

Decision Options for September 12, 2024

Updated with Preferred Decision Options

Docket Nos. G008, G002, G011/CI-23-117; G999/CI-21-565

Preferred Decision Options Filed by the Following by September 9, 2024:

- Ayada Leads, CURE, MN350 Action, MNIPL, Midwest Building Decarbonization
- CPE
- CUB and CEOs
- LIUNA and IUOE Local 49
- Local City Governments
- MERC
- OAG
- Xcel

In addition, a set of “JOINT PREFERRED” decision options were filed by the Building Decarbonization Coalition, CEE, CUB, CEOs (MNCEA, Sierra Club, & Fresh Energy), Department, and the OAG.

Preferred & New Decision Options as of September 9, 2024

The following decision options are taken from Staff briefing papers. Parties offered modifications; those are shown in red, underlined, bold, or strikethrough text as indicated. After parties filed their preferences, some decision options no longer have any support from parties; these are identified by **(no support)**. New decision options start at #102.

Equity

1. Require gas utilities to include in their integrated resource plan a discussion of how equity was considered in the planning process. (Joint Preferred, LIUNA/Local 49, MERC, Xcel, CPE, Ayada et al.)
2. Require gas utilities to include in their IRP a discussion of how changes to the distribution system will have upstream impacts on communities impacted by gas extraction and transportation. (Ayada et al.)

Equity- Participation

[Any may be selected]

3. Request that GPI incorporate an equity-focused component to the Gas Utility Innovation Roundtable to inform the development of natural gas utilities’ IRPs. **(no support)**
4. Require the natural gas utilities required to file gas IRPs to work through the Gas Utility Innovation Roundtable to engage and obtain input from stakeholders in the development of initial natural gas IRPs. **(no support)**

5. Require the gas utilities required to file gas IRPs to facilitate effective engagement with members of impacted communities (including community groups, local leaders, tribal leadership, and elders) throughout the integrated resource planning process. (Modified by Ayada et al.)
6. Encourage regular consultations between gas utilities required to file gas IRPs and local governments to discuss community-specific concerns and priorities throughout the planning process. (Ayada et al.)
7. Require gas utilities required to file IRPs to work with local governments to establish a process for utilities to provide periodic regulatory updates and educational opportunities to local governments in their service territories. Require each utility to file a narrative on the proposed process within 30 days of the issuance of this Order. (Ayada et al.)
8. Require Xcel, CenterPoint, and MERC each to develop a proposal for a structured process for local governments to provide input on proposed utility gas plans, including mechanisms to address how this input is or is not incorporated into final decisions. Require each utility to file a narrative on the proposed process within 30 days of the issuance of this Order. (Ayada et al.)
9. **For public hearings or community meetings related to the gas IRP process, Require the gas utilities to Adopt, when practicable the following best practices for Community Engagement in the gas IRP process **should be considered** [*The Commission may select any or all of the following:*] (Modified by Ayada et al. in red underline; OAG modifications shown in **bold red**)**

OR

Encourage utilities to follow best practices for Community Engagement in the IRP process, such as: (CUB/CEOs modified)

- A. Provide healthy and appropriate food/beverages.
- B. Coordinate with local community leaders in advance to assure high attendance and awareness.
- C. Provide information during existing community events/meetings.
- D. When transit is available, choose locations with walkable access to major transit lines.
- E. Schedule during a reasonable time after typical working hours and school hours if planned during the week.
- F. Provide dependent-friendly spaces.
- G. Prioritize public meetings in areas designated as 'Green Zones,' by any unit of government, or in identified environmental justice areas, as designated by the MPCA. [CUB/CEOs also support as modified]
- H. Designate space for community organizations or nonprofits to set up information and engage with attendees, equivalent in location and prominence to information provided by utilities
- I. Allow commenters to provide feedback over the phone or by other means when requested by the community. [CUB/CEOs also support as modified]
- J. Contact government bodies and community groups before scheduling public meetings to provide input on scheduling.

