MINNESOTA
PUBLIC UTILITIES COMMISSION

January 23, 2026

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Energy, Utilities, Environment, and Climate Committee
State Senate Building, Room 3109
St. Paul, Minnesota 55155

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658 Cedar Street
St. Paul, MN 55155-1050

Subject: Periodic Report on Nuclear Plant Decommissioning Costs

Dear Senators and Representatives:

Below, please find the periodic report on Nuclear Plant Decommissioning Costs required of the Minnesota Public Utilities Commission under Minnesota Statutes, section 216B.2445, subdivision 3.

Please let me know if you have questions or I can provide further assistance.

Sincerely,

Sasha Bergman
Executive Secretary

MINNESOTA
PUBLIC UTILITIES COMMISSION

Report on Nuclear Plant Decommissioning

Pursuant to Minnesota Statutes, Section 216B.2445

January 23, 2026

Legislative Report – Generally Required Information

Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101-2147
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Minnesota Statutes, Section 216B.2445, subdivision 3, requires the Minnesota Public Utilities Commission (Commission) to report on the costs of decommissioning Minnesota nuclear power plants and related issues within 180 days of the Commission's orders on its periodic review of nuclear decommissioning costs.

Pursuant to Minnesota Statutes, Section 3.197, the Commission estimated costs for preparing this Report are minimal as most of the information contained in this Report is developed in the normal course of business. Special funding was not appropriated for the costs of preparing this Report.

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.

BACKGROUND

Minnesota Statutes, Section 216B.11, Depreciation Rates and Practices, directs the Minnesota Public Utilities Commission (Commission) to set depreciation, amortization, or depletion rates for utility property which every public utility is required to follow. Commission rules require utilities to file for depreciation certification at least every five years.

Nuclear facilities present the need to plan for very large end-of-life decommissioning costs compared to other types of electric power facilities, due to the costs of handling and removing radioactive plant elements, related equipment, and spent fuel. The Commission first addressed nuclear decommissioning issues independent of normal depreciation methods in its February 26, 1981 Order in Docket No. E-002/D-79-956. In its October 27, 1987 Order in Docket No. E-002/D- 86-604, the Commission determined that future comprehensive reviews of Xcel Energy's decommissioning costs and financial parameters would occur every three years instead of every five years, and the Commission has continued that practice.

In 2011, Minnesota Statutes, Section 216B.2445, was enacted, pertaining specifically to nuclear power plant decommissioning and storage of used nuclear fuel.

Subdivision 1 requires the Commission to evaluate Minnesota government entities' and tribal communities' costs related to storing used nuclear fuel following the cessation of nuclear plant operations. It also requires Xcel Energy to provide costs estimates for storing such fuel in the state for 60, 100, and 200 years after the nuclear plants cease operations.

Subdivision 3 requires the Commission to submit a Report to the Legislature after each periodic review that includes the following:

1) an explanation of the commission's funding decisions regarding nuclear decommissioning;
2) the progress of the United States Department of Energy to remove from Minnesota spent fuel produced by nuclear generating plants in Minnesota;
3) an analysis of the financial and other obligations related to decommissioning and storage of used fuel of the utility holding title to spent nuclear fuel to the state and to host communities, including affected tribal communities; and
4) any recommendations to the legislature on legislation or other actions that may be necessary for addressing long-term or indefinite storage costs.

This Report covers the Commission's most recent review of Xcel Energy's nuclear decommissioning accruals, for the period 2025 through 2027, in Docket No. E-002/M-24-394.

The Commission's *Order Approving Decommissioning Study, Decommissioning Accrual, and Taking Other Action*, was issued on May 14, 2025, (2025 Order). The Order is attached to this Report.

COMMISSION'S FUNDING DECISIONS REGARDING NUCLEAR DECOMMISSIONING

Introduction

The Commission's triennial nuclear decommissioning reviews examine Xcel Energy's decommissioning planning and assumptions and establish accrual rates to be collected in its electric utility rates necessary to fund the post-operation decommissioning costs of its Monticello and Prairie Island nuclear generating plants. All nuclear decommissioning amounts are deposited into a Nuclear Decommissioning Trust Fund (NDT). In addition to the federal Nuclear Regulatory Commission (NRC) requirements related to nuclear decommissioning trusts and investments, the Commission also examines Xcel Energy's NDT's financial parameters, returns and investment safety/risks.

