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October 4, 2024

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

**RE: In the Matter of a Petition of Northern States Power, doing business as Xcel Energy, for
Approval of General Time-Of-Use Service Tariff
E002/M-20-86**

Dear Mr. Seuffert:

As key momentum in the energy transition, power system planning is becoming less about building to the peak hours, and more about optimizing a diverse array of clean energy resources and increasing the reactivity and flexibility of demand to system stresses.¹ “A more accurate and granular cost causation approach must therefore consider load shapes, or a customer’s consumption throughout the day, season, and year. Customers, in turn, will face incentives to beneficially match their load profiles to specific needs of the power system.”² Fresh Energy continues to advocate for solutions that increase demand flexibility and submits this letter to echo several of the concerns raised by the Department in their initial comments on Xcel’s Recruitment Modification Petition.

The Department’s Initial Comments detailed the paltry participation statistics for the General Service TOU Pilot Program to date: Xcel has enrolled just seven customers with a total of twelve premises into the pilot.³ For context, prior to recruitment it was estimated that Xcel would need to recruit and retain at least 4,300 pilot participants in order to obtain statistically significant results.⁴ To increase program participation, Xcel seeks to eliminate the randomized assignments that were built-in to the pilot to avoid self-selection bias among participants.

Fresh Energy shares the Department’s concern that Xcel’s proposed recruitment plan modification would increase self-selection bias, which the pilot was specifically designed to avoid. However, in

¹ Petition of Northern States Power Company for Approval of General Time-of-Use Service Tariff. Strategen Consulting Report for Fresh Energy at 3-4. (eDocket No. 20205-163593-01)

² *Id.*

³ Department of Commerce Information Request 12

⁴ Department of Commerce Initial Comments at 8

light of the extremely low participation levels, it is a virtual certainty that Xcel would not approach the participation levels needed to obtain statistically significant results even if the Company's modification proposal were approved. Thus, Fresh Energy shares the Department's "grave concerns that Xcel's proposal will not generate enough participation in the pilot program to gain any qualitative results, let alone statistically significant results."⁵

In short, Xcel's proposed recruitment plan modification is both problematic and inadequate. Instead of investing additional resources into this pilot, the Company should turn its focus to developing the new default general service time-of-use rate structure, which is it is required to file no later than November 1, 2025.⁶

Respectfully submitted,

/s/ Allen Gleckner

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⁵ Department of Commerce Initial Comments at 8

⁶ Commission Order to Conduct Pilot Programs for General Service Time-of-Use Rates and Setting Procedural Schedule, July 16, 2021, Ordering Paragraph 2.C. at 15 (eDocket No. 20217-176217-01).