



MINNESOTA
PUBLIC UTILITIES COMMISSION

January 23, 2026

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Senate Energy, Utilities, Environment, and Climate Committee
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Subject: Legislative Report Required by Minn. Stat. 116C.83 regarding additional dry cask storage at the Prairie Island Nuclear Generating Plant Independent Spent Fuel Storage Installation (MPUC Docket No. E-002/CN-24-68)

Dear Legislators:

Pursuant to [Minnesota Statutes Chapter 116C.83, Subdivision 3](#), the Minnesota Public Utilities Commission (Commission) is issuing this report to the Legislature concerning the Certificate of Need granted to Northern States Power Company, Minnesota d/b/a Xcel Energy (Xcel) for the Prairie Island Nuclear Generating Plant (PINGP) Independent Spent Fuel Storage Installation (ISFSI) expansion in Red Wing, Minnesota.

Respectfully Submitted,



Sasha Bergman
Executive Secretary



Legislative Report

**Report of the Minnesota Public Utilities Commission's decision
concerning additional spent nuclear fuel storage at the Prairie Island (correction)
Nuclear Generating Plant Independent Spent Fuel Storage Installation
(ISFSI) as Required by Minnesota Statute §116C.83**

Estimated Costs of Preparing this Report

The cost information reported below is the estimated cost of preparing this report document. Special funding was not appropriated for the costs of preparing this report. In accordance with Minn. Stat. §3.197, the estimated cost incurred by Minnesota Public Utilities Commission in preparing this report is less than \$1000.

Report to the Legislature – Decision approving additional spent nuclear fuel storage at the Monticello Nuclear Generating Plant Independent Spent Fuel Storage Installation.

Reporting Requirements

Minnesota Statutes, Section 116C.83 establishes requirements for Commission approval of additional dry cask storage. Minnesota Statutes, Section 116C.83, Subdivision 3 states:

Subd. 3. Legislative review. (a) To allow opportunity for review by the legislature, a decision by the commission on an application for a certificate of need pursuant to subdivision 2 is stayed until the June 1 following the next regular annual session of the legislature that begins after the date of the commission decision. By January 15 of the year of that legislative session, the commission shall issue a report to the chairs of the house of representatives and senate committees with jurisdiction over energy and environmental policy issues, providing a summary of the commission's decision and the grounds for that decision, the alternatives considered and rejected by the commission, and the reasons for rejecting those alternatives. If the legislature does not modify or reject the commission's decision by law enacted during that regular legislative session, the commission's decision shall become effective on the expiration of the stay.

(b) The stay of a commission decision to approve an application for a certificate of need for additional dry cask storage under subdivision 2 does not apply to the fabrication of the spent-fuel storage casks. However, if the utility proceeds with the fabrication of casks, it does so bearing the risk of an adverse legislative decision.

Historical Background on PINGP and the ISFSI

PINGP is a two-unit, nuclear-powered electric generating plant located in Red Wing, Minnesota, operated by Northern States Power Company, Minnesota d/b/a Xcel Energy (Xcel Energy). Each reactor produces, on average, 550 megawatts (MW) of electrical power. The US Nuclear Regulatory Commission (NRC) granted an operating permit in August 1973 for the first unit and in 1974 for the second unit. In 2011, the NRC approved a 20-year license extension for the Prairie Island Nuclear Generation Plant (PINGP); the current license expires in September 2033 and October 2034. In 2026, Xcel Energy intends to apply to the NRC to renew the operating license for an additional 20 years.

The initial 17-cask limit for spent fuel storage was raised to 64 casks through Commission and legislative action. New technology and capacity changes to casks have resulted in 65 casks being utilized. However, the 65 casks, when compared to previously permitted technology, hold an equivalent of 64 casks.¹ Xcel estimates an additional 34 casks are needed to support 20 years of continued operation. Xcel has stated that these additional casks will be placed within the existing independent spent fuel storage installation (ISFSI) footprint located west of the PINGP cooling towers.

¹ Minn. Stat. § 116C.776

Summary of the Commission’s Decision

On May 2, 2024, the Commission issued an Order *Order Accepting Application as Complete and Notice of and Order for Hearing*. The Commission referred the project to the Office of Administrative Hearings for contested case proceedings, requesting the administrative law judge (ALJ) produce a report by July 1, 2025.²

On October 17, 2025, the Commission issued an *Order Granting Certificate of Need With Conditions* to Xcel to allow 34 additional dry-fuel storage systems at PINGP.³ In agreement with the conclusion reached by the ALJ, the Commission found that the regulatory requirements for a certificate of need had been met. In addition to the conditions supported by the ALJ, the Commission approved two additional conditions: (1) Xcel Energy is required to limit traffic on Sturgeon Lake Road, to the extent practical, and (2) Xcel Energy must collaborate with, inform, and update Goodhue County, the City of Red Wing, and the Prairie Island Indian Community concerning the lifespan of the dry casks stored, the replacement of casks, and emergency response and preparedness for as long as storage is necessary at the site.

