

**Subject** Biomass contract amendment

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## Overview

As part of the state's biomass mandate, Xcel Energy purchases electricity produced from biomass by St. Paul District Energy. House File 2269 requires amending the power purchase agreement between St. Paul District Energy and Xcel Energy in three ways: 1) by extending it to 2030; 2) by requiring the use of waste wood as the primary fuel used during the term of the agreement; and 3) by reducing the price over the extended term of the agreement by at least 20 percent below the average price during the January 2019–April 2023 period.

The bill requires the Minnesota Public Utilities Commission to approve an agreement that meets these conditions, and allows the utility to petition for cost recovery of the expenses associated with the amended agreement.