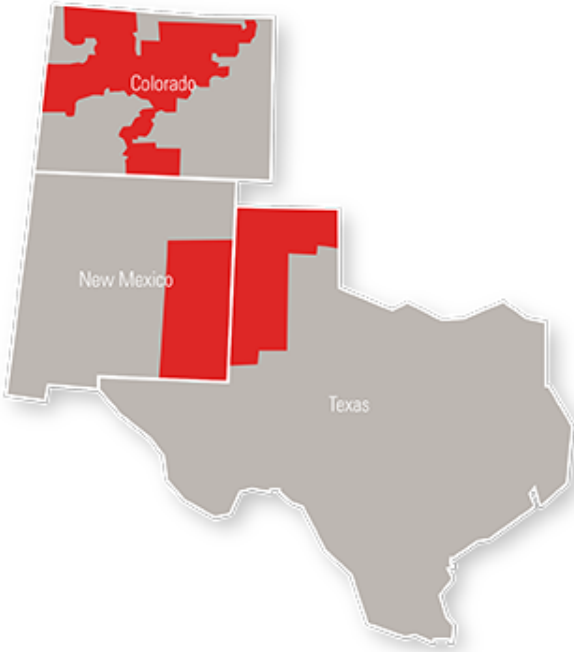
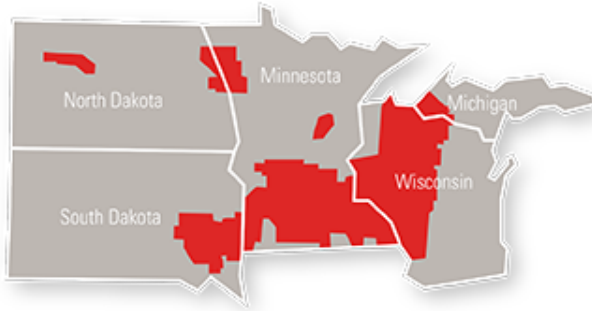




SOLAR*REWARDS COMMUNITY®

James Denniston
October 18, 2016

ABOUT XCEL ENERGY



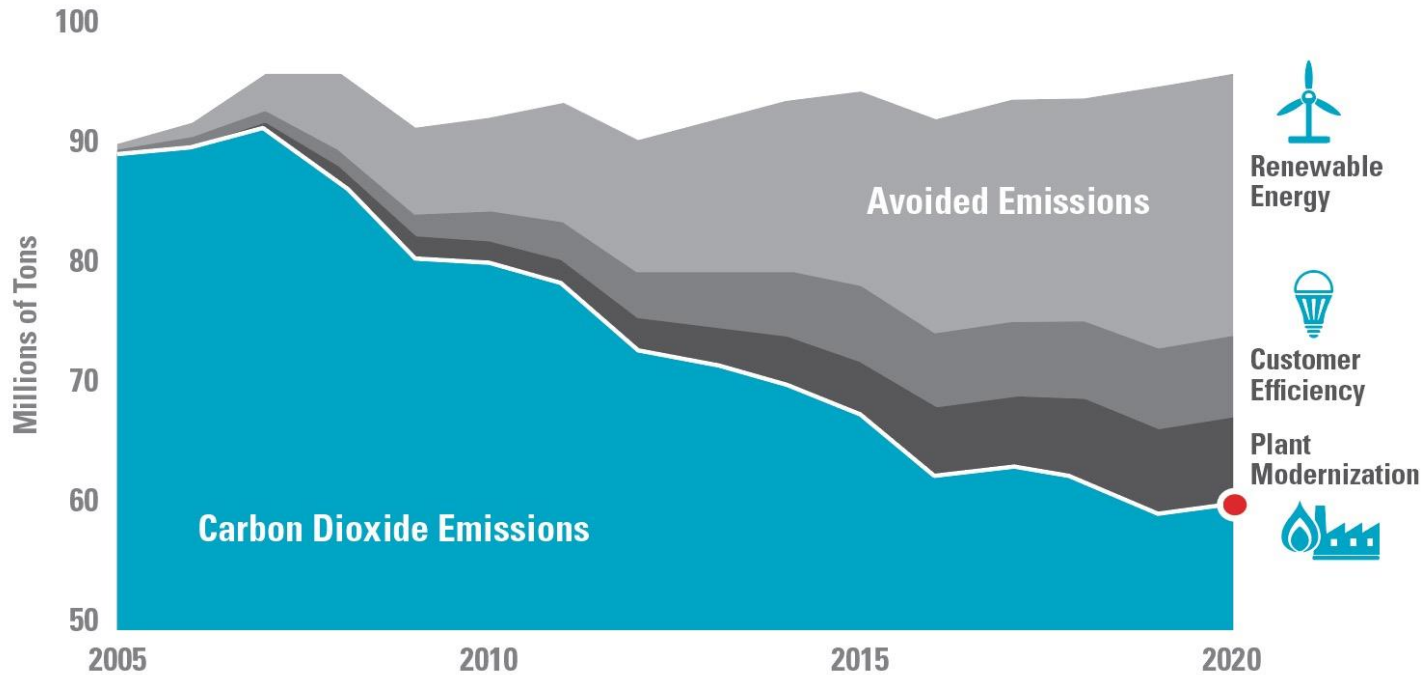
**Serving 3.5 million electricity
and 2 million natural gas customers
in 8 states**

