



414 Nicollet Mall  
Minneapolis, MN 55401

November 2, 2023

—Via Electronic Filing—

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

RE: REPLY COMMENTS  
IN THE MATTER OF COMMISSION REVIEW OF UTILITY PERFORMANCE  
INCENTIVES FOR ENERGY CONSERVATION  
DOCKET NO. E,G999/CI-08-133

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed Comments in response to Initial Comments submitted by Parties on October 23, 2023 regarding the Department of Commerce's Proposed Modification of the Shared Savings Financial Incentive Mechanism.

The Company appreciates the several comments by Parties in the Docket including those by CenterPoint Energy, Minnesota Power, Minnesota Energy Resource Corporation, the Office of Attorney General, and Otter Tail Power. After considering the comments filed, we continue to support a revised calibration of the incentive mechanism consistent with our Initial Comments. Starting with the common characteristics of the electric and gas mechanism, the Company proposes a more nominal reduction to the spend cap. The Cap should be set at 20 percent of expenditures or 25 percent of expenditures if the utility exceeds the designated high achievement threshold (2.0 percent of sales for electric and 1.2 percent for gas). This would retain the dynamic in the existing mechanism (and the mechanism proposed by the Department) which recognizes that high levels of achievement will likely require higher levels of both effort and spending. The Company's proposed expenditures cap is a reduction from the current level, but not as dramatic a reduction as that proposed by the Department.

The Company does not support the recommendation by the Office of Attorney General to accept the Department's proposal as written. As discussed in our Initial

Comments, we believe adjustments to the calibration of the proposed mechanism are necessary and appropriate in order to produce the modest change the Department's *Recommendations* call for. Accordingly, we continue to recommend the changes to the earning threshold and net benefit cap detailed in the Company's Comments.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact Angela Smelser at 612-370-3447 or [Angela.R.Smelser@xcelenergy.com](mailto:Angela.R.Smelser@xcelenergy.com) or contact me at 612-342-9027 or [Nick.C.Mark@xcelenergy.com](mailto:Nick.C.Mark@xcelenergy.com) if you have any questions regarding this filing.

Sincerely,

/s/

NICK MARK  
MANAGER, DSM STRATEGY & POLICY

cc: Service List

## CERTIFICATE OF SERVICE

I, Ella Giefer, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

**DOCKET No.      E,G999/CI-08-133**

Dated this 2<sup>nd</sup> day of November 2023

/s/

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Ella Giefer  
Regulatory Administrator

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Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_8-133_Official
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Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_8-133_Official
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