When establishing the accrual amounts to be collected in Xcel Energy's rates, the Commission attempts to arrive at a reasonable cost estimate for decontamination and removal of nuclear facilities at the end of their operating lives and to set an accrual to accumulate funds sufficient to pay those decommissioning costs.

Timeframe for Storage and Removal of On-site Spent Fuel

Due to the delays in the Federal Government's ability to take ownership of the spent nuclear fuel, the Commission, starting in Docket No. E-002/M-11-939, began using a 60-year post-operation assumption for the storage and removal of the spent nuclear fuel. The 2025 Order continued to base the accrual amounts on the 60-year assumption. However, as required by statute, the record also contains analysis of 100- and 200-year assumptions.

Decommissioning Cost Assumptions

The Commission's May 14, 2025 Order in Docket No. E-002/M-24-394 established the costs for decontaminating and removing nuclear facilities at the end of their service lives and set the annual accruals required to fund these activities. The Order shifts toward lower near-term costs for customers by leveraging extended plant operating licenses and improved investment return forecasts, while maintaining a long-term strategy for site restoration and spent fuel management.

The Order set that beginning in 2025, approved Xcel Energy's annual nuclear decommissioning accrual of $3,832,550 to meet the requirements of the 60-year Monticello with a 10-year extension/Prairie Island End-of-Current-Life DECON scenario.

As shown in Table 1, Xcel analyzed various scenarios. The Commission's preferred scenario remains the 60-year DECON scenario, which assumes the Monticello plant continues operations under a 10-year license extension.

Table 1 - Decommissioning Accrual Calculations (2025 Study)

Scenario	Total Accrual ($M)
200-Year Scenario (DECON) Monti +10 / PI EOCL	$118.2
200-Year Scenario (DECON) Monti +20 / PI EOCL	$103.0
200-Year Scenario (DECON) Monti +10 / PI +20	$60.6
100-Year Scenario (DECON) Monti +10 / PI EOCL	$53.0
200-Year Scenario (DECON) Monti +20 / PI+20	$45.4
100-Year Scenario (DECON) Monti +20 / PI EOCL	$44.1
100-Year Scenario (DECON) Monti +10 / PI +20	$16.0
100-Year Scenario (DECON) Monti +20 / PI +20	$7.2
60-Year Scenario (DECON) Monti +10 / PI EOCL	**$3.8**
60-Year Scenario (DECON) Monti +20 / PI EOCL	$3.8
42-Year Scenario (DECON) Monti +10 / PI EOCL	$1.2
42-Year Scenario (DECON) Monti +20 / PI EOCL	$1.2
42-Year Scenario (DECON) Monti +10 / PI +20	$0.0
60-Year Scenario (DECON) Monti +10 / PI +20	$0.0
42-Year Scenario (DECON) Monti +20 / PI +20	$0.0
60-Year Scenario (DECON) Monti +20 / PI +20	$0.0

In addition to the decommissioning accrual calculation, the triennial study also includes an end-of-life (EOL) nuclear fuel calculation. EOL nuclear fuel relates to any fuel remaining at the time a plant shuts down. Since the unused fuel cannot be transferred to another facility, Xcel Energy estimates the expected cost of unused fuel at the end of operations and, using a sinking fund, amortizes the expense over the remaining life of each unit. As shown in Table 2, the end-of-life amount to be recovered is $89.8 million which is higher than the $84.9 million projected in 2020. Xcel attributed the increase to higher projected nuclear fuel commodity prices throughout the forecast period due to the restraint in supply as a result of the geopolitical issues of the Russian invasion of Ukraine.[1]

Table 2 - End of Life Nuclear Fuel Recovery Amounts

Plant	Book Value
Monticello	$55,209,116
Prairie Island	$34,579,804
Total	$89,788,920

[1] Xcel Energy, Initial Filing, Schedule G.0, page 3.

As a result of the anticipated increase in EOL costs, Xcel Energy proposed an annual EOL accrual of $455,460. The Department of Commerce reviewed the EOL nuclear fuel accrual calculations and found them to be reasonable. Table 3 reflects Xcel proposed a reduction in the MN-jurisdiction annual accrual recovery from $861,289 to $455,460. The proposed decrease stems mainly from the ten-year life extension of Monticello.

