

Xcel Energy proposes adding economic solar, wind to meet future customer energy demands

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DENVER – Xcel Energy is proposing to add significant new cost-effective solar and wind energy resources to meet the future electricity needs of Colorado, according to a report filed today with the Colorado Public Utilities Commission (CPUC). If the plan is approved, the company would reduce carbon dioxide emissions by more than one-third from 2005 levels. In its report, the company says this plan makes great sense for customers and the environment.

“This plan demonstrates the right way to advance clean energy because it keeps the focus on customer costs,” said Ben Fowke, chairman, president and CEO of Xcel Energy. “We have a clear track record of implementing clean energy projects that create significant customer value and keep rates affordable. This plan continues that effort, and we are positioned to take advantage of very favorable pricing for some great projects.”

The company’s recommendations include 170 megawatts (MW) of new, utility-scale Colorado solar power, 450 MW of new Colorado wind power and 317 MW of low cost natural gas generation that would provide operational flexibility the utility relies on to reliably integrate renewable resources into its electric supply mix.

“This request will add significant amounts of wind and solar energy to the system at the right price, and it makes good sense for our customers and the environment,” added David Eves, president and CEO of Public Service Co. of Colorado, an Xcel Energy company. “For the first time ever, we are adding cost competitive utility scale solar to the system. The 170 megawatts we recommend would triple Xcel Energy’s current utility scale solar in Colorado and it equates to all of the customer-sited solar in the state of Colorado, at about one half of the cost.”

Details of the Xcel Energy proposal include:

- The addition of 450 MW of Colorado wind generation is an adjustment from the 550 MW the company initially recommended early this summer after its early wind RFP. This additional wind would bring the installed capacity on the Company’s system in Colorado to 2650 MW;
- The addition of 170 MW of utility-scale solar generation would use single axis tracking to maximize solar generation during the day. The company currently has about 80 MW of utility-scale solar and 160 MW of customer-sited solar generation;
- The proposed 317 MW of “low cost natural gas fired generation” would come from existing Colorado power plants that previously supplied Xcel Energy, but would do so going forward at reduced prices. This ‘flexible generation’ allows the company to start, bring up and turn down generation on-line in relatively short periods of time as wind and solar generation vary throughout the day.
- The company also examined whether to continue operating two older company-owned power plants or to replace them with new generation resources. Xcel Energy recommends:
 - The permanent closure of the 109-MW, coal-fired unit 4 at the Arapahoe Generating Station in Denver at the end of 2013; and
 - The continued operation of Cherokee Generating Station’s unit 4 in Denver as a natural gas facility after 2017 (the plant fuel source will be switched to natural gas from coal by the end of 2017 as part of the Clean Air-Clean Jobs Act Plan).

Xcel Energy’s proposal today still must be reviewed by an independent evaluator for the CPUC and ultimately considered by the Commission which is scheduled to approve the plan as filed or

make amendments to the proposal by Dec. 9, 2013.

Eves noted that the strong competition between resources and even between different types of resources yields a number of low cost resource combinations that could meet Xcel Energy's needs by relying on varying amounts of new wind and solar and various natural gas-fired generation resources.

"Commissioners will have a great deal to consider as they review this plan and take comments from other parties," Eves said.

The details of the acquisition are in the 2013 All-Source Solicitation "120-Day Report," as required through the 2011 Electric Resource Plan bid process previously approved by CPUC. However, project details including locations remain confidential.

Xcel Energy's announcement today is in addition to 42.5 MW of on-site solar that the company has proposed through separate proceedings with the CPUC, under the 2014 Renewable Energy Standard Compliance Plan. That proposal recently was sent to an administrative law judge with the CPUC for further regulatory action.

Xcel Energy (NYSE: XEL) is a major U.S. electricity and natural gas company with regulated operations in eight Western and Midwestern states. Xcel Energy provides a comprehensive portfolio of energy-related products and services to 3.4 million electricity customers and 1.9 million natural gas customers through its regulated operating companies. Company headquarters are located in Minneapolis. More information is available at www.xcelenergy.com. *This news release includes forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate," "estimate," "expect," "projected," "objective," "outlook," "possible," "potential" and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including their impact on capital expenditures; business conditions in the energy industry; competitive factors; unusual weather; changes in federal or state legislation; regulation; risks associated with the California power market; currency translation and transaction adjustments; the higher degree of risk associated with Xcel Energy's non-regulated businesses compared with Xcel Energy's regulated business; and the other risk factors listed from time to time by Xcel Energy in reports filed with the Securities and Exchange Commission.*