- K. Incorporate and adopt, as appropriate, explicit standards and guidance set out by the White House Environmental Justice Advisory Council. ~~in the context of other types of new infrastructure buildout.~~ [CUB/CEOs also support as modified]
- L. Adopt best practices laid out in the 1997 White House CEQ guidance on Environmental Justice under NEPA, which requires adaptive techniques for gathering information and / or for seeking comment from tribal members and low-income communities. [CUB/CEOs also support as modified]

Equity- Focus on Workforce

[Any may be selected]

- 10. Delegate authority to the Executive Secretary to open a proceeding to create a mechanism for existing employees of the utilities to provide input and have their voices heard without the intermediary of their employer. (Ayada et al.)
- 11. Require utilities required to file gas IRPs to incorporate equity into workforce and supplier diversification as relates to gas IRPs by sharing relevant information filed in docket no. E,G999/PR-24-101 in the instant docket as part of annual updates. (OAG)

Equity- Decommission Gas Infrastructure

- 12. Require the gas utilities required to file gas IRPs to plan for the establishment of decommissioning trust funds and maintain sufficient decommissioning funds to cover any future liabilities arising from abandonment of gas infrastructure. (Ayada et al.)

Filing Cadence

[To give direction to utilities regarding filing, the Commission should select 13 or 14]

- 13. Require Xcel to file its first gas IRP by October 1, 2026, and require the other two utilities to file their Plans on a 12-month cadence, beginning with CenterPoint on October 1, 2027, and MERC on October 1, 2028. (Joint Preferred, LIUNA/Local 49, Xcel, CPE)

[With Decision Option 13, the Commission may also consider A]

- A. Delegate authority to the Executive Secretary to revise the filing schedule and cadence if the first Gas IRP filing takes longer than 12 months, shortly after the conclusion of the first Gas IRP. **(no support)**

OR

- 14. Adopt a two-year cadence between the filings of the Initial Gas IRPs of Xcel on October 1, 2026, and CenterPoint Energy on October 1, 2028, and a one-year cadence for MERC to file its Initial Gas IRP on October 1, 2029. After all of the Gas Utilities have filed their initial Gas IRPs, the filing cadence would then follow the Commission's Order Point 21 from the March 27, 2024 Order. (MERC)

Expansion Alternatives Analysis (EAA)

EAA- Clarifying Meaning

[Any may be selected]

15. Clarify that, as used in ordering paragraph 51 of the Commission's March 27, 2024 order in these dockets, "infrastructure costs" are the capital costs the utility would pay to do the project. (Joint Preferred, LIUNA / Local 49, MERC, Xcel, CPE)
16. Clarify that, as used in ordering paragraphs 51 and 54 of the Commission's March 27, 2024 order in these dockets, "Capacity Expansion Project, Resource Expansion, or New Resources" are individual projects, or a set of inter-related facilities needed to meet a specified capacity expansion need due to growth by existing or new customers and facilities. (Joint Preferred, LIUNA / Local 49, Xcel, CPE)
17. Require that projects that are geographically related and/or interdependent on each other be considered as a single capacity expansion project for the purposes of determining EAA eligibility above the cost threshold. (CUB/ CEOs, Ayada et al.)
18. Find that projects that meet the statutory definition of a natural gas extension project ("NGEP") are eligible to be considered for an EEA if above the investment threshold. (Joint Preferred, LIUNA / Local 49)

EAA- Replacing Framework Ordering Paragraphs

19. Replace the section title immediately preceding ordering paragraph 51 of the Commission's March 27, 2024 Order in these dockets with the following: Expansion Alternatives Analysis. (Joint Preferred, LIUNA / Local 49, MERC, Xcel, CPE)

[To give direction on Investment Threshold, the Commission should consider selecting one from 20-22]

20. Replace ordering paragraph 51 of the Commission's March 27, 2024 Order in these dockets with the following: Gas integrated resource plans shall include infrastructure projects related to resource expansion or new resources at or above a [\$ ____] threshold, adjusted for inflation, from which utilities select projects for an Expansion Alternatives Analysis. Utility resource plans shall include a discussion of the rationale for the projects selected for an Expansion Alternatives Analysis, and summary of the utility's discussions with stakeholders throughout the selection process. (Joint Preferred, LIUNA / Local 49; Xcel modification)

