

STATE OF MINNESOTA  
PUBLIC UTILITIES COMMISSION

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February 24, 2026

**RE: In the Matter of Xcel Energy’s 2025 Transportation Electrification Plan  
Docket No. E002 /M-25-142**

**Reply Comments of Fresh Energy, Union of Concerned Scientists, Sierra Club, and the  
Environmental Law and Policy Center**

Fresh Energy, Union of Concerned Scientists, Sierra Club, and the Environmental Law and Policy Center (collectively the Clean Energy Groups, or CEGs) submit these comments in response to Xcel Energy’s Reply Comments filed on February 3rd, 2026.<sup>1</sup> We appreciate Xcel’s consideration of our Initial Comments<sup>2</sup> and hope to offer clarifying details to aid in the development of decision options for Commissioners.

The CEGs reiterate the following recommendations from our initial comments:

- The Commission to direct Xcel Energy to expand its plan for transportation electrification to bring its budget for transportation electrification (through either the TEP or Energy Conservation and Optimization (ECO)) to align with the State of Minnesota’s decarbonization targets,<sup>3</sup> and to align with per-customer utility spending levels in Colorado, Illinois, and other states leading the charge on this area.
- The Commission to require additional program design and implementation research in parallel to operation of the proposed *Charging Perks* program described in Section II below to ensure that the program will facilitate learnings to enable the larger benefits of future Vehicle Grid Integration (VGI).
- The Commission to reiterate its order approving the Electric School Bus (ESB) Vehicle-to-Grid (V2G) Demonstration Project as “investments that further important public policy goals.”<sup>4</sup>

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<sup>1</sup> Docket No. E002/M-25-142. [Xcel’s TEP Reply Comments](#) (February 3, 2026).

<sup>2</sup> Docket No. E002/M-25-142. [Initial Comments of the CEGs](#) (January 13, 2026).

<sup>3</sup> See [Minnesota Greenhouse Gas Emissions Goals](#), which includes reducing emissions by 50% by 2030 compared to 2005 levels.

<sup>4</sup> Docket No. E002/M-23-452 [Order Approving Xcel’s TEP with Modifications](#), (May 9, 2024). Page 2, 9.

- The Commission to direct Xcel to revise and refile its proposed off-peak energy charges for Xcel’s Time of Use (TOU) energy rates for residential electric vehicle (EV) programs to reflect a lower interim increase until record can be developed to support a larger increase.
- Commission to direct Xcel to develop a solution to accommodate TOU pricing for Level 1 charging without requiring a separate meter or enrollment in a whole home TOU rate.
- The Commission to require development of an EV specific rate for public charging which reduces the negative impact of demand charges beyond the current General Service Rate and the now closed A90 rate.<sup>5</sup>
- The Commission to require Xcel to develop new pilots and innovations, filed as either supplemental filings to the TEP or in future TEPs, as described in our Initial Comments Section VI.<sup>6</sup>

## **I. Commercial EV Infrastructure Rebate Program**

As noted in our Initial Comments, the CEGs support all three proposed new programs in this TEP, including the Commercial EV Infrastructure Rebate Program filed under Xcel’s January 16th, 2026 ECO Modification Filing.<sup>7</sup> We have filed our comments on the Commercial EV Infrastructure Rebate Program in the ECO docket, including the relevant recommendations made in our Initial Comments to this TEP.<sup>8</sup> The CEGs wish to draw attention to some slight changes to our recommendations made in that filing. Specifically, we have updated our proposal for expanding the eligibility criteria for enhanced rebate amounts to accommodate Xcel’s concerns as well as the recommendations made by the Department of Commerce in their TEP Comments pertaining to the potential for EJ rebates to “disproportionately benefit well-resourced site hosts”.<sup>9</sup> Our revised recommendations for modifying and expanding the criteria are as follows:

1. Eligibility for enhanced rebates for multifamily Level 2 charger installations should be determined based on December 2025 guidance from the Department of Commerce on ECO Program Income-Eligibility, rather than based on EJ areas.<sup>10</sup>
2. The higher rebate tier for DCFC installations should be offered to locations in areas of Xcel’s territory (i.e. Census areas designated as rural)<sup>11</sup> located at least 30 miles from the nearest existing DCFC.

