



500 West Russell Street
Sioux Falls, South Dakota 57101-0988

June 30, 2011

--Via Electronic Filing--

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

Re: 2011 Report of Northern States Power Company on Meeting the
Renewable, Recycled and Conserved Energy Objective

Dear Ms. Van Gerpen:

In accordance with South Dakota Codified Laws 49-34A-105, Northern States Power Company, a Minnesota corporation ("Xcel Energy" or the "Company") provides the attached 2011 report on meeting the state's renewable, recycled and conserved energy objective.

Based on using the jurisdictional energy allocator applicable to South Dakota, we have determined that the share of system-wide energy from renewable resources allocable to South Dakota is 5.5 million megawatt-hours. This represents the energy we provided to our customers in 2010 that was generated by renewable generation facilities as defined by South Dakota Codified Laws 49-34A-94.

After restricting the renewable energy from hydro resources to only those with an in-service date on or after July 1, 2008 and adjusting retail energy sales as provided in Chapter 49-34A-103, we calculate that approximately 10.7 percent of the energy provided to South Dakota customers in 2010 was from renewable energy resources. Thus percent reflects a reduction from the 2009 level of 11.3 percent due to the resolution of the assignment of "silent RECs" pertaining to those wind contracts that did not contain specific REC provisions. In 2009 we included all potential silent RECs in the REO calculation. This year, we no longer include in the calculation the silent RECs associated with PURPA contracts (and a few others) that were awarded

to the generator owners. We continue, however, to include those RECs from wind contracts that we have signed amendments for ownership of the RECs (Lake Benton and FibroMinn), but the amendments are pending approval with the MPUC.

Currently, transmission capacity and the MISO Generator Interconnection Process remain as challenges to interconnecting wind projects. However we do not believe that these issues will impact our ability to meet the REO going forward since enough renewable projects with available transmission have moved through the MISO Generator Interconnection Process. In addition, MISO continues to make improvements to the Generator Interconnection Process and to how costs of transmission upgrades are allocated which should allow renewable projects to interconnect in a more timely fashion. The ability to interconnect projects in a more timely manner should also benefit our ability to meet the REO going forward.

Note too that there is currently some slackness in the wind turbine market. However, we believe that the market for wind turbines will be cyclical going forward. For example, the Production Tax Credit is currently set to expire again in 2012. Thus, 2012 could potentially bring difficulties in turbine availability and pricing as developers rush to complete projects prior to the expiration of the credit.

Please note that no renewable energy credits (“RECs”) have been retired to date to comply with the South Dakota renewable energy objective (“REO”).

Attachment 1 includes the following information as requested by the Commission:

- Retail Sales (MWh) - Total & SD-based
- Generation Capacity Owned (MW) - Total & SD-based by technology¹
- Renewable Generation Capacity Owned (MW) - Total & SD-based by technology¹
- Renewable Generation with RECs Retired for SD (MWh)- Total & SD-based by technology¹
- Renewable Generation with RECs Retired for other states/purposes (MWh)- Total & SD-based by technology¹
- Conserved Energy (MWh) and Capacity (MW)

Attachment 2 presents the renewable energy calculations.

Since the Company does not currently have any energy efficiency programs approved in the state of South Dakota, the conserved capacity and energy as shown on Attachment 1 for the State of South Dakota are based on our demand side management programs.

¹ As Defined in SDCL 49-34-94.

Additionally, the Commission's order in Docket No. EL09-029, dated February 12, 2010 directs the Company to report any sales of RECs in this report. As of this report date, we have not made any REC sales.

Finally, the Company continues to seek to incorporate renewables and energy efficiency measures when and where those measures are cost effective. The Company expects to continue to be able to meet and exceed the renewable energy objective in South Dakota.

If there are questions regarding information contained in the report, please feel free to contact me at (605) 339-8350 or Kari Chilcott-Clark at (303) 571-6905.

SINCERELY,

A handwritten signature in cursive script, appearing to read "JC Wilcox".

