

NEW 2025-2026 MINNESOTA ELECTRIC RATES

POWERING THE ECONOMY OF THE FUTURE



As a leader in the clean energy transition, Xcel Energy is moving forward with investments to provide an increasingly clean energy mix. At the same time, we are boosting power grid resilience and reliability, making investments that support the economy of the future and increased demand for electricity.

To support our commitment to provide reliable, safe, clean electric service to our Minnesota customers, we submitted a two-year proposal on Nov. 1, 2024 to the Minnesota Public Utilities Commission for new electric rates to take effect in 2025 and 2026. The Commission approved new rates on July 31, 2026.

Our approved proposal supports investments in:

- Enhanced reliability and resiliency of the system that serves customers
- Clean energy projects that lock in fuel savings for customers
- Our carbon-free nuclear plants that are key to meeting our clean energy goals
- Preparing the system for expected growth of electricity use
- Improvements for a better customer experience

Reliable, safe and clean electric service

The approved proposal reinforces our continued transition to more renewable energy generation while locking in future fuel savings for customers in the decades ahead. As we strive to meet growing electric demand from businesses expanding in our region, electric vehicles and the electrification of homes and businesses, we are committed to containing costs and investing in the grid. These new electric loads benefit customers, our communities and the overall electric system by bringing new jobs, growing the tax base and spreading costs of service over a larger customer base.

Resilient systems to meet new challenges and demand

Our improvements to distribution system poles, lines and other infrastructure will increase service quality and speed up outage restoration. This work ensures safe operation by addressing weather threats and other increasing risks, such as wildfires. By continuously investing to improve resiliency and strengthen our infrastructure, we provide 99.98% electric reliability for our customers.

Clean energy investments today power future customer savings

As we retire our remaining coal plants by 2030, our approved proposal supports our plans to:

- Add more wind and solar energy
- Add battery energy storage systems
- Add new “always available” sources of electric generation capacity to back up wind and solar when needed
- Extend the use of our two carbon-free nuclear plants in Minnesota to the 2050s

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Our expansion of wind and solar power saves customers money because they generate electricity without fuel costs. Since 2017, our wind facilities saved Upper Midwest customers more than \$3 billion in avoided fuel costs and tax credits. Renewable initiatives, along with Xcel Energy's commitment to keeping costs low for its customers, kept our average Minnesota residential electric customer's bill about 31% below the national average in 2024.

While we are requesting an increase in rates, the new rates' effect on customers' bills will be significantly reduced by savings from federal tax credits and lower fuel costs that will save customers money over the next two years.

Minnesota needs carbon-free nuclear to meet its clean energy goals

Our clean energy plans include extending the operation of our two nuclear plants for 20 years beyond their current licenses into the 2050s. Continuing the operation of these plants will provide reliable, carbon-free power to customers and help to keep their costs low. In 2025 and 2026, customers' electric bills will be reduced by hundreds of millions of dollars due in part to savings from federal tax credits for carbon-free nuclear power. We advocated at the federal level for these credits to customers. Each year, our nuclear plants avoid 7.8 million metric tons of carbon dioxide, the equivalent of taking 1.7 million cars off the road.

Approved rates

- Under our approved proposal, the average residential customer's monthly electric bill will increase around \$2.78, or 2.85%, per year for 2025 and 2026.
- While the commission considered our rate proposal, it approved interim rates that began Jan. 1, 2025. Because final rates approved by the commission are lower than interim rates, we will apply a refund in the form of a one-time credit with interest on customers' bills.
- Actual bill increases are mitigated by hundreds of millions of dollars in savings passed-on to customers in the next two years as a result of lower costs for the fuel used to generate electricity and federal tax credits for our carbon-free nuclear energy generation.

We are here to help

Xcel Energy is committed to helping customers with their bills when they need it. We provide payment plans and assistance programs to get them through difficult times. If customers face challenges paying their bills, we encourage them to contact us to set up payment arrangements or learn more about payment assistance options. Learn more by visiting Xcel Energy's Energy Assistance page at xcelenergy.com/EnergyAssistance or calling 800-895-4999.

Learn more

Our website, xcelenergy.com, provides more details and information on this proposal, plus tips for managing your energy bills.

