

The Commission met on **Thursday, July 2, 2024**, with Acting Chair Sullivan and Commissioners Means, Ham, Sieben, and Tuma present.

The following matters were taken up by the Commission:

E-111/M-23-420

In the Matter of Distribution System Planning for Dakota Electric Association

E-015/M-23-258

In the Matter of Minnesota Power's 2023 Integrated Distribution Plan

E-017/M-23-380

In the Matter of Otter Tail Power Company's 2023 Integrated Distribution Plan

E-002/M-23-452

In the Matter of Xcel Energy's 2023 Integrated Distribution Plan

The Commission discussed issues related to integrated distribution planning and took no action.

E-111/M-23-420

In the Matter of Distribution System Planning for Dakota Electric Association

Acting Chair Sullivan moved that the Commission:

1. Accept Dakota Electric Association's 2023 IDP Report as in compliance with IDP reporting requirements.
2. Direct Dakota Electric Association to include an Action Plan showing the anticipated timing of grid modernization projects over the next five years in future IDPs.
3. Delegate authority to the Executive Secretary to work with Dakota Electric Association and stakeholders to develop a proposal for what distribution data is reported in the IDP and what data continues to be reported in other dockets. The goal of the process is to develop a comprehensive list of existing distribution data reporting requirements and to identify which, if any, pieces of information are missing and should be included in future IDPs. At minimum, the proposal should address the following types of data:
 - a) Reliability data such as SAIDI, SAIFI, CAIDI, CEMI, and CELI.
 - b) Distribution spending by IDP budget categories.

- c) Whether there is available hosting capacity for generation or load at the primary system level.
 - d) Demographic data including race and income.
 - e) Installed DERs, ECO rebates, DR customers enrolled in programs.
 - f) Data reported at a feeder and/or census block group level.
4. Delegate authority to the Executive Secretary to work with Dakota Electric Association, the Department, and stakeholders to modify the IDP filing requirements to include discussions of the impacts of electrification where appropriate. Delegate authority to approve via notice a stakeholder agreement on amended filing requirements if one is reached.
 5. Delegate authority to the Executive Secretary to work with Dakota Electric Association and stakeholders on ways to modify the IDP budget categories to allow for comparisons between utilities and comparison of historic to forecasted data. Delegate authority to the Executive Secretary to approve via notice a stakeholder agreement on amended filing requirements if one is reached.

The motion passed 5–0.

E-017/M-23-380

In the Matter of Otter Tail Power Company's 2023 Integrated Distribution Plan

Commissioner Means moved that the Commission:

1. Accept Otter Tail's 2023 IDP Report as in compliance with IDP reporting requirements.
2. Direct Otter Tail to file a cost-benefit analysis for Demand Response Management System in a supplemental filing, to be provided within 180 days of the Commission's order.
3. Direct Otter Tail to submit in its next IDP its process for Non-Wires Alternatives analysis.
4. Direct Otter Tail to provide in its 2025 IDP an update on the Morris Flow Battery project.
5. Direct Otter Tail to include in its 2025 IDP an update on the Morris, Minnesota impact study.
6. Revise the IDP filing requirements to identify the sub-sections establishing the requirements for Non-Wires (Non-Traditional) Alternatives Analysis and the TEP as sections 3.E and 3.F, respectively.
7. Delegate authority to the Executive Secretary to work with Otter Tail and stakeholders to develop a proposal for what distribution data is reported in the IDP and what data continues to be reported in other dockets. The goal of the process is to develop a comprehensive list of existing distribution data reporting requirements and to identify

which, if any, pieces of information are missing and should be included in future IDPs. At minimum, the proposal should address the following types of data:

- a) Reliability data such as SAIDI, SAIFI, CAIDI, CEMI, and CELI.
 - b) Distribution spending by IDP budget categories.
 - c) Whether there is available hosting capacity for generation or load at the primary system level.
 - d) Demographic data including race and income.
 - e) Installed DERs, ECO rebates, DR customers enrolled in programs.
 - f) Data reported at a feeder and/or census block group level.
8. Delegate authority to the Executive Secretary to work with Otter Tail, the Department, and stakeholders to modify the IDP filing requirements to include discussions of the impacts of electrification where appropriate. Delegate authority to the Executive Secretary approve via notice a stakeholder agreement on amended filing requirements if one is reached.
 9. Delegate authority to the Executive Secretary to work with Otter Tail and stakeholders on ways to modify the IDP budget categories to allow for comparisons between utilities and comparison of historic to forecasted data. Delegate authority to the Executive Secretary to approve via notice a stakeholder agreement on amended filing requirements if one is reached.
 10. Approve Otter Tail's 2023 Transportation Electrification Plan.
 11. Require Otter Tail to file its next TEP by November 1, 2025.

