



# Delivering Value: Xcel Energy Wind Proposal to Provide Significant Customer Benefits

## Regulatory Overview, Timeline

Xcel Energy recently announced plans to add 1,230 megawatts of wind energy to its Texas and New Mexico generation mix, most of which would come from facilities constructed and owned by the company.

If approved by regulators, this proposal would save customers **approximately \$2.8 billion over 30 years** by integrating a lower-cost energy resource into Xcel Energy's Texas and New Mexico generation mix. The proposed wind facilities have no associated fuel expense and create additional savings through the availability of federal production tax credits which bring the energy cost of wind below the energy cost of coal and natural gas generation. Through ownership, Xcel Energy's proposal passes these PTC savings directly to Texas and New Mexico customers.



Xcel Energy seeks the following approvals from the New Mexico Public Regulation Commission and the Public Utility Commission of Texas:

- approval to acquire the Hale and Sagamore wind projects;
- approval to amend the company's Generation Certificate of Convenience and Necessity (CCN) to allow construction and inclusion of these projects;
- approval of certain ratemaking principles; and
- approval of a new 230 MW long-term purchased power agreement (Bonita).

The three wind projects are conditioned on regulatory approval. Xcel Energy anticipates the requested regulatory approvals for the purchase of the Hale and Sagamore projects, and the approval of the Bonita PPA, could take a year to obtain.

## Regional + economic benefits

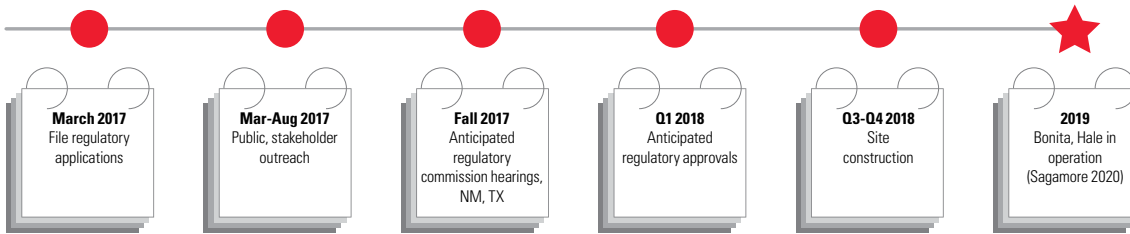
The company's wind proposal is part of an overall corporate strategy to invest in infrastructure projects that lower the cost of energy production. Energy production in the southwest is often affected by volatility in the natural gas markets. In Texas and New Mexico, natural gas is used to generate nearly 40 percent of the energy delivered to our customers, which means bills are impacted as the market fluctuates. The addition of 1,230 megawatts of wind generation means customers can worry less about swings in energy bills due to the fluctuations in gas prices. More wind generation also means:

- More than 600 jobs, both temporary and full-time, and associated economic spending
- Allows land to remain in agricultural use, supporting a primary industry in the region
- Additional tax revenue for school districts and counties
- No fuel expense
- No water used in power generation
- No air or water emissions

"Our Texas and New Mexico customers expect us to deliver on our pledge to support long-term economic growth in our communities while ensuring reliable and affordable energy. The decision to add additional wind generation is purely economic. By taking advantage of tax credits before they expire, these projects will allow us to produce wind energy at a cost lower than energy produced at our coal and natural gas-fueled plants, and pass those savings directly to our customers."

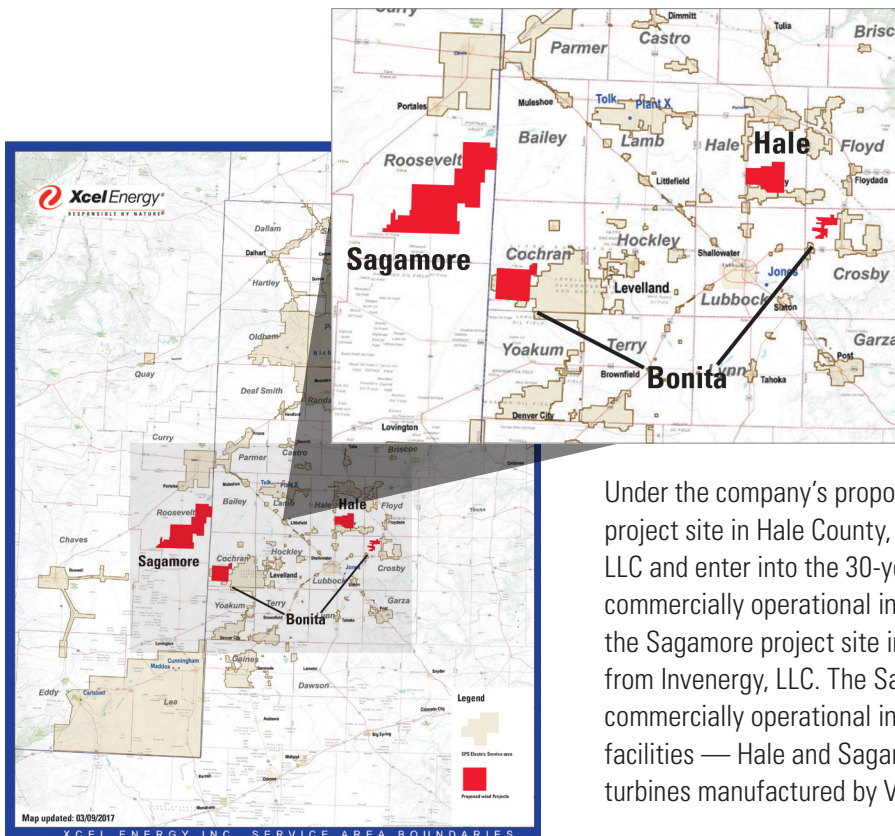
David Hudson,  
President, Xcel Energy's Texas and  
New Mexico region





**Xcel Energy’s current wind capabilities**

Xcel Energy has been the nation’s No. 1 utility wind energy provider for 12 years running and is ranked No. 4 nationally for delivering renewable energy. Currently the company has close to 1,600 megawatts of wind energy available in its Texas-New Mexico generation mix, which contributes to more than 22 percent of carbon-free electricity for customers.



Under the company’s proposal, Xcel Energy would acquire the Hale project site in Hale County, Texas, from NextEra Energy Resources, LLC and enter into the 30-year Bonita PPA, both expected to be commercially operational in 2019. Xcel Energy would also acquire the Sagamore project site in Roosevelt County, New Mexico, from Invenergy, LLC. The Sagamore project is expected to be commercially operational in 2020. Electricity at the company-owned facilities — Hale and Sagamore — would be generated by wind turbines manufactured by Vestas.

These projects are currently under development by NextEra Resources LLC and Invenergy LLC



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