Table 3 - End of Life Nuclear Fuel Accrual

Plant	Present	Proposed	Difference
Monticello	$1,073,616	$432,036	($641,580)
Prairie Island	$107,496	$189,648	$82,152
Total Company	**$1,181,112**	**$621,684**	**($559,428)**
MN Jurisdiction Factor	72.9219%	73.2623%	73.2623%
Total MN Jurisdiction	**$861,289**	**$455,460**	**($405,829)**

The Commission's Order also approved Xcel's proposed Nuclear Decommissioning Trust (NDT) investment mix of 60 percent equity, 30 percent fixed income, and 10 percent private real estate. This investment mix incorporates proposed life extensions for the Monticello plant (through 2050) and the Prairie Island units (through 2053 and 2054). These extensions provide additional time for the NDT to earn investment returns, thereby reducing the immediate annual accrual required from ratepayers. According to the Commission's April 21, 2025 Order in Docket No. E-002/RP-24-67 (2024 IRP) authorized Xcel, for planning purposes, to extend the life of Monticello to 2050 and to extend the life of Prairie Island to 2053 for Unit 1 and 2054 for Unit 2. The Nuclear Regulatory Commission (NRC) approved Monticello's 20 year license extension from sixty to eighty years (2030 to 2050) subsequent to the Xcel's initial filing, but the extension for 2040 – 2050 has not been approved by the Commission. Neither the NRC nor the Commission has approved the 20-year license extension for Prairie Island. The current accrual based on the 60-year Monticello +10/PI EOCL Scenario reflects prior Commission decisions. The Department indicated that it will further review the remaining lives for the Monticello and Prairie Island nuclear plants in Xcel's pending rate case proceeding in Docket No. E-002/GR-24-320 to determine if changes are needed due to Xcel's 2024 IRP and for rate mitigation purposes. Table 4 reflects Xcel's overall investment strategy.

Table 4 – Investment Mix

Portfolio Line Item	2020 Target	2024 Target
Total Equity	**58.0%**	**60.0%**
Private Equity	10.0%	12.0%
US All Cap Equity	27.9%	31.6%
Non-US Developed Equity	12.6%	11.6%
Emerging Markets Equity	7.5%	4.7%
Fixed Income	**30.0%**	**30.0%**
Investment Grade Fixed Income	19.0%	
Intermediate Credit		9.5%
US Aggregate Fixed Income		4.8%
US Long Duration TIPS		4.8%
High Yield Fixed Income	5.0%	6.6%
High Yield Fixed Income	6.0%	4.4%
Emerging Market Debt		
Private Real Estate	**12.0%**	**10.0%**
Cash	**0.0%**	**0.0%**
Total	**100.0%**	**100.0%**

Xcel hired Goldman Sachs Asset Management (GSAM) to perform the forecast analysis for the escalation/inflation rates used in the Petition's accrual calculations. Table 5 shows the escalation rates.

Table 5 - GSAM's Escalation Analysis

Escalation Component	Trend Projection
(a) Long-term risk-free rate (30-year Treasury)	4.56%
(b) TIPS44 Yield (30 -year TIPS)	2.26%
(c) Expected Inflation = (a) – (b)	2.30%
(d) Non-inflation escalation (non-labor costs)	1.00%
(e) Total escalation (non-labor costs) = (c) + (d)	**3.30%**
(f) Share of Labor Compensation in GDP	60%
(g) Long-term real GDP growth	2.00%
(h) Labor Productivity (Merit) = (f) * (g)	1.20%
(i) Non-inflation escalation (labor costs) = (d) + (h)	2.20%
Total escalation (Labor Costs) = (c) + (i)	**4.50%**

The Minnesota Department of Commerce ("the Department") reviewed this analysis and concluded that it is reasonable for GSAM to calculate escalation rates using a two-step process with separate escalation rates for non-labor and labor costs, and recommended that an independent consultant, rather than Xcel, continue to prepare the escalation analysis.

The Commission's May 14, 2025 Order in Docket No. E-002/M-24-394 approved escalation rates of 3.30 percent for non-labor costs and 4.50 percent for labor costs and required Xcel to continue using an independent consultant to calculate escalation rates in future triennial decommissioning filings, along with providing a statement affirming the consultant's independence.