The motion passed 5–0.

E-015/M-23-258

In the Matter of Minnesota Power's 2023 Integrated Distribution Plan

Acting Chair Sullivan moved that the Commission:

1. Accept Minnesota Power's 2023 IDP Report as in compliance with IDP reporting requirements.
2. Delegate authority to the Executive Secretary to work with Minnesota Power and stakeholders to develop a proposal for what distribution data is reported in the IDP and what data continues to be reported in other dockets. The goal of the process is to develop a comprehensive list of existing distribution data reporting requirements and to identify which, if any, pieces of information are missing and should be included in future IDPs. At minimum, the proposal should address the following types of data:
 - a) Reliability data such as SAIDI, SAIFI, CAIDI, CEMI, and CELI.

- b) Distribution spending by IDP budget categories.
 - c) Whether there is available hosting capacity for generation or load at the primary system level.
 - d) Demographic data including race and income.
 - e) Installed DERs, ECO rebates, DR customers enrolled in programs.
 - f) Data reported at a feeder and/or census block group level.
3. Delegate authority to the Executive Secretary to work with Minnesota Power, the Department, and stakeholders to modify the IDP filing requirements to include discussions of the impacts of electrification where appropriate. Delegate authority to the Executive Secretary to approve via notice a stakeholder agreement on amended filing requirements if one is reached.
 4. Accept Minnesota Power's current Non-Wires Alternatives analysis and find it is compliant with the Filing Requirement 3.E.2.d and 3.E.2.b.
 5. In its next IDP, require Minnesota Power to consider demand response, energy efficiency, and renewable generation as part of its future Non-Wires Alternatives process.
 6. Require Minnesota Power to provide cost-benefit analysis for the Cloquet Area project through a supplemental filing within 180 days of this order.
 7. Approve Minnesota Power's 2023 Transportation Electrification Plan.
 8. Require Minnesota Power to file its next TEP by November 1, 2025.
 9. Require Minnesota Power to include in future TEPs a discussion of how the Company is preparing and supporting adoption of medium- and heavy-duty electric vehicles, specifically transit buses, school buses, and truck fleets, and a count of each named category domiciling in the Company's service territory (e.g. number of electric transit buses, number of electric school buses, and number of electrified truck fleets).
 10. Require Minnesota Power to include in future TEPs a discussion of equity and an analysis of how the Company's EV programs are serving communities disproportionately impacted by transportation pollution including renters, multifamily housing residents, communities of color, low- to moderate-income customers, and rural communities. Minnesota Power shall also include a discussion on what gaps may remain.
 11. Require Minnesota Power to include in future TEPs a discussion of its coordination between EVs, energy efficiency, and building electrification planning, including its Energy Conservation and Optimization programs.

The motion passed 5–0.

E-002/M-23-452

In the Matter of Xcel Energy's 2023 Integrated Distribution Plan

Commissioner Sullivan moved that the Commission accept Xcel Energy's 2023 IDP Report as in compliance with IDP reporting requirements. Acceptance of the 2023 IDP has no bearing on prudence nor certification under Minn. Stat. § 216B.2425, subd. 3.

The motion passed 5–0.

Commissioner Sieben moved that the Commission require Xcel Energy to report all DERs and DER forecasts in MWac in future IDPs.

The motion passed 5–0.

Commissioner Sullivan moved that the Commission:

1. In its next IDP, require Xcel to report on its progress to improve forecasting, including:
 - a) Refining its residential beneficial electrification forecasts to include low, medium, and high adoption scenarios.
 - b) Presenting an initial C&I beneficial electrification forecast, or if the Company is unable to complete one by that time, the Company shall explain why not and include a detailed explanation of how it is thinking about this forecast, information challenges it raises, and approaches Xcel is considering.
 - c) Evaluating the accuracy of LoadSEER forecasts.
 - d) Utilizing IDP forecast scenarios to perform sensitivities on grid capacity or capital expense plans.
2. In future IDPs require Xcel Energy to provide standalone forecasts for demand response, load flexibility, and energy efficiency.
3. Require Xcel to provide a comparison of the forecast provided in the IDP to actuals in its next IDP.

The motion passed 5–0.

Commissioner Sullivan moved that the Commission:

1. Modify Xcel Energy's IDP filing requirements to discontinue requirement 3.A.9.
2. Delegate authority to the Executive Secretary to work with Xcel Energy and stakeholders on ways to modify the IDP budget categories to allow for comparisons between utilities and comparison of historic to forecasted data, and delegate authority to the Executive Secretary to approve via notice a stakeholder agreement on amended filing requirements if one is reached.