- No. 1 utility wind provider for 12 years (AWEA)
- No. 1 renewable energy sales, outside California (Ceres)
- Climate Leadership Award for GHG reductions (EPA)
- Leader in pursuit of new technologies and voluntary emission-reduction efforts

XCEL ENERGY'S DECLINING CO₂ EMISSIONS



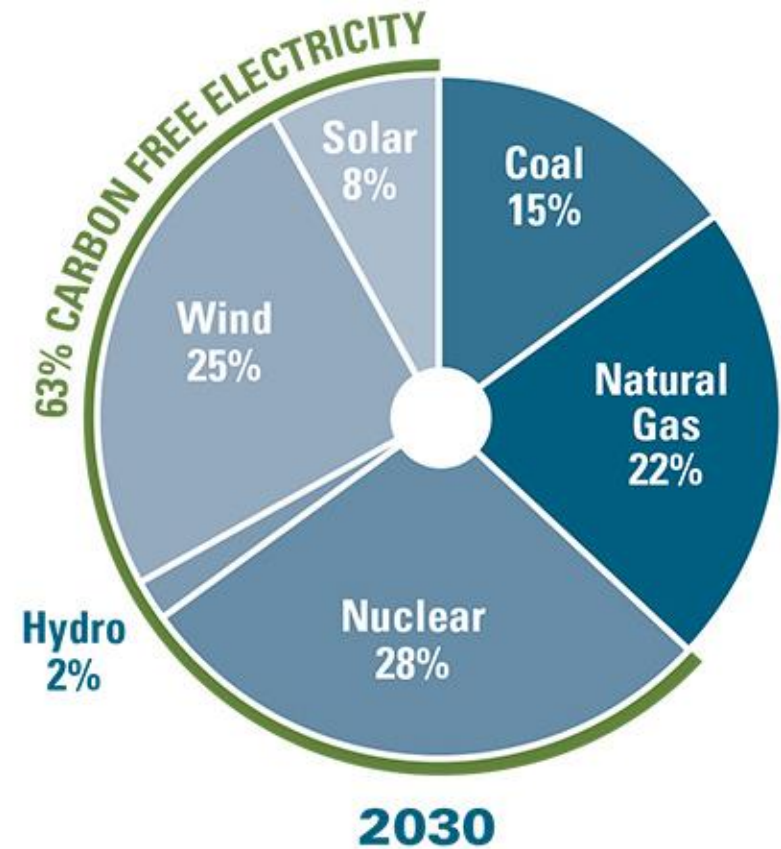
24% reduction since 2005
30% reduction expected by 2020



