

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

State of Minnesota, ex. rel., Association of
Freeborn County Landowners,

Case Type: Other Civil
Court File No.: 62-CV-20-3674
Judge: Hon. Sara Grewing

Plaintiff,

v.

Minnesota Public Utilities Commission,

DECLARATION OF FRITZ SCHULZ

Defendant,

and

Buffalo Ridge Wind LLC, Three Waters
Wind, LLC, Northern States Power
Company, Plum Creek Wind Farm, LLC,

Defendant-Intervenors.

I, Fritz Schulz, under penalty of perjury, state the following:

1. I am a Manager of Origination for Xcel Energy, Inc., a registered public utility holding company, and the parent of Northern States Power Company (“NSP,” or the “Company”), which owns Freeborn Wind Farm (“Freeborn Wind”). I am employed by Xcel Energy Services, Inc., which is a subsidiary of Xcel Energy, Inc. This Declaration is filed in Opposition to Plaintiff Association of Freeborn County Landowners (“AFCL”)’s Motion for Temporary Injunction.

2. In my role, I am responsible for sourcing commodity transactions (buying or selling) for NSP. This can include the purchase or sale of energy, capacity, emissions or renewable energy credits (“RECs”) for the utility. Generally, the first steps in conducting this market interaction is price discovery and formation.

3. Freeborn Wind is planned to be an up to 200 MW wind farm straddling the Minnesota-Iowa border. Freeborn Wind received a site permit from the Minnesota Public Utilities Commission to locate up to 84 MW of the wind facility in Freeborn County, Minnesota.

4. As a renewable wind energy production facility, for every megawatt hour (“MWh”) of energy generated by Freeborn Wind, a corresponding REC is also created. RECs are certificates corresponding to the environmental attributes of energy produced from renewable resources like wind and solar.

5. In Minnesota, RECs are retired in a REC-tracking system known as MRETS, or the Midwest Renewable Energy Tracking System. RECs may be retired for a variety of reasons, but generally utilities or utility customers will retire them to match with load that can consequently be claimed to be supported by renewable generation or to fulfill state mandated Renewable Portfolio Standard (RPS) compliance obligations.

6. For utility programs mandated in Minnesota, RECs expire after four years, and RECs of different vintages (RECs created in different years) will often have different values.

7. RECs are traded in the United States through both brokered and bilateral markets. As an employee within Xcel Energy Inc.’s wholesale market function, I regularly receive pricing from various brokerage houses that provide us with the bid and/or offer side of the market for different vintages of RECs.

8. Based on my experience monitoring the market for RECs in the United States, including specifically RECs created from renewable projects in Minnesota, and the projected production volumes and indications of REC market value, if the Freeborn Wind facility is not constructed, I expect NSP would incur replacement damages for lost RECs between \$1.1 million and \$1.5 million annually over the expected 25-year lifespan of the project.

I declare under penalty of perjury that everything I have stated in this document is true and correct

Dated: August 19, 2020
Denver, Colorado

/s/ Fritz Schulz
Fritz Schulz