3. Delegate Authority to the Executive Secretary to work with Xcel, the Department, and stakeholders to modify the IDP filing requirements to include discussions of the impacts of electrification where appropriate and consider alternative dockets and the timeliness for a beneficial electrification plan and whether the filing requirements should be part of future IDPs, and delegate authority to the Executive Secretary to approve via notice a stakeholder agreement on amended filing requirements if one is reached.

The motion passed 5–0.

Commissioner Ham moved that the Commission require Xcel to provide a discussion of how it tracks, protects, and considers the restoration of vulnerable populations and critical customer load, such as hospitals and first responder sites, during extended outage events in its next IDP.

The motion passed 5–0.

Commissioner Sullivan moved that the Commission:

1. Require Xcel Energy to engage in additional stakeholder discussions on approaches to apply CBAs, or a similar type of evaluation, strategically to program-level investments for discretionary projects for certification or cost recovery proceedings.
2. In its next IDP, require Xcel to include a discussion of the results of stakeholder conversations about ways to conduct program-level cost benefit analyses for relevant discretionary distribution expenditures.
3. As part of the stakeholder effort, require Xcel to explain how it would define “discretionary” spending in this context and to explain its cost-benefit methodology, including specifically its identification of benefits.
4. Delegate authority to the Executive Secretary to work with Xcel and stakeholders to develop a proposal for what distribution data is reported in the IDP and what data continues to be reported in other dockets. The goal of the process is to develop a comprehensive list of existing distribution data reporting requirements and to identify which, if any, pieces of information are missing and should be included in future IDPs. At minimum, the proposal should address the following types of data:
 - a) Reliability data such as SAIDI, SAIFI, CAIDI, CEMI, and CELI.
 - b) Distribution spending by IDP budget categories.
 - c) Whether there is available hosting capacity for generation or load at the primary system level.
 - d) Demographic data including race and income.
 - e) Installed DERs, ECO rebates, DR customers enrolled in programs.
 - f) Data reported at a feeder and/or census block group level.

The motion passed 5–0.

Commissioner Sullivan moved that the Commission delegate authority to the Executive Secretary to establish a stakeholder process to develop a framework on cost allocation and proactive upgrades for Xcel. The stakeholder workgroup may also include Dakota Electric Association, Minnesota Power, and Otter Tail Power if they wish to participate. The Commission set the following guidelines for the process:

- a) The goal of the workgroup is to develop a framework for proactive upgrades and cost allocation for Commission consideration and possible adoption.
- b) The process does not need to reach consensus but should aim to clearly identify areas of agreement and disagreement to facilitate a Commission decision.
- c) The Commission establishes a goal of completing the stakeholder process by July 1, 2025. At the conclusion of the process there will be a notice and comment period on any framework followed by a Commission decision.
- d) The framework should address, at minimum, the following topics:
 - i) How to allocate the costs of proactive upgrades.
 - ii) How to ensure any proactive upgrades are distributed in an equitable manner throughout a utility's service territory.
 - iii) If costs are socialized among ratepayers, whether portions of the upgraded capacity should be reserved for certain customer classes.
 - iv) How a proactive upgrade program would integrate with a utility's planned distribution investment programs.
 - v) How a utility's other capacity programs and changes to distribution standards impact available hosting capacity.
 - vi) How to determine where and when there is a need for proactive upgrades using forecasted DER and load adoption.
 - vii) Whether there should be changes to any of a utility's service policy provisions such as Contributions In Aid of Construction (CIAC).

The motion passed 5–0.

Commissioner Sullivan moved that the Commission:

1. Delegate authority to the Executive Secretary to approve via notice the tariff changes outlined in Xcel's letter dated June 12, 2024, if no objections are filed within 30 days of the Commission's Order.
2. Require Xcel to track and report on the amount of each CIAC waiver granted to residential customers and the revenues foregone as a result of the waiver and file the data in its Annual EV Reports due June 1 annually, and require Xcel to report the aggregate number and dollar amount of waivers starting with its 2025 IDP.

The motion passed 5–0.

Commissioner Sieben moved that the Commission:

1. Require Xcel to work with stakeholders to refine its planned net load methodology. Xcel shall also evaluate alternative approaches to applying the dependability factor, including applying it to hourly photovoltaic generation and to photovoltaic nameplate capacity. Xcel shall engage parties that commented on planned net load in this proceeding as it evaluates seasonal dependability factors and alternative planned net load approaches. Xcel shall include a report describing the results of this evaluation and changes to its proposed planned net load methodology in its next IDP.
2. Require Xcel to implement the 15 percent DFPV in the next planning cycle for N-0 risk analysis in the next IDP.

The motion passed 5–0.

