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Climate Change

Xcel Energy Can't Rely on Nuclear for Its Carbon-Free Vision

Minneapolis-based Xcel Energy Inc. will have to boost its share of wind and solar generation to make up for the potential loss of nuclear power beyond 2030 to provide its customers with more carbon-free electricity.

Xcel Energy's two nuclear power plants—1,100 megawatt Prairie Island and 670 MW Monticello, both in Minnesota—are up for relicensing in the early 2030s. The utility is reluctant to go through a time-consuming and costly relicensing process when it isn't even sure whether it wants nuclear power to be part of its future energy mix, Jody Londo, regulatory policy manager for Xcel Energy, told state officials March 20 at the annual meeting of the Environmental Council of the States in St. Paul, Minn.

"Are they the right resources to continue?" Londo asked.

She pointed to the advantages of nuclear power plants, which run nonstop, but added "they may not fit our future."

Long-Term Goals Xcel Energy set an ambitious target for itself to provide its customers by 2030 with energy that is 85 percent carbon free, including 60 percent coming from wind, solar, and hydro. Right now, the utility is providing 65 percent of power that is carbon-free, with about 31 percent coming from renewables.

"The challenge for us is how to maintain that carbon-free energy path beyond 2030," Londo told Bloomberg Environment.

The two nuclear power plants provide baseload energy generation for Michigan, Minnesota, North Dakota, South Dakota, and Wisconsin, Londo said. The baseload on a grid is the minimum level of demand on an electrical grid over a span of time.

To make up for their loss, the utility would need to instead shore up its share of wind, solar, hydro, and natural gas generation.

Londo said Xcel Energy will be submitting an integrated resource plan to the state public utility commission in February 2019. The plan is going to consider how the company will maintain its vision of a carbon-free energy resource. "

Dan Lipschultz, vice chairman of Minnesota Public Utility Commission, agreed the real challenge is meeting carbon reduction goals without nuclear generation because it's not economical to relicense new plants.

It means "a lot more natural gas, but that doesn't mean it's carbon free," he said.

Doug Scott, vice president of strategic initiatives at the nonprofit Great Plains Institute, said utilities such as Xcel Energy have to look beyond traditional models of providing energy. He said they have to consider distributed forms of energy, such as small-scale wind or solar generation projects that can be provided to customers through microgrids, instead of centralized models.

Bloomberg Environment is a sponsor of the ECOS spring meeting.

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