

RULES FOR DATA CENTERS

SERVING NEW GROWTH WITHOUT RAISING COSTS FOR EXISTING CUSTOMERS



Data centers and other large customers bring jobs, investment and innovation to the region. Xcel Energy serves these large customers in Minnesota through its Large Load Tariff, which sets pricing and other requirements for these new, large customers. This framework provides assurance that these projects pay the cost for the infrastructure investments and energy needed to serve them, and those costs are not passed on to other customers. The tariff ensures large customers like data centers pay their own way.

The company's pricing and grid interconnection requirements, along with long-term electric service certainty, make locating in Minnesota attractive. And when more customers join the grid, everyone benefits through increased economic development for state and local communities. As large customers seek to locate in Minnesota, Xcel Energy remains focused on delivering reliable service, supporting sustainability goals and providing the energy needed to power the future.

Our core principles



Customer protection and cost responsibility

Large load tariffs enable Xcel Energy to serve fast-growing large customers, such as data centers, while requiring those customers pay the full cost of the power supply and grid infrastructure they need. In short, data centers and other energy-intensive businesses will pay their own way.



Grid reliability and smart system planning

Long-term commitments and financial protections allow electric system investments to be planned and built in advance of projects coming online, supporting reliable service and resiliency for all customers.



Rate stability and affordability

Large customers should help suppress electric bills. When large customers fund the electric infrastructure required to serve them, additional energy sales help spread existing fixed grid costs over a larger sales base. This puts downward pressure on rates over time, which can help keep all customer bills low.



Transparency and accountability

State regulators review tariff terms of service and cost recovery to ensure outcomes are reasonable, fair and in the public interest.



Learn more about how we serve large electric users, such as data centers, without increasing costs for existing customers.

Clear permitting and interconnection processes

The Large Load Tariff in Minnesota applies to new Xcel Energy customers with a load of 100 megawatts (MW) or greater but can include customers with at least 20 MW if they require significant system modifications, design, engineering or other expenditures prior to starting service.

Xcel Energy works closely with these customers to evaluate energy requirements and identify infrastructure needs. Key elements of the process include:

- System studies to assess project requirements and identify needed upgrades that will be paid for by the new customer seeking interconnection
- Early evaluation of available electric capacity and service options
- Collaborative engineering and design to support customer growth objectives while maintaining grid reliability
- Regulatory oversight through the Minnesota Public Utilities Commission, incorporating comprehensive customer notification procedures and public hearings to solicit stakeholder input



Protecting customers comes first

Xcel Energy manages the opportunity presented by large load growth responsibly, including the requirement that large new electric loads do not pass costs onto other customers' bills. Large energy users deliver substantial benefits to customers, as new loads distribute the costs of generating and delivering energy across a bigger customer base, putting downward pressure on the electric rates customers pay.



A roadmap for bringing large customers on the grid

Xcel Energy's tariff establishes expectations for investments, service commitments, and energy usage. Through our tariff, large load customers agree to:

- Fund electric infrastructure upgrades and grid interconnection costs needed for their project
- Commit to using electric service for at least 15 years
- Pay exit fees if service ends before the agreement's term

The energy needs of large customers will be incorporated into the company's energy resource planning process in partnership with key stakeholders and regulators. As new projects develop, Xcel Energy remains committed to safe and reliable service for all of our customers.



Clean energy

With increased data center demand, Xcel Energy remains committed to Minnesota's 2040 carbon-free electricity requirement, and large load additions will not interfere with our ability to meet these goals. The Large Load Tariff provides a path to meet both growing energy needs and clean energy goals.

Xcel Energy's carbon-free goals align with many data center and large customers who are also pursuing ambitious carbon-free energy targets. Through Xcel Energy's leadership in clean energy, large customers know they can locate their operations in a region positioned to support both grid reliability and sustainability goals.



Supporting Minnesota communities

According to Minnesota state law, large customers pay annual fees of \$2–5 million based on peak electricity demand to an account that help income-qualified Minnesotans improve energy efficiency and reduce household energy costs. These contributions support home weatherization and energy conservation initiatives.