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<sup>5</sup> Docket No. E002/M-25-142. [Xcel’s Transportation Electrification Plan](#) (October 31, 2025). Page 36.

<sup>6</sup> Docket No. E002/M-25-142. [Initial Comments of the CEGs](#) (January 13, 2026). Page 21.

<sup>7</sup> Docket No. E,G002/CIP-23-92. [ECO Modification Request - TEP](#) (January 16, 2026).

<sup>8</sup> Docket No. E,G002/CIP-23-92. [CEG Comments on ECO Modification Request](#) (February 10, 2026).

<sup>9</sup> Docket No. E002/M-25-142. [Initial Comments of the Department of Commerce](#) (January 13, 2026). Page 10.

<sup>10</sup> See [ECO Policy Guidance: Low-Income Programming in Multifamily Buildings with 5+ Units](#). (December 2025).

<sup>11</sup> See [U.S. Census definitions](#).

3. The higher rebate tiers be made available to both DCFC and Level 2 chargers constructed by public entities, such as transit providers and the publicly owned EV Spot Network.<sup>12</sup>
4. The higher rebate tiers for both public DCFC and public Level 2 chargers located at businesses owned by women and BIPOC.
5. The higher rebate tiers for both public DCFC and public Level 2 chargers should be available to projects located in geographies impacted by adverse air quality, particularly traffic pollution, as identified in ongoing Minnesota Pollution Control Agency Cumulative Impacts Rulemakings.<sup>13</sup>

The CEGs appreciate the inclusion of the Program Terms and Conditions in Xcel’s Reply Comments. We support treating installation costs as an eligible cost for program rebates, and we appreciate their inclusion. However, we note that anecdotal evidence from school bus operators demonstrates that the EVSI rebates as currently proposed may be insufficient to cover 40% of the total eligible costs for many installations.

The CEGs also look forward to Xcel’s willingness to include EVSE rebates for Transit Buses in its ECO Filing and look forward to seeing their inclusion in their Reply Comments in that filing due February 25, 2026. As stated in our Initial Comments, we believe that supporting transit electrification is a critical component of improving the equitable access to electric transportation options.

## II. Charging Perks Active Managed Charging Programs

The CEGs agree with the concern of the OAG and other parties regarding the cost benefit analysis associated with the *Charging Perks* program, as we described in our Initial Comments.<sup>14</sup> However, we do not agree that the cost-benefit results indicate the program would be better suited as a pilot, as suggested by OAG.<sup>15</sup> We note that the proposed solutions of either limiting the number of participants or limiting the program to only Distribution Optimized participants both carry significant downsides. Firstly, the benefits and lessons learned of the program are most likely to be realized if the program can be implemented broadly and for multiple purposes, both renewable integration and distribution system optimization.<sup>16</sup> Secondly, the CEGs believe that Distribution Optimized customers would be more likely to reside in high income areas where high adoption of DERs and beneficial electrification has led to a more constrained electric grid. Research from the University of Minnesota uncovered a similar finding in hosting capacity,

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<sup>12</sup> Expanding rebates for EV Spot Network and for transit electrification outside of EJ Areas will benefit residents of EJ Areas by making it easier for residents of such areas to access services and professional opportunities outside of their immediate community.

<sup>13</sup> The [MPCA Rulemaking](#) process is closely linked to the EJ framework, but certain geographies might not qualify as an EJ area but are disproportionately impacted by traffic pollution and should be eligible for higher rebate amounts.

<sup>14</sup> Docket No. E002/M-25-142. [Initial Comments of the CEGs](#) (January 13, 2026). Pages 16-17.

<sup>15</sup> Docket No. E002/M-25-142. [Initial Comments of the OAG](#) (January 13, 2026). Page 2.

