

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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September 5, 2025

**In the Matter of A PEAK TIME REBATE
PROGRAM FOR NORTHERN STATES POWER CO.
D/B/A XCEL ENERGY TO FURTHER THE
COMMISSION'S ADVANCED RATE DESIGN
EFFORTS IN DOCKET NO. E002/CI-24-115**

Docket No. E002/M-24-432

COMMENTS OF FRESH ENERGY

I. Introduction

Fresh Energy strongly supports the development of a Peak Time Rebate ("PTR") program for Xcel Energy. We view price-based demand response programs as a high, near-term priority issue for Xcel and appreciate the Company putting together this proposal. Given the importance of these programs, it is essential that the Company provide a positive experience for customers and establish a foundation for future price-based demand response programs. Fresh Energy views this program as the first step toward familiarizing Xcel's customers with price-based demand response programs and believes the success of this program will go a long way in positioning the Company to operate successful programs in the future.

We believe this program is in the public interest, but recommend two changes related to program eligibility in these initial comments.

1. The Commission should require the Company to submit a compliance filing detailing an approach to baselining Peak Time Rebates for customers who participate in other Demand Response programs.
2. The Company should increase its initial participation target and update its cost effectiveness calculation accordingly.

We also seek clarification from the Company on issues related to the program budget, cost effectiveness calculation, and implications for MISO resource adequacy requirements. We intend to make additional program design recommendations based on the information provided in subsequent comments.

II. Eligibility rules

A. Participation in existing Demand Response programs

Fresh Energy recognizes the challenges presented by allowing participation in multiple demand response programs. However, we note that multiple utilities have been able to address these challenges and allow participation in Peak Time Rebate programs in combination with other DR programs, including several utility programs cited by the Company in Attachment B of its initial filing.¹ Within Minnesota, Connexus Energy allows households participating in its PowerNap Air Conditioning program to also participate in its PTR program.² Connexus factors participation in this program into a participating customers baseline calculation and reports monthly credits separately on a customer's bill.³ Baltimore Gas and Electric, a large consumer-owned utility with a similar number of customers to Xcel's Minnesota footprint, also allows participants in its PeakRewards program to enroll in its Energy Savings Days PTR program.

Fresh Energy understands that baselining electricity use of Peak Time Rebate customers is more difficult when participation in multiple Demand Response programs is allowed. However, as evidenced by the programs discussed above, it is a problem that can be solved. If the Commission approves this program, Fresh Energy proposes the Company submit a compliance filing six months after the program is approved outlining an approach to baselining residential customers participating in its existing residential demand response programs and specifying a strategy for allowing customers to participate in the PTR program in combination with other residential DR programs. Requiring this in a subsequent filing will not risk delaying implementation of the PTR program.

B. Initial target market

Fresh Energy believes the Company should target a higher percentage of participants in the PTR program. In its initial filing, the Company notes it aims to enroll approximately 15,500 customers in the PTR program in the first year. This represents approximately six percent of the 250,000 customers receiving Energy Action Days notifications who are not already

¹ MN PUC Docket No. 24-432, Xcel Energy Initial Filing, March 17, 2025, Attachment B, pp. 1-2.

² *Ibid.*

³ [Peak-Time Rebate](#) | [Conserve Energy](#) | [Rebate](#) | [Save Energy](#) | [Connexus Energy](#) | [Ramsey, MN](#)

enrolled in DR programs. It is unclear to Fresh Energy where this six percent assumption comes from. The rate of participation in the Company's existing residential Demand Response programs is much higher. For example, the Company's Saver's Switch program, in which participants allow the company to cycle their air conditioning during control events, has approximately 420,000 participants enrolled.⁴ This program requires the installation of a radio-operated switch on the customer's air conditioning to allow the Company to cycle customer's air conditioning during events, a much higher barrier to entry than the Peak Time Rebate program. Additionally, peer utilities cited by the Company in its filing have much higher rates of participation in PTR programs. Portland General Electric, an investor-owned utility with fewer customers than Xcel's Minnesota footprint, enrolled 80,000 participants in the first year of its pilot program.⁵

Reaching a higher number of customers with the initial implementation of the PTR program will serve several purposes. It will familiarize more customers with the PTR program, provide a larger sample on which to evaluate the success of the program, and increase potential capacity savings for the Company. We encourage the Company to set a higher target for program enrollment and to update its cost effectiveness calculation to reflect this higher target. Fresh Energy proposes a target of 15% of the eligible population (37,500 participants) but we encourage further conversation and input from stakeholders about the right target.