The Commission accepted the information Xcel provided regarding premature decommissioning risk, noting that insurance for non-accident-related shutdowns (such as regulatory changes) is currently unavailable; however, Xcel maintains $2.75 billion in property insurance per site to cover accident-related decontamination.

Based on NRC evaluations, the Commission required Xcel to continue assuming that the U.S. Department of Energy will provide settlement payments for dry cask storage, with the assumption that 75 percent of these reimbursements will be recovered to mitigate cost refunds during the decommissioning process. The Department reviewed Xcel Energy's triennial filing and agreed with Xcel Energy's assumptions and calculations. However, the Department noted that, prior to SFAS 143, estimated decommissioning obligations were recognized through depreciation expense over the life of the plant. SFAS 143 now requires that decommissioning obligations be recognized when incurred and recorded as a liability and, if regulatory requirements are met, allows for the recognition of an offsetting regulatory asset. The Department considered the SFAS 143 balance sheet accounts to provide a high-level overview of the estimated decommissioning liability and the funds available to pay for future decommissioning expenses. After reviewing Xcel's SFAS 143 accounting related to nuclear decommissioning, the Department concluded that Xcel's accounting treatment is reasonable. Accordingly, the Commission required Xcel to include SFAS 143 balance sheet accounts in its next triennial decommissioning filing, along with a brief narrative explaining the Asset Retirement Obligations balances related to nuclear decommissioning.

STATUS OF PROGRESS BY THE UNITED STATES DEPARTMENT OF ENERGY TO REMOVE SPENT NUCLEAR FUEL FROM MINNESOTA

Background on Federal Program for Disposal of Spent Nuclear Fuel

The Nuclear Waste Policy Act (NWPA) of 1982 established a federal program to dispose of spent nuclear fuel and other high-level radioactive wastes. The NWPA set a deadline of January 31, 1998 for the United States Department of Energy (DOE) to begin removal and disposal of spent nuclear fuel and other high-level nuclear waste from commercial nuclear reactors. The NWPA

also set out procedures and standards for licensing a selected repository through independent review by the federal Nuclear Regulatory Commission (NRC).

The NWPA established a nuclear waste fund (NWF) to pay for the program, through a one mil (one-tenth of a cent) per kilowatt-hour charge for electricity generated from nuclear plants. DOE entered into contracts with commercial reactor operators to take the waste in exchange for payment of the nuclear waste fees. The NWPA also included provisions intended to ensure that there would be adequate on-site interim storage of spent fuel, including the development of dry cask storage facilities.

By 1986, DOE had studied nine potential nuclear waste repository sites in six states, narrowed the list to three sites, and found Yucca Mountain, Nevada to be the highest-ranking site. In 1987, the NWPA was amended to direct the DOE to consider only the Yucca Mountain site for a permanent repository. In 2002, the DOE Secretary recommended Yucca Mountain for the development of repository, and a joint resolution of Congress affirming the selection was passed into law, over the objections of the state of Nevada.

In 2008, DOE submitted its license application to the NRC for the repository. In 2009, the then Administration announced plans to terminate DOE's Yucca Mountain project and funding related to the project was significantly reduced for both the DOE and NRC.

In 2010, the Administration effectively shut down the Yucca Mountain project, and established a Blue-Ribbon Commission (BRC) to recommend a new approach for the nuclear waste program. The BRC presented its *Report to the United States Secretary of Energy on America's Nuclear Future* in January of 2012, containing specific recommendations to use a consent-based, incremental approach to implementing the federal waste management program and siting disposal facilities.

In January 2013, the DOE responded to the BRC's report and committed to apply a consent-based process for its spent fuel disposal program, with the intent to:

- license a pilot-scale interim storage facility to be operational by 2021,
- license a larger consolidated interim storage facility by 2025, and
- establish a permanent geologic repository with license and design by 2042 and operations starting in 2048.

Since 2014, the NRC staff had completed the Yucca Mountain Safety Evaluation Report (SER), in which it concluded that, with exceptions relating to ownership of land and water rights that DOE had not yet secured, safety requirements were met. On May 16, 2016, the NRC staff issued a Supplement to DOE's Environmental Impact Statement addressing certain Yucca Mountain ground water issues. An adjudicatory hearing on both DOE's safety analysis and the SER, which is a prerequisite for the NRC's licensing decision, remains in suspension.