OR

21. Replace ordering paragraph 51 of the Commission's March 27, 2024 Order in these dockets with the following: Integrated resource plans shall include an analysis of infrastructure projects related to individual projects, or a set of inter-related facilities needed to meet a specified capacity expansion need due to growth by existing or new customers and facilities at or above a threshold of [\$ ____]. (MERC)

[With 21, May also consider the CPE addition, below:]

The cost thresholds established apply only to the required Expansion Alternatives Analyses. [CPE addition; CPE contacted Staff to correct the term used in this decision options]

[If selecting Decision Options 20 or 21, Commission should choose either utility-specific thresholds (A-C) or one universal threshold from D–H to put inside the brackets]

- A. \$15 million for CenterPoint Energy, adjusted for inflation. **(no support)**
- B. \$3 million for Xcel (LIUNA/ Local 49, Xcel preferred)
- C. \$1 million for MERC (LIUNA/ Local 49, MERC)
- D. \$10 million (CPE)
- E. \$10 million, but no more than five total projects must be considered for the EAA (CPE)
- F. \$10 million, but no more than ten total projects must be considered for the EAA **(no support)**
- G. \$1 million **(no support)**
- H. \$1 million, but no more than ten total projects must be considered for the EAA (Joint Preferred, Xcel)
- I. \$5 million for CPE and a cap on 6 largest projects [LIUNA and Local 49 modification]

OR

- 22. Replace ordering paragraph 51 of the Commission’s March 27, 2024 Order in these dockets with the following: Integrated resource plans shall include an analysis of the largest [two or three or four] infrastructure projects related to individual projects, or a set of inter-related facilities needed to meet a specified capacity expansion need due to growth by existing or new customers and facilities. **(no support)** [If selected, Commission should choose one of the numbers in brackets]

[To give direction on the creation of the pool from which some projects will be selected for a full EAA, the Commission should consider selecting 23 and any from 24-27]

- 23. Replace ordering paragraph 52 of the Commission’s March 27, 2024 Order in these dockets with the following: From the pool of projects above the threshold, utilities shall select 2-3 projects for a full Expansion Alternatives Analysis. The Expansion Alternatives Analysis shall proactively identify areas of the natural gas system with upcoming capacity needs and analyze how to best serve those needs. **(no support)**
- 24. Require each utility to follow the following process to create a project pool for its EAA (Ayada et al.):
 - A. First, the preliminary screening of forecasted infrastructure investments identifies projects for alternatives analyses that are more likely to be feasible and executable based on safety, cost, and timing.
 - B. Next, to assess whether an alternatives project is technically viable, a utility procures and assembles eligible resources into a portfolio.
 - C. Finally, a utility evaluates the alternatives portfolio using a benefit-cost test, qualitative vendor criteria, and equity analysis.

25. Allow utilities to evaluate and select additional projects for an Expansion Alternatives Analysis below the established cost threshold. (Modified by the Joint Preferred, supported by LIUNA/Local 49, Xcel, and Ayada et al.)
26. Encourage utilities to consider expansion alternatives for projects related to safety and reliability, public works accommodation, routine maintenance, and integrity. (**no support**)
27. Require utilities to consider additional factors when selecting expansion projects for the EAA, including the potential for learning, equity impacts, and emissions reductions. (Ayada et al.)

[To give direction on the full Expansion Alternatives Analysis, the Commission should consider selecting any from 28-30]