III. Budget

The largest cost driver in the Company's proposal is \$800,000 for a vendor to administer the PTR program. The Company notes in its filing that this figure is based on the Energy Action Days program. It is not clear from its filing which services the Company expects a vendor to provide for this fee as there are separate budget items for marketing and administration. At Fresh Energy's request, Xcel provided a copy of the RFP that will be used to solicit a vendor for this program. Fresh Energy appreciates the Company sharing this RFP but did not have adequate time to review the RFP prior to the initial comment deadline. We plan to review the RFP in detail and provide additional comments on the proposed budget in a subsequent comment period. In the meantime, we ask that the Company include this RFP as an attachment in its reply comments so it can be included in the record.

⁴ MN PUC Docket No. 24-432, Xcel Energy Initial Filing, March 17, 2025, Attachment A, p. 2.

⁵ Oregon PUC, Docket No. ADV 1114, Staff Report, pg 2. June 2, 2020. [adv1114hau1057.pdf](#)

IV. Cost effectiveness

Given the uncertainty around proposing a new program, the Company must rely on a number of assumptions in evaluating the program's cost effectiveness. Fresh Energy appreciates the Company clearly outlining these assumptions in its filing. We note that the projected cost effectiveness of the program is highly sensitive to these assumptions and thus ask the Company to provide further information on how it developed these assumptions to allow for stakeholders to better assess the reasonableness of its cost-effectiveness assessment. Accordingly, we ask the Company to respond to the following in reply comments:

- Please provide any supporting analysis or rationale for the 6% participation target.
- To the extent possible, please provide data from other utilities analyzed to estimate the 0.63 kW customer savings.
- Please clarify whether the \$800,000 vendor fee is tied to a specific target enrollment number or whether this is a flat fee.
- Please update Attachment A to include an estimate of the number of customers eligible for each residential program to allow stakeholders to understand what percentage of possible participants are actively enrolled in the program.
 - For example, AC*Rewards has 51,283 participants out of how many eligible customers?

V. MISO resource accreditation and dispatch

Fresh Energy seeks further clarification on how the Company plans to treat PTR savings as a planning resource. We understand the Company does not intend to bid the PTR program as a resource into the MISO capacity auction and that MISO PTR rules are changing. We agree with this decision but would like to better understand how Xcel will incorporate capacity savings from the PTR program into its load forecast and whether potential savings may contribute toward reducing the Company's Planning Reserve Margin Requirement. Fresh Energy believes MISO Tariff Module E-1, 69A.1.1b is relevant to this program:⁶

The supplied Coincident Peak Demand and Local Resource Zone Peak Demand forecasts shall include the Demand expected for the forecast time period (e.g. the Coincident Peak Demand hour) augmented to include the normal Demand from forecasted demand resources, whether registered or not registered with the Transmission Provider, including Demand from any retail demand side management programs and Demand behind a DEAR. Such forecasts shall include Demand that would have occurred but for the existence of Energy Efficiency Resources that have been in operation less than four (4) years.

⁶ [MISO Tariff](#) Module E-1, at 69A.1.1b, September 2, 2025.

We interpret this to mean that demand reductions associated with the program would not reduce the Company's Coincident Peak Demand and thus would not lower the Company's PRMR. However, we would appreciate clarification from the Company on whether it shares this interpretation and if so, where any PTR savings would be incorporated into the Company's load forecast. Fresh Energy recognizes that the initial rollout of the program is unlikely to provide enough capacity savings to make a substantial difference in utility planning, but we believe developing a shared understanding of how this resource will be treated in resource planning from the start will be important in informing future discussion.

VI. Program evaluation

Fresh Energy supports requiring program evaluation at a set interval with the goal of providing recommendations for scaling the program. Fresh Energy believes any program evaluation should incorporate metrics that reflect the impact and participation levels of low-income and underrepresented communities. We plan to provide additional recommendations on program evaluation requirements in a subsequent comment period.

Fresh Energy appreciates the opportunity to comment on the important matters under consideration here. Thank you for the Commission's time and consideration of our comments.

Respectfully submitted,

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