JAMES C. WILCOX
Manager, Government & Regulatory Affairs

ENCLOSURES

Company:
Northern States Power

Calendar Year 2010 RREO Report	Value	Comments
Retail Sales		
Total - All States (MWh)	42,174,554	
SD (MWh)	2,000,289	
Generation Capacity Owned\Purchased¹		
Total - All States (MW)	12,400	
SD (MW)	460	Angus Anson - 406 MW; MinnDakota Wind (2) - 54 MW
Renewable Generation Capacity Owned\Purchased		
Total - All States (MW)		
Wind	1,460	Includes capacity for Windsource program
Solar	3	
New Hydro	3	Dells Upgrade of units 2 - 4, Dec 2008 - July 2009
Old Hydro	267	
Hydrogen	-	
Biomass\RDF\Landfill Gas	258	Capacity from all steam turbines is presented for mixed fuel plants; only the renewable generation creates RECs
Geothermal	-	
Recycled	-	
Total - All States (MW)	1,990	
SD (MW)		
Wind	54	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass\RDF\Landfill Gas	0	
Geothermal	0	
Recycled	0	
Total SD (MW)	54	
Renewable Energy Credits Retired for SD		
Total - Generated In All States (MWh)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass\RDF\Landfill Gas	0	
Geothermal	0	
Recycled	0	
Total - All States (MWh)	0	
Generated in SD (MWh)		
Wind	0	
Solar	0	
New Hydro	0	
Old Hydro	0	
Hydrogen	0	
Biomass\RDF\Landfill Gas	0	
Geothermal	0	
Recycled	0	
Total SD (MWh)	0	
Renewable Energy Credits Retired for Other States³		
Total - Generated In All States (MWh)		
Wind	3,849,045	
Solar	-	
New Hydro	-	
Old Hydro	1,014,735	
Hydrogen	-	
Biomass\RDF\Landfill Gas	468,022	
Geothermal	-	
Recycled	-	
Total - All States (MWh)	5,331,802	
Generated In SD (MWh)		
Wind	279,604	
Solar	-	
New Hydro	-	
Old Hydro	-	
Hydrogen	-	
Biomass	-	
Geothermal	-	
Recycled	-	
Total SD (MWh)	279,604	
Conserved Energy & Capacity		
Conserved Energy (MWh) ⁴		
Total - All States	472,259	
SD	13	Conserved Energy as a percent of retail sales is equal to 0.0006%
Conserved Capacity (MW) ⁵		
Total - All States	1,141	
SD	42	

Footnotes:

¹ Includes owned generation (nameplate capacity) and purchased generation (contracted summer capacity)

² "Silent" RECs are related to renewable energy purchases initiated prior to the renewable energy credits

market. Capacity from PPAs in which the RECs have been assigned to the generator owner through negotiated agreements or MPUC Docket E-002/M-08-440 are not included.

³ RECs present demonstrate RECs retired for WI RPS and MN RES compliance. It does not include RECs retired on behalf of WI Wholesale Customers

Retired RECs are a combination of vintages 2007, 2008, 2009, and 2010

⁴ Conserved Energy expressed as the annualized energy savings resulting from utility DSM program achievements in 2010.

⁵ Conserved Capacity expressed as the available load management system peak reduction plus the annualized capacity savings resulting from utility energy-efficiency program achievements in 2010.

South Dakota Renewable, Recyclable and Conserved Energy Objective 2010 Status Report

System Total Generation (and Jurisdictional Allocator)

	<u>Energy (MWh)</u>	<u>Percentage</u>
1 MN	32,914,233	73.95964%
2 ND	2,341,743	5.26199%
3 SD	2,034,397	4.57137%
4 WI/MI	7,212,592	16.20699%
5 NSP System	44,502,965	

System Renewable Generation¹

<u>Source</u>	<u>M-RETS RECs</u>	<u>"Silent" RECs</u>	<u>Total</u>
6 Wind	3,186,750	250,467	3,437,216
7 Solar	778	-	778
8 Hydro	948,325	-	948,325
9 Biomass\Wood\Landfill Gas	505,352	409,575	914,927
10 Refuse-Derived Fuel (RDF)	208,153	-	208,153
11 NSP System	4,849,358	660,042	5,509,400

SD RREO Renewable Energy

12 SD % of System Total Generation:	4.57137%	4.57137%	
13 System RECs allocated to SD:	221,681	30,173	251,854
14 Remove Old Hydro (per SD RREO):	(43,350)	-	(43,350)
15 SD RREO qualifying renewable energy:	178,331	30,173	208,504
16 SD retail sales:	2,000,289	2,000,289	2,000,289
17 Remove SD Hydro allocation (per SD RREO)	(43,351)	-	(43,351)
18 SD REO adjusted retail sales:	1,956,938	2,000,289	1,956,938
19 SD REO renewable energy %:	<u>9.1%</u>	<u>1.5%</u>	<u>10.7%</u>

20 RECs retired for 2010 RREO compliance	0
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1 All of the renewable generation facilities owned by Xcel Energy have been registered in the Midwest Renewable Energy Tracking System ("M-RETS"). In addition, all of the RECs from the Company's purchased power agreements ("PPAs") for renewable energy that specify the Company's rights to the RECs are registered in M-RETS. "Silent" RECs included in this report are related to renewable energy PPAs signed prior to the establishment of the market for which the Company has since negotiated the rights to, but are pending approval with the MPUC.

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L10 x L11
-L7 x L11

FERC Form 1
-L7 x L11

(L14/L17)

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