Commissioner Sullivan moved that the Commission:

1. Xcel shall demonstrate the Company's ability to integrate DERs with the tools available to it today and in the near term, including specifically through:
 - a) Implementing static Flexible Interconnection prior to implementing full, dynamic Flexible Interconnection; and
 - b) Pursuing a staged approach to Flexible Interconnection, DERMS, and Dynamic Hosting Capacity implementation.
2. Xcel shall be transparent about the conditions under which the Company will use Flexible Interconnection, particularly with impacted DER owner/operators.
3. The Commission directs the Distributed Generation Workgroup to take up the topic of Flexible Interconnection to work through questions related to Static Flexible Interconnection as well as Dynamic Flexible Interconnection which is enabled by DERMS.
4. Xcel shall conduct robust stakeholder outreach, including specifically with DER owners/operators, and describe in a filing with the Commission its stakeholder engagement process, the materials it used to inform stakeholders about DERMS (addressing, e.g., costs, benefits, alternatives, purpose, problems it is solving), the feedback it received, and how it has addressed it. The filing shall be filed in Xcel's 2025 IDP, or at the time of request for certification or cost recovery for any DERMS investments, whichever is sooner.
5. Xcel shall file a detailed roadmap for DERMS deployment that addresses the questions provided below. Xcel must adequately address these questions before any DERMS investments will be approved. The roadmap and answered questions shall be filed in Xcel's 2025 IDP, or at the time of request for certification or cost recovery for any DERMS investments, whichever is sooner.

Questions to address:

- a) What are the alternatives to DERMS?
- b) What are the specific use cases for which DERMS will be utilized and who are the intended beneficiaries?
- c) Will participation in DER Management be voluntary or required? Will requirements vary based on resource size, resource type, program participation, market participation, or other factors? Will it be available for load interconnections (e.g., EV charging hubs) or interconnections utilizing limited import/export control systems?
- d) How will communications be established between Xcel's DERMS and customer DER? Who will bear the ongoing cost for any necessary communications infrastructure?
- e) How will capacity be allocated across new and existing managed and unmanaged interconnectors? How will capacity upgrades be justified and from whom will upgrade costs be recovered?
- f) How will prospective applicants understand the impact of DER management on the economics of their project? What information will be provided to prospective interconnectors related to expected curtailment and existing and expected grid conditions?
- g) What are the expected deployment and integrations costs for DERMS? What is the expected ongoing licensing, operating, and infrastructure costs to execute and maintain DERMS functionality? From whom will these costs be recovered?
- h) How are equity and energy justice principles being incorporated within the use cases, process design, and cost allocation?

The motion passed 5–0.

Commissioner Sullivan moved that the Commission delegate authority to the Executive Secretary to open a new docket for Xcel Energy for the purposes of reviewing and approving Distributed Intelligence (DI) program terms and conditions. Xcel shall submit any requests to implement customer facing DI-enabled programs prior to rollout for Commission approval. This includes proposals the Company may make as part of its ECO portfolio. Proposals must include tariff pages with terms and conditions and be consistent with the terms of the February 18, 2022 Colorado Settlement in Proceeding No. 21A-0279E as outlined in the Commission's July 17, 2023 Order in E002/GR-21-630 and any other applicable Minnesota standards on data privacy. This is not a cost recovery docket and approval made in the docket have no bearing on prudence for future cost recovery proceedings.

The motion passed 5–0.

Commissioner Sullivan moved that the Commission require Xcel to re-evaluate IVVO for its Minnesota service area (applying the new Minnesota Test for cost-effectiveness and updated assumptions informed by PSCo's experience with IVVO). As part of this analysis, Xcel shall identify feeders where IVVO is most cost-effective, discuss the potential for targeted

deployment to these areas and/or in under-resourced communities, and report on its updated evaluation within six months of this order.

The motion passed 5–0.

Commissioner Tuma moved that the Commission require Xcel to conduct a Request for Information (RFI) process to assess the feasibility of its planned Non-Wires Alternatives solicitation, including the proposed “ARR split” compensation, and make a compliance filing reporting on the results of the RFI within 12 months of this order.

The motion passed 5–0.

Commissioner Sullivan moved that the Commission delegate authority to the Executive Secretary to conduct stakeholder meetings to discuss developments, identify areas of agreement and disagreement, and discuss next steps for the informal process led by Xcel and the Commission outlined in the ordering paragraphs 7, 8, 10, 13, 17, and 22 of the Commission’s order, with the goal of having the discussion with enough time for incorporation into the next IDP filing due by November 1, 2025.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: October 2, 2024

A handwritten signature in black ink, appearing to read "Will Seuffert", with a long horizontal flourish extending to the right.

Will Seuffert, Executive Secretary