



July 31, 2023

**VIA ELECTRONIC FILING**

Mr. William Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
Saint Paul, MN. 55101-2147

Re: Comments of Environmental Law & Policy Center and Vote Solar *In the Matter of a Commission Investigation to Identify and Develop Performance Metrics and, Potentially, Incentives for Xcel Energy's Electric Utility Operations* (MPUC Docket No. E002/CI-17-401)

Dear Mr. Seuffert:

Please find enclosed the *Initial Comments of the Environmental Law & Policy Center and Vote Solar*. These documents have been electronically filed and served through the eFiling system.

Please feel free to contact me with any questions you may have regarding this filing.

Respectfully Submitted,

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**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Katie Sieben	Chair
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Valerie Means	Commissioner
Matthew Schuerger	Commissioner
John Tuma	Commissioner

July 31, 2023

In the Matter of a Commission	)	
Investigation to Identify and Develop	)	
Performance Metrics and, Potentially,	)	Docket No. E002/CI-17-401
Incentives for Xcel Energy’s Electric	)	
Utility Operations	)	

**I. Introduction and Summary**

The Environmental Law & Policy Center (ELPC) and Vote Solar (jointly, “ELPC/VS”) respectfully submit these initial comments in response to the Minnesota Public Utilities Commission’s (“Commission”) May 26, 2023, Notice of Comment Period in Docket Number E-002/CI-17-401. The Commission requested feedback on next steps in performance-based ratemaking for Xcel Energy, including Xcel’s 2021 and 2022 performance-based ratemaking annual reports (“PBR Report”).

ELPC/VS appreciates the Commission’s initiative to take the next steps in this important docket, especially the May 18, 2023, Order in this docket (and 20-406) on developing metrics to measure and ensure equitable outcomes for reliability and service quality for all customers. ELPC/VS have been directly engaged in supporting this initiative since 2018 and across numerous dockets and look forward to participating in the next stages of the process

ELPC/VS greatly appreciates the Commission's efforts in this endeavor and hopes that these comments and suggestions are helpful to the Commission. In general, we suggest that the Commission provide additional guidance to stakeholders on its intentions with regard to this docket. We understand that there may be some interest in extending the data collection period prior to setting targets in light of significant changes such as the passage of the federal Inflation Reduction Act and the major new energy and climate legislation in Minnesota this year. However, regardless of the timing of the target-setting stage of the overall PBR process, we recommend that the Commission should incorporate locational reliability, equity/reliability and customer service/equity metrics as new metrics in the reporting framework.

**II. Responses to Topics Open for Comment**

***Question 1. Should the Commission accept Xcel's 2021 & 2022 PBR Annual Reports? Do Xcel's reports address the requirements set forth by Commission Orders in this docket, including but not limited to:***

***o Future metrics?***

***o Development of an online utility performance dashboard?***

***o Data collection on and/or reductions in upstream methane emissions?***

ELPC/VS find that Xcel's 2021 and 2022 PBR Annual Reports satisfy the requirements set forth in previous Commission orders under docket 17-401. However, we continue to recommend that the performance metrics and underlying data be presented in a more user-friendly, consolidated format for stakeholders. Much of this data is already reported by Xcel, so we are not suggesting entirely new or duplicative reporting. Rather, the existing data could be compiled into an online dashboard that is updated quarterly or semi-annually. This would allow stakeholders to easily access key utility performance information in one place. Specifically, we suggest Xcel provide a dashboard with links to the relevant data and for the Commission's own website to feature a link to this dashboard from its "Consumer Support" section. This consolidated view would benefit all stakeholders while minimizing additional administrative burden.

Thus we recommend that the metrics and underlying data should continue to be reported, and as discussed below, the Commission should incorporate the locational reliability, equity/reliability, and equity/service quality metrics described in the May 2023 Order in 17-401 and 20-406.

***Question 2. From the three years of data that have been filed for each metric, how should a single baseline value be calculated? Please explain your reasoning and provide calculations of the baseline for each metric.***

Please see response to Question 3.

***Question 3. For which metrics, if any, should the Commission set targets and why?***

The Notice of Comment period outlines the seven-step process first proposed by the Attorney General at the beginning of the PBR docket. Having previously completed the step of "establishing performance metrics" in 2019 and 2020, ELPC/VS suggest that the Commission provide additional guidance on its intention to complete the process in view of developments in the regulatory environment since embarking on the metric definition stage in 2019.

A number of important developments have occurred since 2020 that may warrant further consideration before moving to target setting:

- The passage of the Infrastructure Investment and Jobs Act (IIJA). The IIJA includes significant funding for electric grid modernization, including investments in renewable energy, energy efficiency, and transmission. This could lead to changes in the regulatory landscape, as the PUC seeks to ensure that these investments are made in a way that is cost-effective and that benefits all Minnesotans.
- The growth of distributed generation. Distributed generation refers to the generation of electricity from small-scale sources, such as rooftop solar panels. The growth of

distributed generation could lead to changes in the way that utilities are regulated, as they will need to find ways to integrate these distributed resources into the grid.

