



Major utility: Cutting carbon with wind, solar "a good business plan"

Beth Soholt, Executive Director • Feb. 4, 2016

Xcel Energy looks to wind power as a Clean Power Plan compliance solution.

Xcel Energy recently said it plans to call for \$6 billion in wind and solar energy investment as part of what it says will be Minnesota's most cost-effective way to comply with the Clean Power Plan, the nation's first ever carbon emission reduction rule for existing power plants.

"We think it is a good business plan, period," said Laura McCarten, a regional vice president for the Minneapolis-based utility. McCarten also said, according to reporting by [Minnesota Star Tribune's David Schaffer](#):

"Xcel's analysis of the strategy, which speeds up wind and solar investment in this decade, shows it to be a cost-effective way to reduce greenhouse gas emissions by 60 percent by 2030 -- likely beyond Minnesota's requirements under the Clean Power Plan."

Xcel Energy's statement about using wind energy and solar as the most cost-effective way to comply with the [Clean Power Plan](#) (CPP) comes as new analysis shows Congress helped [add a "bridge" to the CPP's](#) compliance years, according to [the Rhodium Group](#), by passing a multi-year extension of the Production Tax Credit (PTC) late last year. The long term policy certainty and wind power's 66 percent drop in costs over the last six years makes wind energy one of the "technologies of choice for the entire CPP compliance period" and "the tax extenders allow states to meet pending carbon dioxide regulations almost exclusively with zero-emitting renewables," [according to Rhodium](#).

Xcel Energy clearly recognizes the value in today's historically low wind prices, which are being driven in part by the recent extension of the PTC. In the company's preferred plan for the next 15 years, which is currently pending before the Minnesota Public Utilities Commission, they propose adding an additional 1,800 megawatts (MW) of wind by 2030, 800 MW of which are slated to be added by 2020. Procuring these resources in the near-term will allow Xcel to capture the full tax benefits of the PTC, translating to even greater savings for their customers. **Xcel notes in their filings that the recent extension of the PTC and ITC will reduce the cost of their plan by \$202 million.**

Xcel Energy's decision to use renewable energy as the most cost-effective way to comply isn't surprising, given the utility will reportedly invest \$3 billion in wind energy in its Minnesota region by 2030 and its recent history of promoting wind energy as being one of the lowest-cost, reliable options to build a less carbon-intensive energy mix.

This article was written as a Guest Blog Post for the American Wind Energy Association's ["Into the Wind"](#) blog.