<sup>16</sup> Docket No. E002/M-25-142. [Xcel’s Transportation Electrification Plan](#) (October 31, 2025). Page 63.

noting, “per household hosting capacity is higher in Census Block Groups with higher poverty levels, higher unemployment rates, lower population density, and fewer households built after the 1990s”.<sup>17</sup> With this in mind, distribution optimized customers might be more likely to be higher income customers. Limiting participation to these customers thus could have the unintended consequence of preventing many low- and moderate-income customers from benefiting from the program.

Given that estimated costs outweigh the estimated benefits, discussions around the merits of *Charging Perks* are warranted. The CEGs welcome a more robust analysis of active managed charging options which could prove more cost-effective but believe that the *Charging Perks* Program need not be recast as a pilot to facilitate that analysis. Rather, the objective could be achieved with a required program evaluation in the next TEP after two years of operation. From that evaluation, cost-saving program modifications could be proposed while maintaining momentum and generating further lessons learned in active managed charging. Program changes, phase outs, and transitions in this TEP demonstrate course adjustments can be made to non-pilot program offerings. Active managed charging in Minnesota through *Charging Perks* has potential to offer learnings and indirect benefits which justify its approval without delay.

### **III. Residential EV Accelerate at Home Program Modifications**

The CEGs continue to recommend that Xcel work to find a solution to allow for Level 1 charging on a TOU rate without the need for a second service meter. The CEGs recognize that the EVAAH program is designed to address multiple issues for EV customers, including installation costs which may not be as significant for customers pursuing Level 1 charging solutions. However, the program also provides access to off-peak electricity rates without requiring a second service meter or enrolling in a whole home TOU rate, which is a significant cost-savings benefit for many customers. It is important for Xcel to work to provide solutions enabling customers to access the off-peak fueling rates for customers with EVs, regardless of the power level they need to charge.

### **IV. Residential Advisory Services and Guided Charging Installation Program**

The CEGs appreciate Xcel’s willingness to work with community-based organizations on its outreach and marketing and hope that these efforts will lead to engagement and uptake of electric transportation options by historically underserved groups such as those in rural areas, BIPOC residents, and residents of multifamily buildings. In particular, the CEGs believe that working with tribal communities through organizations such as Native Sun Community Power Development, which works extensively with Tribal Nations and their communities on

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<sup>17</sup> Bhavin Pradhan, Gabriel Chan, [Minnesota’s energy paradox: Household energy insecurity in the face of racial and economic disparities](#), The Electricity Journal, Volume 37, Issue 6, 2024. Page 9.

transportation electrification issues and deployment, will yield benefits and increase participation in programming.

The CEGs are also strongly supportive of the \$500,000 annual budget for HOURCAR included in the budget for this program.<sup>18</sup> We ask Xcel to provide a more detailed breakdown through a supplemental filing of the budget for the Residential Advisory Services and Guided Charging Installation Program, including any other sponsorships that will be supporting transportation electrification.

## V. Proposed Tariff Modifications

In Initial Comments, the CEGs recommended that Xcel refile its Tariff Modification for a more modest increase in off-peak energy charging rates.<sup>19</sup> This recommendation followed from an analysis of EV charging behavior under the EVAAH program and the MDU EV Pilot Rate, both of which have historically been tied to the Residential TOU Rate. Potential negative impacts of the proposed changes, which match changes to the EV TOU rates to the approved change to Residential TOU Rate, underscore the need to reevaluate the relationship between EV-specific rates and whole-home TOU rates. The existing customer-impact analyses in the development of the new Residential TOU Rate do not pertain to customers using TOU rates exclusively for EV charging, and thus a record upon which to base a decision on the kilowatt-hour prices for EV-specific TOU rates is lacking.

In developing its revised Residential TOU rates, Xcel conducted analysis both on price signals and customer impacts. Xcel balanced these interests to propose an increase to off-peak energy rates and a decrease to on-peak energy rates for both winter and summer months. Analysis in the Residential TOU Rate docket concluded that the changes would not adversely impact customers by analyzing the expected bill impacts for a typical residential customer, with Xcel noting that “the revised TOU rates are designed so that the average customer should experience no difference in bills”.<sup>20</sup> However, this analysis does not hold true for EVAAH customers. While the average residential customer used approximately 20% of their electricity during the off-peak period and 17% during the on-peak period,<sup>21</sup> for EVAAH customers, 87% of delivered energy comes during off-peak periods with less than 2% coming during the on-peak period.<sup>22</sup> The changes proposed will thus have disproportionate impacts on EVAAH customers compared to typical residential customers: a 65.4% versus 7.5% increase in volumetric energy charges, respectively, as demonstrated by Table 1 below:

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<sup>18</sup> Docket No. E002/M-25-142. [Xcel’s TEP Reply Comments](#) (February 3, 2026). Page 9.