In addition to these changes, the PUC may also want to consider the following factors before establishing performance targets:

- The new environmental regulations at the federal level, which could accelerate environmental targets.
- The new 100% clean energy by 2040 legislation adopted by the legislature earlier this year, which could require utilities to make significant changes to their operations in order to meet the new goals.

The PUC will need to weigh all of these factors carefully before making a decision about whether or not to establish performance targets.

***Question 4. Where applicable, by what methodology should targets be set? How often should targets be reviewed and potentially updated?***

Please see response to Question 3.

***Question 5. Where applicable, what are appropriate targets for the metrics?***

Please see response to Question 3.

***Question 6. What action should the Commission take on reporting the Company's Workforce Transition Plan in docket no. E002/M-22-265 rather than the instant docket?***

Please see response to Question 3.

***Question 7. How should the Commission evaluate the metrics that do not yet have three years of baseline data?***

Please see response to Question 3.

***Question 8. Are there other issues or concerns related to this matter?***

Yes. ELPC/VS recommends that the Commission adopt a locational reliability/equity metric into the Commission-Approved metric framework in this docket.

In our January 6, 2023, comments in response to the Commission's December 2, 2022, Notice of Comment Period in Docket Numbers 17-401 (PBR) and 20-406 (SRSQ), ELPC/VS argued for

the Commission to take several actions related to an equity/reliability analysis as both a metric in the PBR docket and as a tool to inform the Company's distribution system planning process.<sup>1</sup>

The Commission's May 18, 2023, Order in those dockets moved what has been called a future metric on Locational Reliability/Equity back to this docket for further action:

2. Referred the matter of any additional metric development, including whether to set targets, back to Docket No. E002/CI-17-401 and take it up when the Commission considers next steps overall in that docket.<sup>2</sup>

In addition, Order Points 3 and 4 of the May 18, 2023 Order require Xcel to examine whether there are disparities in reliability for disadvantaged communities and, if so, to develop a plan to address them. ELPC/VS commend the Commission for this decisive and direct approach.<sup>3</sup> We urge the Company to incorporate equity/reliability analysis into its core planning and investment business processes. We look forward to discussing these aspects further in the upcoming distribution system plan to be filed by Xcel this Fall.

Secondly, we commend the Commission for its decision, as specified in Order Point 2 of the May Order, to formally refer the development "future metrics" on Locational Reliability, Equity – Reliability, and Equity – Service Quality back to the PBR docket. This decision underscores the Commission's commitment to ensuring that utility performance metrics are comprehensive and responsive to the evolving needs and expectations of the communities they serve.

ELPC/VS have been actively involved in equity and reliability metrics discussions in other jurisdictions, including Illinois and Michigan. The performance metrics plans adopted by the Illinois Commerce Commission (ICC) for Ameren Illinois and ComEd both contain statutorily required equity/reliability metrics. While we believe the final Illinois metrics have room for improvement, the ICC's process of finalizing those plans and incorporating the analysis into the state's grid planning processes have helped to refine and strengthen the approach to robust and actionable analysis. Specifically, we recommend that the analysis should examine the reliability of customers in disadvantaged communities compared to all other customers with similar grid topologies. As such, while we are confident that the data Xcel is currently collecting can serve as the basis for a meaningful equity/reliability metric, additional discussion about the specific methodology will require further development here, as directed by the Commission. We look forward to working with the Company, the Department of Commerce, and other stakeholders in continuing this important work. We recommend that the Commission act to move forward with

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<sup>1</sup> Comments of the Environmental Law & Policy Center and Vote Solar, *In the Matter of Xcel Energy's Annual Report on Safety, Reliability, and Service Quality and Petition for Approval of Electric Reliability Standards* (Docket No. E-002/M-20-406) and *In the Matter of a Commission Investigation to Identify and Develop Performance Metrics and, Potentially, Incentives for Xcel Energy's Electric Utility Operations* (Docket No. E002/CI- 17-401), January 6, 2023.

<sup>2</sup> Order, May 18, 2023, *In the Matter of Xcel Energy's Annual Report on Safety, Reliability, and Service Quality and Petition for Approval of Electric Reliability Standards* (Docket No. E-002/M-20-406) and *In the Matter of a Commission Investigation to Identify and Develop Performance Metrics and, Potentially, Incentives for Xcel Energy's Electric Utility Operations* (Docket No. E002/CI- 17-401), pg. 1.

<sup>3</sup> *Ibid.*

determining and adopting Locational Reliability, Equity – Reliability, and Equity – Service Quality metrics regardless of whether it chooses to proceed with target setting for other metrics at this time.

We look forward to continuing our engagement in the development of performance metrics and incentives that will drive improvements in utility performance and customer service in Minnesota.

Respectfully Submitted,

/s/ Brad Klein

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