28. Replace ordering paragraph 52 from the Commission's March 27, 2024 Order in these dockets with the following: Require that an Expansion Alternatives Analysis a full alternatives evaluation, as required by Order Point 54 of the Commission's March 27, 2024 Order, includes at a minimum, evaluation of: (Modified by the Joint Preferred; Joint Preferred support A-D as well. Supported by CPE but with modification to A, below. All supported by Ayada et al.)
 - A. ~~non-pipeline alternatives and/or non-natural-gas~~ alternatives **as defined in Minn. Stat. § 216B.2427, subd. 1;** (CPE modification in red and bold to 28A.)
 - B. costs and benefits of those alternatives including the costs of direct investment, variable costs, and the social costs of carbon and methane for emissions due to or avoided by the alternative;
 - C. air quality impacts;
 - D. a thorough and transparent explanation of the criteria used to rank or eliminate such alternatives; and an explanation of how equity was considered.
29. Require utilities to consider zero on-site combustions technologies like electrification, geothermal district energy, and thermal energy networks in their expansion alternatives analysis. (Ayada et al.)
30. Require that an expansion alternatives analysis consider the following, adapted from requirements for new business and capacity expansion projects in Colorado's Gas Infrastructure Plans (Ayada et al.)
 - A. one or more applicable clean heat resources;
 - B. a cost-benefit analysis including the costs of direct investment and the social costs of carbon and methane for emissions due to or avoided by the alternative, and other costs determined appropriate by the Commission; and
 - C. available employment metrics associated with each alternative, including a projection of gas distribution jobs affected by the alternative and jobs made available through the alternative, opportunities to transition any affected gas distribution jobs to the alternative, pay and benefit levels of the affected gas distribution.

[To give direction on decision-making in the EAA, including stakeholder meetings, the Commission should consider selecting 31 and any from 32-38]

31. Replace ordering paragraph 53 of the Commission’s March 27, 2024 Order in these dockets with the following: Utility resource plans shall include a discussion of the rationale for the projects selected for an Expansion Alternatives Analysis, and summary of the utility’s discussions with stakeholders throughout the selection process and the alternatives analysis. **(no support)**
32. For projects above the investment threshold for the expansion alternatives analysis, require the utility to explain why the projects selected for a full alternatives evaluation were prioritized over the projects that were not selected for a full alternatives evaluation. (Ayada et al.)
33. Require each utility to engage diverse communities within its service territory in the process of identifying potential projects for EAAs and the selection of the projects on which EAAs will be conducted. (Ayada et al.)
34. Require each utility to include in each gas IRP a summary of its discussions with stakeholders, including all members of the impacted community, including community leaders (e.g. local government or tribal leaders) and other important leaders such as elders. (Ayada et al.)
35. Require that the alternatives analysis under the overall planning structure or within an EAA be done at the discretion of impacted communities. (Ayada et al.)
36. For the initial natural gas IRPs, require natural gas utilities to present possible expansion projects to the Gas Utility Innovation Roundtable stakeholders and work collaboratively with stakeholders to select projects for Expansion Alternatives Analyses. **(no support)**
37. Encourage coordinated planning among gas utilities required to file gas IRPs and local governments to align infrastructure projects with community capital improvement plans and climate objectives, prioritizing city timelines to the extent possible to help avoid redundant investments and leverage opportunities for integrated solutions. (Ayada et al.)
38. Require utilities required to file gas IRPs to include local government representatives in stakeholder engagement, and request local governments’ participation to gather input from their communities and provide feedback on ways to minimize the cost burden of stranded assets and a shrinking customer base, especially on those who can least afford to shoulder them. (Ayada et al.)

[Decision Option 39 can be paired with any other decision options.]

39. Rescind ordering paragraph 54 of the Commission’s March 27, 2024 Order in these dockets. **(no support)**

EAA- Equity, Mapping, and Geographic Specificity

[To give direction on equity, maps, and project sites in the EAA, the Commission may choose any from 40-43 but only one from 44-45]

40. To integrate equity into alternatives analyses, require utilities to evaluate ways to overlay maps of proposed capital projects and resource acquisitions across maps of environmental justice and disadvantaged communities in the utilities' service areas. (Ayada et al.)
41. Require utilities to ~~select~~ prioritize capacity expansion projects for expansion alternatives analysis with the potential for learning and those located in low-income and /or using equity criteria and Environmental Justice Areas as defined in Minn. Stat. § 116.065, subd. 1(e) (2023) or indigenous communities. (Modified by the JOINT PREFERRED, modifications supported by LIUNA/Local 49, Ayada et al., and CPE)
42. Require utilities when selecting projects for EAAs to consider the disparate impacts of gas system emissions on various communities, and whether low- and moderate-income households will benefit from an alternative through bill savings, air quality improvements, or other direct benefits. (Ayada et al.)
43. Require utilities required to file gas IRPs to prioritize rural low-income communities for clean heating options when replacing propane, fuel oil, or wood heating. (Ayada et al.)
44. Instate a moratorium on expansion into low-income communities. (Ayada et al.)