<sup>19</sup> Docket No. E002/M-25-142. [Initial Comments of the CEGs](#) (January 13, 2026). Pages 18-19.

<sup>20</sup> Docket No. E002/M-23-524 [Supplement in the Matter of Xcel’s Residential TOU Rate Design](#) (August 16, 2024). Page 9.

<sup>21</sup> Docket No. E002/M-23-524 [Residential Time of Use Rate Design](#) (August 14, 2025). Attachment B, Page 2.

<sup>22</sup> See [Xcel EV Annual Report 2025](#). Page 8.

	300kWh Energy Charge under Current TOU Rate	300kWh Energy Charge under Proposed TOU Rate	Percent Increase
EVA AH	\$15.19	\$25.12	65.4%
Residential	\$38.04	\$40.91	7.5%

*Table 1: Using reported TOU consumption data and assuming a typical summer month usage (300kWh). Not including fuel charges. Calculations attached in supplemental workbook.*

The proposed changes to the TOU rate may not significantly impact typical residential TOU customers, but customers using this rate just for EV charging will see significant increases to their monthly bills. In addition to the rate shock risks from this increase, there is also risk that lowering the differential between on-peak energy charges and off-peak energy charges will decrease the incentive to charge off-peak and thus increase EVA AH customers’ usage of on-peak electricity, inadvertently increasing bulk system costs. Finally, for customers currently charging EVs on non-TOU electric service rates, the proposed change significantly reduces potential savings from signing up for the EVA AH program in the first place. This could lead to more unmanaged charging and precludes the opportunity to earn customer trust and comfort with Xcel’s EV programs broadly.

Xcel states in its Reply Comments that it believes “creating different rate designs for different use cases would potentially be discriminatory to customers in the same rate class”.<sup>23</sup> However, differentiating rates by use case is common for electric space heating, which received its own treatment and analysis within the Residential TOU rate docket.<sup>24</sup> A different rate design for the use-case of electric vehicle charging is further justified by the grid-benefits resulting from the flexibility of EV charging compared to other typical household loads, as well as the significant public health and environmental benefits of EVs.

The CEGs believe that off-peak electricity sales to EVs should provide downward pressure on rates. Increases to off-peak energy rates for EVs may thus be warranted to accommodate changes to Xcel’s cost of service for off-peak electricity.<sup>25</sup> Although EVA AH program costs exceed program revenues, this is largely attributable to the capital cost of charger installations, not the cost of electricity service.<sup>26</sup> If usage patterns hold, the proposed change would generate well over 50% more energy charge revenue from the EVA AH program, likely far more than is necessary to recover program operating costs and resulting in a cross-subsidization of other residential

<sup>23</sup> Docket No. E002/M-25-142. [Xcel’s TEP Reply Comments](#) (February 3, 2026). Page 25.

<sup>24</sup> Docket No. E002/M-23-524 [Supplement in the Matter of Xcel’s Residential TOU Rate Design](#) (August 16, 2024). Pages 10-12.

<sup>25</sup> *Id.* at Page 7.