Current Status of Federal Program for Disposal of Spent Nuclear Fuel

As of September 2021, about 86,000 metric tons of spent nuclear fuel from commercial reactors was being stored at 75 U.S. sites.[2] This amount continues to grow. Policymakers have been at an impasse over what to do with the spent fuel since the licensing of the Yucca Mountain repository stopped in 2010. Unable to meet its disposal commitment, the U.S. government has paid reactor owners about $9 billion for storage.

In September 2021, the NRC issued a license to Interim Storage Partners, LLC to construct and operate a consolidated interim storage facility (CSIF) for spent nuclear fuel in Andrews, Texas. The license authorized the company to receive, possess, transfer, and store up to 5,000 metric tons of spent fuel and 231.3 metric tons of greater-than-Class C radioactive waste for 40 years. In March 2022, several environmental groups challenged NRC's licensing of the facility, claiming the license violates the Nuclear Waste Policy Act and the Administrative Procedures Act by allowing DOE to take title of commercial spent fuel before a permanent repository is available. On January 27, 2023, the U.S. Court of Appeals for the D.C. Circuit issued a judgment upholding the license granted by the NRC.

While a comprehensive federal policy on spent fuel disposal remains elusive, consensus regarding the need for action by the Federal Government is emerging. The General Accountability Office (GAO) published a report articulating the need for congressional action and providing several policy recommendations based on input from numerous experts. The report highlighted concerns about the effect of the continuing impasse on environmental, health, and security risks; efforts to combat climate change; and taxpayer costs. According to GAO, most experts said Congress should (1) amend the NWPA to authorize the DOE to implement a new consent-based process for siting consolidated interim storage and permanent geologic repository facilities, (2) restructure the Nuclear Waste Fund to ensure reliable and sufficient funding, and (3) direct DOE to develop and implement an integrated waste management strategy. DOE has agreed with GAO's recommendations. As of this date, there are no bills proposed to codify these recommendations.

On March 9, 2023, U.S. Senator Joe Manchin convened a meeting of the Energy & Natural Resources Committee.[3] The hearing's stated purpose was to examine the nuclear fuel cycle. Despite the robust discussion that took place, no tangible solution regarding a final disposal site for spent nuclear fuel problem was achieved.

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[2] In Minnesota, the Monticello Nuclear Generating Plant currently stores approximately 30 waste canisters with 60 spent fuel assemblies each and has requested PUC approval to expand its capacity another 12-15 canisters to enable operation of the plant through its NRC licensure in 2040. The Prairie Island Nuclear Generating Plant is authorized to store up to 2,560 fuel assemblies to facilitate operations through its current operating licenses (Unit 1 is licensed through August 9, 2033, and Unit 2 is licensed through October 29, 2024).

[3] Full Committee Hearing to Examine the Nuclear Fuel Cycle - U.S. Senate Committee...

Status of the Federal Nuclear Waste Fund

As noted above, the NWPA established a nuclear waste fund (NWF) to pay for the DOE civilian nuclear waste disposal program, through a one mil (one-tenth of a cent) per kilowatt-hour charge to utility nuclear plant operators for electricity generated from nuclear plants. The fee became effective in 1983. Utilities collected the federally mandated fees from their ratepayers as part of their cost of energy.

After protracted legal battles, which included active participation by the National Association of Regulatory Utility Commissions (NARUC), nuclear utilities, and others, the U.S. Court of Appeals ruled in November 2013 that DOE must, within six months, do a thorough assessment of whether continuing to collect the one-mill/kWh nuclear waste fee was necessary. The Court put DOE on notice that if DOE did not suspend the fees after its evaluation, the Court had authority to suspend the fees and find that they could not be reinstated unless the DOE complied with the NWPA or Congress enacted an alternative program. The DOE suspended the fees on May 16, 2014.

Xcel Energy stopped collecting the one-mill/kWh nuclear waste fee from its customers through its fuel clause effective May 16, 2014, reflected on bills starting in June 2014.

U.S. ratepayers have paid in more than $20 billion to the NWF, and when including accumulated interest, the fund had a balance at the time of suspension of more than $30 billion. Minnesota ratepayers have paid more than $457 million (not including interest earned on those funds) into the NWF. In theory, these monies are still in the NWF and continue to earn interest.