OR

45. Require an EAA for each expansion project proposed in an environmental justice community with significant numbers of BIPOC residents, low-income residents, or any expansion in Indian Country or indigenous communities. (Ayada et al.)

Quantifying the Environmental Impact of Gas

Considering Greenhouse Gas (GHG) Emissions

*[To decide a method for considering GHGs, the Commission should choose **EITHER** Decision Option 46, with this the Commission may also consider A **OR** the Commission should select 47 and 48]*

46. ~~Require utilities in their gas IRPs to consider the State's economy-wide greenhouse gas reduction statutory goals consistent with Minn. Stat. § 216H.01 and 216H.02 using 2020 as the baseline year.~~ Lifecycle GHG emission factors from filed Natural Gas Innovation Act (NGIA) Plans ~~shall can also~~ be considered in resource analysis to ensure lower emissions on a lifecycle basis. (Modified by the JOINT PREFERRED, modified version supported by OAG, LIUNA and Local 49, MERC, Xcel, CPE, and Ayada et al.)
 - A. Require utilities to calculate out-of-state emissions using NGIA GREET for purposes of gas IRPs. **(no support)**

OR

47. Clarify that the scope of gas integrated resource planning considers Minnesota's economywide greenhouse gas reduction statutory goals, which consider state-specific emissions, and may also consider lifecycle greenhouse gas emissions where appropriate. (Ayada et al.)

AND

48. Require the utilities in their gas IRPs to report and forecast “statewide greenhouse gas emissions,” as defined in Minn. Stat. § 216H.01, using a 2005 baseline. (Ayada et al.)

Reporting on GHG including Methane

Projected Emissions

[Any may be selected]

49. Consistent with the 10-year planning horizon, require each utility to include in each gas integrated resource plan the emissions projected to result from its preferred plan and from the other resource mixes considered. Projected emissions shall include all in-state and out-of-state emissions from distribution system operations and upstream emissions associated with purchased gas using recognized reporting protocols and available tools. (Modified by CUB/CEOs and supported by Ayada et al.)
50. Require utilities to fully account for historic impacts on low-income communities and communities of color as a part of their gas IRPs. (Ayada et al.)

Distribution System

[The Commission should clarify whether only Xcel or all utilities should report on distribution system emissions by selecting one of the following. Staff bolded terms to emphasize differences]

51. Require **Xcel** to report methane emissions from natural gas distribution system operations using recognized reporting protocols, such as 40 CFR Part 98, Subpart W, in the natural gas integrated resource plan and annual updates. (Xcel)

OR

52. Require **Xcel, MERC, and CPE** to report methane emissions from natural gas distribution system operations using recognized reporting protocols, such as 40 CFR Part 98, Subpart W, in the natural gas integrated resource plan and annual updates. (Ayada et al.)

Upstream Emissions

[The Commission may select any of 53-55 to learn about upstream emissions. For reporting on upstream emissions, it may also select either 56 or 57. Staff bolded terms to emphasize differences]

53. Require gas utilities required to file gas IRPs to work with gas suppliers to improve transparency in reporting of upstream methane emissions. (Ayada et al.)
54. Require utilities to include in their gas IRPs additional information about upstream emissions data availability. (Joint Preferred, LIUNA/Local 49, Xcel, CPE, Ayada et al.)
55. After discussing with stakeholders, utilities required to file gas IRPs shall explain how they are measuring and defining distribution, upstream, and lifecycle emissions. Utilities shall provide this information in a compliance filing made within 90 days of the issuance of this Order. (Ayada et al.)