<sup>26</sup> See [Xcel EV Annual Report 2025](#). Page 9.

customers by EVAAH customers. A sudden significant increase to off-peak energy charges, heavily utilized by EVAAH customers, could have negative downstream impacts on EV adoption, enrollment in managed charging, EV charging use-patterns, and customer satisfaction. For these reasons, the CEGs oppose the tariff modification as proposed and recommend that the Commission **direct Xcel to refile a more modest increase to the EV-specific TOU rates and to study the issue and develop a record for further modifications, if warranted .**

## **VI. Electric School Bus V2G Charging**

The CEGs lament that Xcel has decided to end its Electric School Bus V2G Demonstration Program originally approved by the Commission in the 2023 TEP. This program was more than an opportunity to support school bus electrification; it was an opportunity to learn about Vehicle Grid Integration and learn how to utilize new forms of grid assets. The CEGs believe that Xcel's failure to find interested participants is linked to the restrictive eligibility criteria imposed, and may be remedied by widening the program to all ESBs in Xcel's territory, not just those awarded under the Department of Commerce grant process. Expanding participant eligibility to all electric school buses in its territory can help overcome this challenge. The CEGs believe that support for ESB chargers under the proposed Commercial Infrastructure Rebate Program should be treated as a complement to the ESB V2G program, helping to facilitate adoption of V2G-capable chargers, rather than a replacement for that program. The CEGs urge the **Commission to direct Xcel to expand eligibility for and to implement the previously approved ESB V2G program.**

## **VII. New Rate Designs, Pilots, and Programs**

The CEGs appreciate Xcel's pursuit of a Commercial TOU Rate as we believe this option will help reduce the total cost of operation for many commercial fleets considering electrification. At a recent stakeholder meeting on the proposal, Xcel noted that this rate is meant to be a mandatory option for loads of at least 100 MW, with opt-in capability for customers of at least 1 MW. Although this will be helpful for large EV fleets which can manage their time of use to more effectively avoid on-peak periods and mitigate demand charges, it will not significantly help public charging installations which can not effectively control their time of use as they must be ready to deliver electricity when requested by customers. Furthermore, the proposed rate includes demand charges which will disadvantage unmanaged EV loads which are inherently 'spikey' in nature. The CEGs thus request that Xcel consider development of a new public EV charging rate which could help mitigate the costs of providing service and help affordably meet the fueling needs of Minnesotans without home-charging.

The CEGs are excited to draw attention to vendors offering managed charging solutions for fleets, including EnergyHub, ev.energy, and Synop, the latter of which has been successfully managing charging for the school bus fleet Minnesota Coaches.<sup>27</sup> Other utilities have offered

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<sup>27</sup> See [EnergyHub](#), [ev.energy](#), and [Synop Minnesota Coach Success Story](#)

managed charging programs for fleets, most notably NV Energy in its 2025 TEP which offers incentives for fleets to enroll and payments for participating in demand response events.<sup>28</sup> The CEGs maintain that there is potential value for both customers and for Xcel in pursuing active managed charging or demand response programs for fleets, and request that the **Commission direct Xcel to study options in this space and file a pilot program.** In addition to active managed charging solutions for fleets, the CEGs would welcome alternative strategies for affordably electrifying fleets such as flexible service connections, the development of compensation mechanisms for participating in demand response events, and the rapid deployment of the aforementioned commercial TOU rate.

## **IIX. Conclusion**

The CEGs remain strongly supportive of the Transportation Electrification Plan. We are encouraged by Xcel's receptiveness in their Reply Comments, including plans to expand EVSE rebates to transit buses and willingness to include community-based organizations representing underserved groups in outreach and marketing efforts. However, the CEGs remain concerned that gaps in current program offerings and increases to off-peak rates will unnecessarily slow EV adoption. Now is the time to aggressively expand low-cost offerings for EV charging, such as L1 charging. Now is the time to explore new ways of integrating electric vehicles with the grid with V2G and active managed charging that can lower costs and provide grid benefits. Now is the time to align utility transportation electrification expenditures with Minnesota's state goals. Now is not the time to add additional barriers to EV adoption by dramatically increasing the off-peak rates for residential customers to charge their EVs.

With modest budget increases and with Commission direction to develop new pilots and programs to support transportation electrification, we believe that Xcel can help expedite the electric vehicle transition and bring about significant savings to EV customers, downward pressure on rates for all Xcel electric customers, and cleaner air and a healthier climate for everyone. We look forward to working with the Commission, Xcel, and other stakeholders in realizing these shared goals. We thank the Commission for the opportunity to participate in this docket.

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<sup>28</sup> See [NV Energy Transportation Electrification Plan](#)

Sincerely,

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