dakota MISO utilities taking any actions in response to the results?
- Xcel Energy (NSP) currently has more capacity than needed to serve our MISO load and we offered significant amounts of capacity to the MISO Planning Reserve Auction (PRA) that is available to serve regional needs. We also note the MISO Zones 1, 2, and 3 which includes load in South Dakota, North Dakota, Minnesota, Wisconsin, and Iowa have excess capacity that is available to serve the larger MISO region. MISO has reported that 1.4 GW of capacity, located in Zones 4 and 5 that did not participate in the PRA will not retire until after the summer season.

Since the larger MISO region has a capacity shortfall, we do have concerns regarding MISO's determination of declaration areas for emergency events. We have seen in the past that Load Balancing Authorities (LBAs) in MISO North were included in an emergency event with the LBAs in the Central region, but it was obvious from the price separation that constraints precluded the deliverability of the MISO North generation to the impacted area. If this occurred during a MaxGenEvent that proceeded to the load shed stage, then LSEs in MISO North would be required to shed load on a

pro rata basis, even though it would have little to no impact on the mitigation of the emergency.

MISO stated at the Summer Readiness Workshop that they felt they could improve their process to identify or reclassify the emergency declaration area. This will be discussed at the June RSC meeting and we would appreciate Commission support to encourage improvements.

If there are any questions, please call Chris Shaw at 612-330-7974 or Christopher.j.shaw@xcelenergy.com or me at 605-339-8350.

Sincerely,

A handwritten signature in black ink that reads "Steven T. Kolbeck". The signature is written in a cursive style with a large, looping initial "S".

STEVEN T. KOLBECK, PRINCIPAL MANAGER
XCEL ENERGY