56. Require **Xcel** to report estimates of the full fuel cycle methane emissions associated with its gas system using both the EPA and M.J. Bradley & Associates methodologies, along with any other appropriate tools Xcel identifies, in its first natural gas resource plan filing. **(no support)**

OR

57. Require **each utility** in its gas IRP to report on all emissions from distribution system operations and upstream emissions using recognized reporting protocols and available tools, including the EPA's protocol Subpart W referenced by Xcel and the Department, as well as additional data from the National Energy Technology Laboratory, Energy Information Administration, GREET model, and other sources. (Ayada et al.)

Justifying GHG Reductions

[For an explanation of a gas IRP's GHG reductions specifically, the Commission may select 58 and may also include A. Decision Options 59 and 60 may be selected regardless of other options chosen]

58. Require each utility to include in each gas integrated resource plan a narrative description of how its preferred plan will support and serve Minnesota's greenhouse-gas-emission-reduction goals. (Joint Preferred, LIUNA/Local 49, OAG supports with the modified #46/ new 15, Ayada et al.)
- A. If the preferred plan chosen by the utility is not estimated to be on track for achieving the 2050 net zero goals, require the utility to provide a justification of why the plan was nevertheless chosen as its preferred plan **(no support)**
59. Clarify that, as used in ordering paragraph 35 of the Commission's March 27, 2024 order in these dockets, "a narrative and quantitative discussion of why the plan would be in the public interest" includes a narrative description of how a utility's preferred plan will support and serve to maintain or improve the safety, adequacy, and reliability of utility service; keep the customers' bills and the utility's rates as low as practicable, given regulatory and other constraints; minimize adverse socioeconomic effects and adverse effects upon the environment; enhance the utility's ability to respond to changes in the financial, social, and technological factors affecting its operations; limit the risk of adverse effects on the utility and its customers from financial, social, and technological factors that the utility cannot control; and include cost-effective energy savings as the preferred energy resource. (Ayada et al.)
60. Require utilities required to file gas IRPs to select a preferred plan that advances climate goals. (Ayada et al.)

Environmental Costs

[Any may be selected]

61. To estimate the environmental externality costs of resources options in gas IRPs, **require** utilities **shall to** use the most recent externality values adopted by the Commission in Docket No. E-999/C1-14-643. (Modified by the JOINT PREFERRED with modification supported by LIUNA/Local 49, MERC, Xcel, CPE, Ayada et al.)

62. Clarify that the NGIA equivalence factor shall be used in gas IRP dockets. (Ayada et al.)
63. Require utilities to use the \$/short ton CO₂e as addressed in the Commission's January 26, 2024, Notice and the December 19, 2023, Commission Order in Docket No. E999/CI-14-643 as additional costs considered in the EAA the utility provides within the IRP. **(no support)**

Process

[Any may be selected]

64. Clarify that utilities shall include externalities in scenarios in the same manner that electric utilities do in integrated resource planning to the greatest extent possible. **(no support)**
65. Require utilities to share information on how and to what extent they will incorporate externality costs in their gas IRP analysis. **(no support)**

Regulatory Costs

[To give direction on regulatory costs, the Commission should select one of 66-68. In addition, decision option 69 could accompany any of 66-68; if selecting 67, consider also selecting A]

66. Require utilities required to file gas IRPs to apply the ECO cost-effectiveness framework, which considers environmental compliance costs related to natural gas, by utilizing the most recent factor adopted by the Deputy Commissioner of the Department of Commerce.¹ **(no support)**

OR

67. Require utilities required to file gas IRPs to use the regulatory cost of carbon emissions established in response to Minn. Stat. § 216H.06 to account for future regulation of carbon emissions. (Ayada et al.)

[If selected, the Commission may also choose the following:]

- A. Utilities required to file gas IRPs shall also add 1.4% to the commodity cost of gas to account for methane regulatory costs. **(no support)**

OR

68. Delegate authority to the Executive Secretary to open a comment period in Docket Number E999/CI-07-1199 to consider and determine the appropriate data source and values for the regulatory cost of greenhouse gas emissions for natural gas resource planning through the upcoming docket to update the regulatory cost of carbon for electric resource planning. (Joint Preferred, LIUNA/Local 49, MERC, Xcel, CPE, Ayada et al.)