ALL CUSTOMERS BENEFIT FROM OUR CLEAN ENERGY



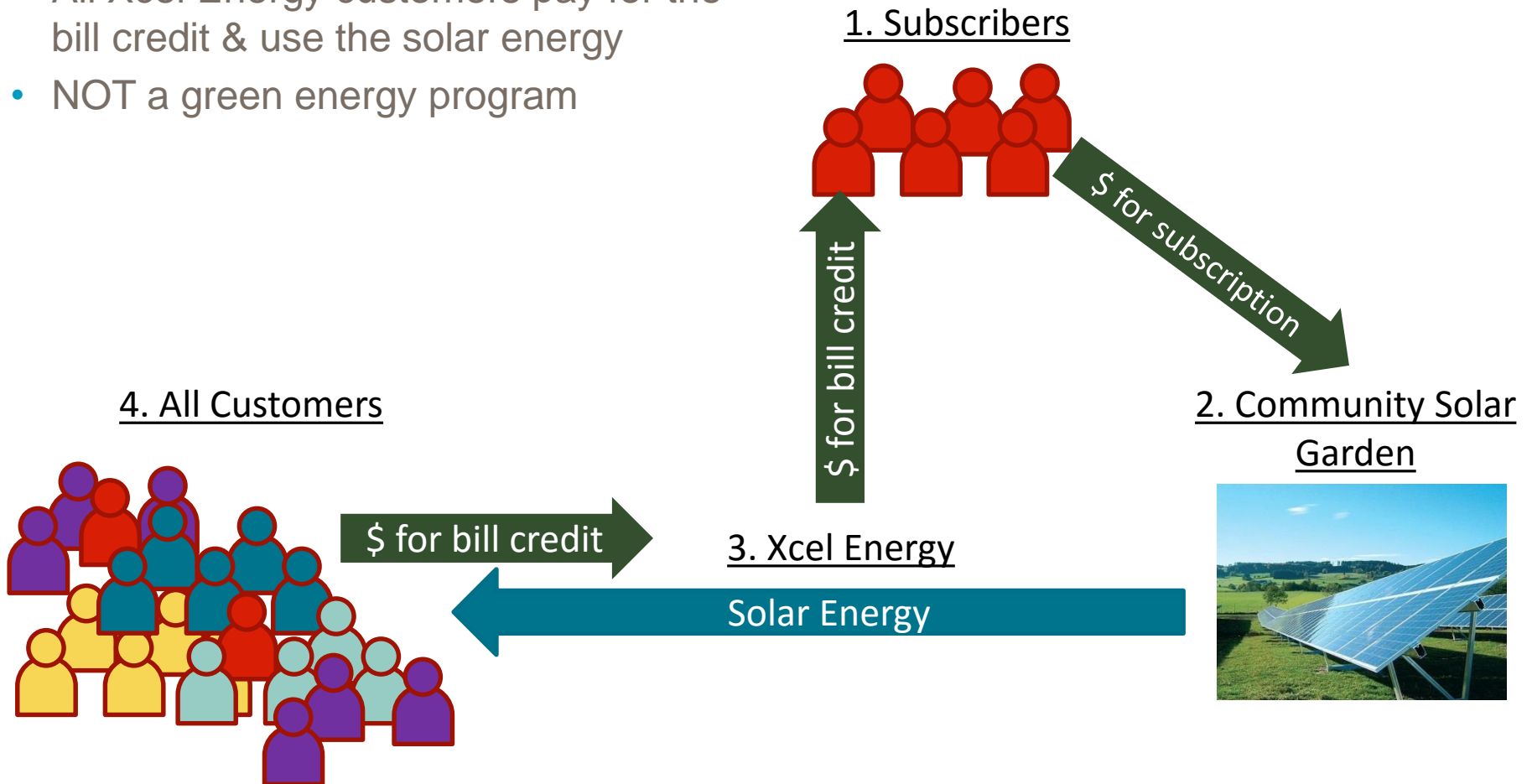
- 63% carbon free by 2030
 - 35% renewable
 - 8% solar
 - Large utility solar
 - Customer-sited solar
 - Solar gardens



