

INFO

CAPACITY*CONNECT

Impact and benefits



Provides capacity needed to meet customers’ energy needs



Optimizes the electric system



Maintains reliable service



Maximizes the efficiency of existing infrastructure



Supports local jobs



Provides direct payments to customers hosting a battery



Deploys one to three megawatts of storage per site (one megawatt is about the size of a shipping container)

Xcel Energy has made a first-of-its-kind proposal to build out a battery storage network across Minnesota. The program, called Capacity*Connect, would enhance the Upper Midwest energy grid and help the company meet the growing community electricity demand.

Why are we proposing Capacity*Connect?

Driven by increasing demand, growth of distributed energy resources (DER), technology advances, and emissions reduction goals, the country’s electric grid is changing significantly. Xcel Energy has led this evolution through its DER programs, and its next step is Capacity*Connect.

What is Capacity*Connect?

Through the program, Xcel Energy will integrate battery storage into its system operations. Batteries will charge during times when energy is inexpensive and will dispatch that energy to serve all customers during periods of peak demand. Capacity*Connect assets could be used to offset peak load, mitigate curtailment of renewables, support more renewables on the system, meet bulk system capacity needs, participate in Midcontinent Independent System Operator (MISO) markets, and more.

How many batteries will be installed?

Under its Capacity*Connect proposal, Xcel Energy will install up to 200 battery storage resources at strategic locations on the grid by the end of 2028. The program will be deployed in collaboration with Sparkfund, a company that enables utilities to plan and deploy DERs at the scale and pace necessary to support load growth demand and unlock the full value of the grid.

Where will batteries be installed?

Xcel Energy will conduct analysis to determine the best customer locations to install new battery storage resources, including local businesses, commercial or industrial sites, or nonprofit organizations. This provides more customers—including those in environmental justice communities—with an opportunity to benefit financially from hosting clean energy technologies. The proposal we filed with the Minnesota Public Utilities Commission is the first step in the process. If our proposal is approved, we would begin working with customers to site the batteries in ideal locations on our Minnesota electric system.

Capacity*Connect is part of a broader plan to meet customers’ energy needs

Battery storage is an important part of Minnesota’s energy future. Xcel Energy’s recently approved Upper Midwest Energy Plan calls for the installation of 600 megawatts of energy storage by the end of 2030. Capacity*Connect will contribute to this goal and will meet our customers’ energy needs identified in the resource plan. Battery storage provides important flexibility and improves grid reliability.

1 - Demonstration	2 - Operational Expansion
2025–2026	2026–2028
Size: 3–5 MW Benefits: Bulk System Resource: BESS	Size: 50–200 MW Benefits: Bulk System Resource: BESS Enabling Tools: Limited grid DERMS deployment

Ensuring the project makes energy work better for customers

With this new proposal, Xcel Energy will closely review performance, costs and the customer experience as the program grows, ensuring this program is cost-effective while supporting a reliable and safe grid. The company, while prioritizing using local workers, will scale the deployment of batteries so the grid can keep pace with increasing demand. Each battery storage asset will be owned and operated by Xcel Energy to maintain system safety and security.