Rationale for Commission’s Decision

The Commission adopted the ALJ’s report. In doing so, the Commission agreed with the ALJ that the project met all the rules and statutory requirements. Additionally, the ALJ wrote, “....in light of the State’s projected capacity and energy needs and the Company’s generation retirements and PPA expirations, the ISFSI Expansion Project will have a positive impact on meeting the energy needs of Minnesota.”⁴ In other words, the continued operation of the Prairie Island generating station will assist Minnesota in achieving its 100 percent carbon free electric generation requirement by 2040.

Alternatives Considered by the Commission

The Commission and the ALJ reviewed alternative storage locations to the ISFSI and alternative energy generation options provided by the PINGP. When evaluating the proposed facility the Commission must compare it to other reasonable or prudent alternatives, considering: (1) the appropriateness of the size, type, and timing; (2) the cost of the proposed facility and alternatives, and the costs of energy they will supply; (3) the effects on the natural and

² PUC, [Order – Order Accepting Application as Complete](#), May 2, 2025.

³ The certificate of need proceeding was stayed to allow for record development and a Commission decision on Xcel’s 2024 Integrated Resource Plan and whether the PINGP should remain in Xcel Energy’s generation portfolio and continue to operate until 2053/2054.

⁴ OAH, [Report – Findings of Fact, Conclusions of Law, and Recommendation](#), June 23, 2025.

socioeconomic environments; and (4) the expected reliability of the proposed facility and alternatives.⁵

1. Alternatives to ISFSI

The Commission and the ALJ examined off-site alternatives, including reprocessing spent nuclear fuel, existing off-site storage, private centralized interim storage, permanent off-site storage, and on-site storage. The Commission agreed with the ALJ's conclusion that the evidence in the record did not demonstrate a more reasonable and prudent alternative to expanding the ISFSI.

Currently, neither the federal government or private companies have invested in the infrastructure necessary to reprocess nuclear waste in the United States. Additionally, neither the federal government or private companies are accepting spent fuel from nuclear power plants.

A federal statute has designated Yucca Mountain in Nevada as a permanent repository for commercial spent fuel. However, the application is pending, and hearings before the NRC Atomic Safety and Licensing Board are suspended.

New on-site alternatives at PINGP were also studied. However, the existing footprint of Xcel Energy's property isn't sufficient to support a new facility, and it is believed that a new facility would have a greater environmental impact due to construction. The Commission also considered fuel rod consolidation and re-racking but found these options to be less viable than expanding the ISFSI.

2. Generation Alternatives

The Commission wrote in its Order that Xcel Energy analyzed generation alternatives, including the PINGP's closure in 2034. If the PINGP were to close, Xcel Energy would need to replace the plant's baseload generation with other assets. Xcel Energy modeled three scenarios: Scenario 1 assumed retirements of the Prairie Island Plant in 2033/2034 and the Monticello Nuclear Generating Plant in 2040; Scenario 2 assumed operation of the Prairie Island Plant until 2053/2054; and Scenario 3 assumed extensions of both nuclear plants, with retirement of the Prairie Island Plant in 2053/2054 and Monticello in 2050. The modeling showed that without the nuclear generation facilities, substantial replacement generation would be necessary. Xcel Energy also asserted that the nuclear generation facilities were critical to meeting the goal of

⁵ [Minn. R. 7855.0120\(B\)](#)

100% carbon-free generation by 2040. When accounting for the goal, extending Prairie Island through 2053/2054 resulted in \$1 billion in savings compared to a 2033/2034 retirement.⁶

In its Order, the Commission also noted that the Department of Commerce found that PINGP's continued operation is expected to create fewer impacts to natural and socioeconomic environments than alternative scenarios, with alternatives likely to generate additional greenhouse gases.⁷

Additional Considerations

When determining if a certificate of need should be issued, the Commission must examine the requirements in rule.⁸ The Commission found that the record demonstrates that approving additional storage will yield greater societal benefit than denying it, when accounting for the project's benefits to the natural and economic environments.⁹ Additionally, the Commission found that the removal of PINGP would create a several million megawatt-hour deficit in the region by 2031.

The ALJ identified the economic harm that would result from denying the certificate of need to the 550 members of the Prairie Island Indian Community, as well as the social injustice of siting this plant near the Prairie Island Indian Community in the 1970s. However, the ALJ found, and the Commission concurred, that the status quo will not materially change with the expansion of the ISFSI.¹⁰

In its Order, the Commission found that granting the certificate of need would help maintain consistent and reliable carbon free energy with few harmful emissions. Additionally, the Commission found that the project has a societal benefit that relates to protecting the environment.¹¹

⁶ PUC, [Order – Granting a Certificate of Need with Conditions](#), P. 14

⁷ Ibid., p. 14.

⁸ Minn. R. 7855.0120(C)

⁹ PUC, [Order – Granting a Certificate of Need with Conditions](#), p. 15

¹⁰ Ibid., p. 16

¹¹ Ibid., p.16