How Solar*Rewards Community Works



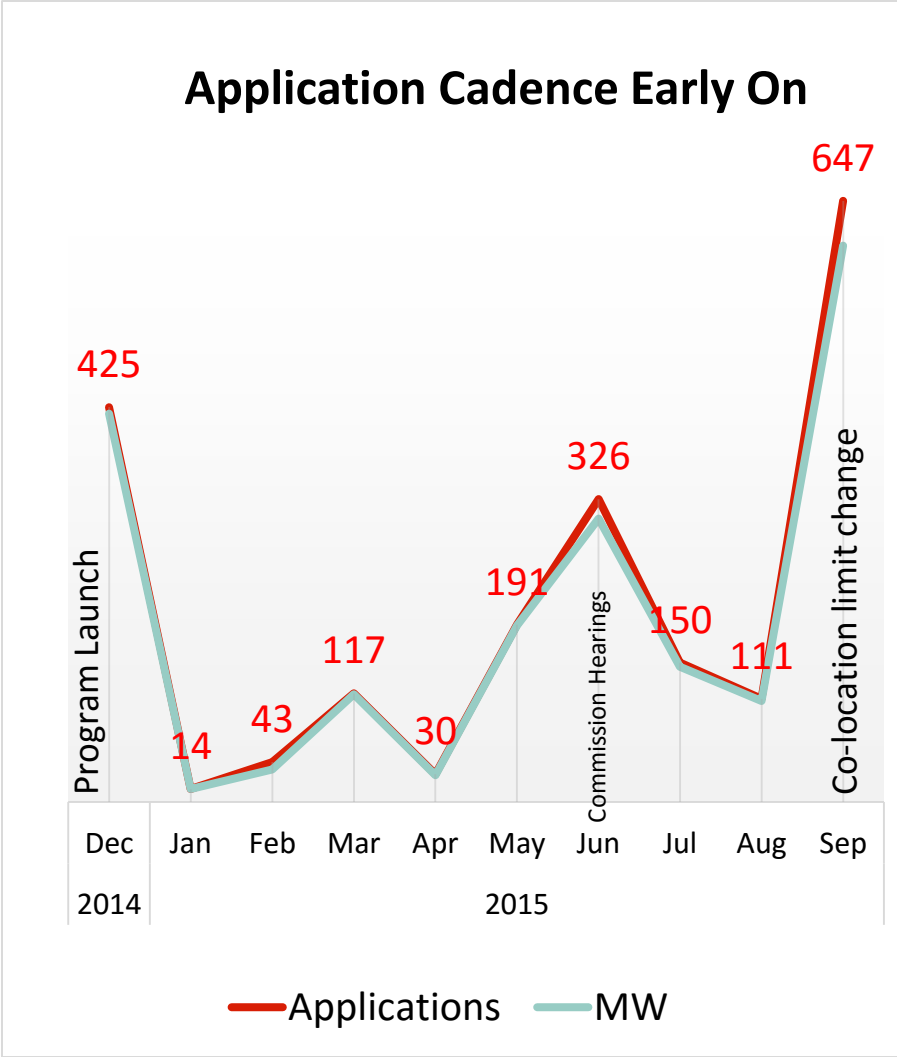
- Bill credit rate set by regulators
- All Xcel Energy customers pay for the bill credit & use the solar energy
- NOT a green energy program





- Created by state Legislature
 - Same or adjacent county
 - Maximum 120% of annual usage
 - 200W minimum subscription
 - Up to 40% of a single garden
 - 1 MW size limit
 - Bill credits at applicable retail rate (ARR) or Value of Solar (VOS); ARR \$17M increase in retail rates per 100 MW.
 - Prior to this, only 2 distributed generation solar projects of about 1 MW in size in Minnesota.
- Company filed our proposal with PUC in fall 2013; program opened in December 2014.

APPLICATIONS AT A GLANCE



PARTIAL SETTLEMENT AGREEMENT DEC. 2015 EFFECTIVE DATE

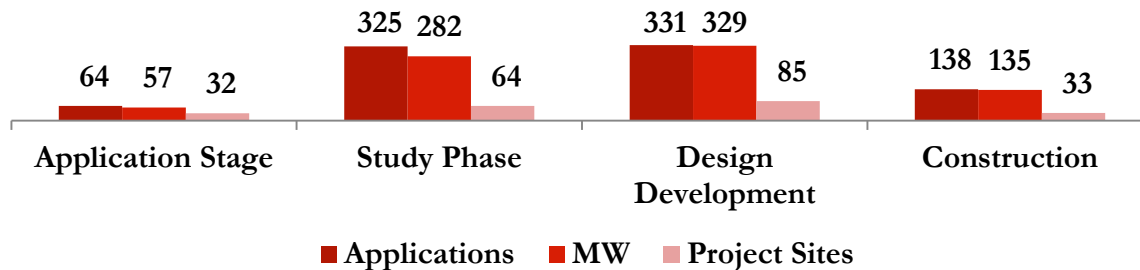


- Key terms:
 - Projects limited to 5 MW on a co-located basis (including those in queue and received through September 2015)
 - All projects proposed thereafter limited to 1 MW
 - Projects which require a substation outage on our distribution system are ineligible
 - Technical disputes to be referred to an Independent Engineer appointed by Department of Commerce
 - 50-day interconnection scoping study

PROGRAM STATUS



- 70 new applications in 2016
- 200+ active project sites in the pipeline (800+ MW)
- 4 projects in-service
- Expect 100-150 MW online yet in 2016



SOME SELECT CHALLENGES



- Pressure to build
 - Inconsistent timelines from developers once in design and starting construction
 - Varying levels of readiness among developers with signed Interconnection Agreements
- Co-Location
- Service Territory issues
- Independent Engineer disputes



CURRENT TEAM FOCUS



- Frequent, open communications.
- Monthly workgroup meetings.
- On pace for one of largest programs in country.
 - By comparison, 110 MW of community solar gardens for rest of country as of March 2016.
- Low income proposal.



Xcel Energy[®]

RESPONSIBLE BY NATURE[®]

