Evolving expectations of utility green power programs

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Xcel Energy
Xcel Energy service territory

Northern States Power Company - Minnesota
Public Service Company of Colorado
Southwestern Public Service
Northern States Power Company - Wisconsin

Xcel Energy
Electric Customers 3.4 million
Gas Customers 1.9 million
Wisconsin

- Program size: 6,000 MWh, 625 residential, 30 business
- Program supply
  - Divided out of the NSP-MN, NSP-WI interchange agreement
  - 15% of the RECs generated on our NSP system
- Price: $1.15 per block
- Key customers
  - Luther Midelfort
  - Western Technical College
New Mexico

- Program size: 9,176 MWh, 1158 residential, 42 business
- Program supply
  - Texico 1.5 MW
- Price: $3 per block
- Key customers
  - Cannon AFB
  - WIPP
Minnesota

- Program size: 165,000 MWh, 20,000 residential, 250 bus

- Program supply
  - 19 dedicated wind farms: 40 MW
  - 1 semi-dedicated: 50 MW
    Moraine II split between Windsorce and RPS

- Price: ~$1.00 per block

- Key customers
  - Vikings
  - Augsburg College
  - Aveda
Colorado

- Program size: 218,000 MWh, 35,000 residential, 940 bus
- Program supply
  - Percentage of overall Xcel Energy Colorado portfolio
- Price: $2.16 per block
- Key customers
  - Broncos
  - US Mint
  - Xcel Energy
  - CDC
Why are we here?

- Overcoming regulatory thinking
- Meeting customer demand
- Regulatory
  - Pricing
  - “Next thing”
- Customer attitude
  - “Why now?”
  - “Next thing”
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Can a Green-e Green Pricing Program survive?

- Low price for national REC products
- Increasing state RPS
- Possible Federal legislation
- Decreased electricity sales overall
- Regulator attitudes changing toward GPP

Or will they be soon be a thing of the past for regulated utilities. And does it matter??
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- Balancing act between energy (and cost) that is used for RPS compliance and GPP while meeting both requirements
- Green-e requirements puts upward pressure on prices as the newest generation is the most costly
- Some regulators are starting to conclude that a GPP is not necessarily a regulated activity; anyone can sell REC’s
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- Not only constraints in meeting energy needs, also constraints with building local renewable projects

- Price and Opposition
  - Same opposition techniques used to delay/stop non-renewable projects work to delay/stop renewable projects
  - Costs increase – only do compliance projects

- Regulations and impact on customers
  - Policy – Non-participating customers cannot subsidize participating customers
  - Increase price, customers drop GPP
Stolen from Pat

- Decreasing demand for electricity
- Decreasing cost of fossil fuels as well as lower LMPs has widened the gap between RE and traditional energy
- RE project costs have increased
- REC Prices and National Marketers
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