DOE Settlement Payments to Xcel Energy

The NWPA required the DOE and the utilities to enter into a standard contract for the disposal of the reactor sites' spent nuclear fuel. Starting no later than January 31, 1998, the DOE was required to take title to, transport, and dispose of the nuclear fuel; however, the DOE not only did not meet the deadline, but the spent fuel still remains stranded at the utilities' facilities. As a result, several utilities, including Xcel Energy, filed federal lawsuits against the DOE for breach of contract.

The lawsuits sought to recover damages for the resulting on-site spent fuel's on-site storage costs. In July 2011, Xcel Energy and the U.S. Government agreed to settle both lawsuits (Settlement). The Settlement included payment for the spent fuel's 1998 through 2008 costs and a mechanism to recover damages, without further litigation, through 2013.[4] The Settlement has subsequently been extended to cover damages through December 31, 2019.

[4] As with other claims against the federal government, damages payments come from general federal funds and not from the NWF.

The Government's initial $100 million payment, $74.4 million attributable to Minnesota ratepayers,[5] was made to Xcel Energy to cover costs through December 31, 2008. The Commission's December 16, 2011 Order (2011 Order) in Docket No. E-002/M-11-807 found the settlement to be reasonable and approved Xcel Energy's proposal to refund to ratepayers the $74.4 million, less $2 million for legal fees and $2 million to fund the Power On program for low-income customers. Starting in mid-January 2012, the one-time refunds to Minnesota ratepayers' bills began. Xcel Energy has now received fifteen refunds that cover expenses through December 31, 2023. Subsequent refunds have been used in a variety of ways: one-time ratepayer refunds, deposits into the nuclear decommissioning fund and rate increase moderation in rate cases.

Table 6 summarizes the Minnesota-jurisdiction amounts of all DOE refunds to date and the Commission-approved usage of those funds.

[5] The difference was allocated to North and South Dakota ratepayers and wholesale customers.

Table 6 – Historical Usage of DOC Settlement Funds

Payment No.	Damage Period	Initial Notice of Payment Compliance Filing Date	MN Allocated Amount, in millions	Bill Credit to Customers	Nuclear Decommissioning Trust Account Deposits	Rate Moderation	PUC-Approved Expenses
1	Jan 31, 1998 - Dec 31, 2008	August 5, 2011	$74.12	$70.52	$0.00	$0.00	$3.90
2	Jan 1, 2009 - Dec 31, 2010	April 3, 2012	$13.67	$13.67	$0.00	$0.00	$0.00
3	Jan 1, 2011 - Dec 31, 2011	November 14, 2012	$15.32	$0.00	$14.19	$0.00	$0.00
4	Jan 1, 2012 - Dec 31, 2012	December 6, 2013	$31.54	($0.27)	$14.19	$17.62	$0.00
5	Jan 1, 2013 - Dec 31, 2013	January 12, 2015	$24.39	$2.09	$14.19	$8.11	$0.00
6	Jan 1, 2014 - Dec 31, 2014	December 31, 2015	$9.74	$9.74	$0.00	$0.00	$0.00
7	Jan 1, 2015 - Dec 31, 2015	November 21, 2016	$13.83	$13.83	$0.00	$0.00	$0.00
8	Jan 1, 2016 - Dec 31, 2016	December 8, 2017	$11.21	$11.21	$0.00	$0.00	$0.00
9	Jan 1, 2017 - Dec 31, 2017	November 21, 2018	$11.35	$11.35	$0.00	$0.00	$0.00
10	Jan 1, 2018 - Dec 31, 2018	January 22, 2020	$22.98	$22.98	$0.00	$0.00	$0.00
11	Jan 1, 2019 - Dec 31, 2019	January 21, 2021	$9.59	$9.59	$0.00	$0.00	$0.00
12	Jan 1, 2020 - Dec 31, 2020	November 24, 2021	$12.12	$12.12	$0.00	$0.00	$0.00
13	Jan 1, 2021 - Dec 31, 2021	January 17, 2023	$18.41	$18.41	$0.00	$0.00	$0.00
14	Jan 1, 2022 - Dec 31, 2022	November 20, 2023	$12.26	$12.26	$0.00	$0.00	$0.00
15	Jan 1, 2023 - Dec 31, 2023	October 31, 2024	$10.60	$10.60	$0.00	$0.00	$0.00

THE OBLIGATIONS OF THE UTILITY HOLDING SPENT NUCLEAR FUEL TO STATE AND LOCAL HOST COMMUNITIES RELATED TO DECOMMISSIONING AND STORAGE

In Docket No. E-002/11-939, the Commission required Xcel Energy to work with the host communities and the Prairie Island Indian Community (PIIC) prior to the next triennial filing to

address the requirement to evaluate the cost, if any, arising from the storage of spent nuclear fuel to the state, tribal, and local governments once the plants are no longer operating. The Commission required Xcel Energy to file periodic status reports on those discussions.

Xcel Energy asserted that once the nuclear plants cease operations and the fuel is stored on-site, there is no "design-based accident" that would result in radioactive releases that would exceed federal Environmental Protection Agency (EPA) guidelines, and that no off-site radiological emergency plan would be required by the NRC. In 2014, the NRC issued a decision that the Kewaunee nuclear plant in Wisconsin will no longer be required to maintain off-site radiological emergency preparedness plans.

The concerns raised by the host communities for long-term storage of nuclear fuel after the plants cease operations included: lost property tax revenues from the lower tax base, the need to provide emergency services, and the impact on the ability of a city to grow. The PIIC has previously stated that it would need to continue to be involved in and monitor NRC proceedings and activities.

In Docket No. E-002/14-761, the Commission required Xcel Energy to continue working with its host communities, and that in its next nuclear decommissioning filing, Xcel Energy develop 60, 100, and 200-year plans for the City of Red Wing to enable better communications with the city and foster an understanding of the long-term safety-related costs of spent fuel storage on host communities.

The PIIC has filed comments expressing strong concern that spent nuclear fuel will remain at the Prairie Island Independent Spent Fuel Storage Facility (ISFSI) for many years following discontinuation of generation from the plant, with little assurance of a specific timeline given the Federal government's inaction on permanent storage. PIIC stated it has spent considerable resources over the last 20 years to remind members of the Minnesota Congressional delegation of its obligation to fund Yucca Mountain in accordance with the NWPA and suggested that the State of Minnesota should have the same interest and take action to help assure that spent nuclear fuel is not left in the state for hundreds of years.

RECOMMENDATIONS OF THE COMMISSION TO THE MINNESOTA LEGISLATURE

The Commission is a member of the National Association of Regulatory Utility Commissioners (NARUC), which is comprised of state commissions from all states and territories which regulate industries including energy, telecommunications, water, and transportation. Its mission is to serve the public interest by improving the quality and effectiveness of public utility regulation. The Commission is active in many NARUC committees and activities, including the Subcommittee on Nuclear Issues-Waste Disposal.

Minnesota was a founding member of the Nuclear Waste Strategy Coalition (NWSC), formed in 1993 to advocate for a comprehensive federal solution to the issue of nuclear waste storage. The NWSC now has members from 18 states and has evolved into an ad hoc organization

representing the interest of state utility regulators, state attorneys general, consumer advocates, electric utilities, local governments, tribes, and other stakeholders on resolving nuclear waste policy issues. Minnesota members include the Commission, Xcel Energy, the City of Red Wing, and the Prairie Island Indian Community. The mission of the NWSC is to reform and adequately fund the U.S. civilian high-level nuclear waste transportation, storage, and disposal program that ensures timely and safe waste removal from operating and decommissioned nuclear power plants and that protects ratepayers' substantial investment in the program.

As part of its August 10, 1992 Order granting a limited certificate of need to Xcel Energy for construction of a spent fuel storage facility at its Prairie Island nuclear plant, the Commission required the company to file an annual report on its spent fuel storage program at both Prairie Island and Monticello. These reports, now filed in Docket No. E-002/PR-09-36, are required to include a description of company initiatives to expedite DOE compliance with its responsibilities to remove and dispose of spent nuclear fuel.

The Commission does not have specific recommendations for the Minnesota Legislature at this time. The situation with respect to the storage of spent nuclear fuel is in a continuous state of change. The Commission will continue to monitor the situation through participation in NARUC and the NWSC, and through other means, including future Xcel Energy triennial nuclear decommissioning filings.