¹ A March 31, 2023 Decision, adopted a factor of 1.40 percent of the commodity costs of natural gas for 2024-2025 to be used for natural gas environmental compliance impacts in ECO cost-effectiveness testing. This value is based on the EPA's Regulatory Impact Analysis for the proposed federal methane emission standards, anticipated to be finalized by the EPA in 2024.

69. Require utilities required to file gas IRPs to incorporate factors that reflect the full range of potential outcomes, including increasingly common policy swings against decarbonization that effectively produce negative cost factors for GHG emissions. **(no support)**

Process

70. Clarify that utilities shall include the regulatory cost of greenhouse gases in scenarios in the same manner that electric utilities do in integrated resource planning to the greatest extent possible. (Ayada et al.)

[If the Commission chooses decision option 71, do not select any from 66-70]

71. Deny inclusion of a regulatory cost of carbon in gas IRPs. **(no support)**

Indoor Air

[Any may be selected]

72. Require utilities to include in each gas IRP an analysis of the mortality and morbidity caused by continued gas use in residences and businesses. (Ayada et al.)
73. Delegate authority to the Executive Secretary to issue a Notice of Comment to set indoor gas use externality values based on the current medical science reflecting the serious damage done to the most vulnerable members of our society by continued indoor gas combustion. (Ayada et al.)

Forecast

[The Commission may select any of the following, but consider choosing only one from 76-77]

74. Clarify that, for purposes of ordering paragraph 40 of the March 27, 2024 Order in these dockets, the high load forecast may represent the Commission-approved forecast for design day as provided in the utilities' most recent demand entitlement filing, and the Commission-approved sales forecast as provided in the utilities' most recent rate case. (CPE; OAG has no strong feeling, but use Commission-approved forecast)
75. Require utilities required to file gas IRPs to collaboratively develop forecast methodologies with stakeholders through Great Plains Institute's Gas Utility Innovation Roundtable. **(no support)**
76. Clarify that utilities required to file gas IRPs must consider all commercially available supply-side, demand-side, and infrastructure resources for meeting high, medium and low load forecasts. (OAG, Ayada et al.)

OR

77. Find that while utilities required to file gas IRPs may use various levels of energy efficiency and demand response to inform load-forecasting scenarios, this does not relieve the obligation to also consider energy efficiency and demand response as resources on par with other options for meeting energy and capacity needs. (OAG, Ayada et al.)

78. Find that gas integrated-resource-planning participants are free to advocate for changes to the filed forecasts in a utility's plan or otherwise challenge the forecast's reasonableness or accuracy. (OAG, Ayada et al.)
79. Require utilities to express demand as a function of heating needs in their gas IRPs. (Ayada et al.)
80. Require utilities, in each gas integrated resource plan, to indicate how the utility load and customer forecasts incorporate, to the extent practicable, relevant external factors including, but not limited to (CUB/ CEOs, Ayada et al.):
 - A. the effect of current or enacted state and local building codes and standards;
 - B. building electrification, efficient fuel-switching, and energy efficiency programs or incentives offered by both the gas utility and the local electric utility or local, state, or federal entities that overlap with the utility's gas service territory;
 - C. the effects of rate design and/or demand response programs;
 - D. changes in the utility's line extension policies, and the associated impact on gas customer growth; and
 - E. the price elasticity of demand (e.g., the impact of reduced throughput and rate increases on sales and peak demand requirements and impacts of commodity prices).

Energy Efficiency

[To give additional direction on energy efficiency, the Commission may consider 81 and then either 82 or 83. Regardless of the Commission's choice, 84 may be selected.]

81. Replace ordering paragraph 11 of the Commission's March 27, 2024 Order in these dockets with the following: To treat energy efficiency alongside all other energy resource options, utilities shall evaluate energy efficiency achievement scenarios including expected program achievement to maximum achievement in their gas IRPs. **(no support)**
82. Replace ordering paragraph 12 of the Commission's March 27, 2024 Order in these dockets with the following: The appropriate and cost-effective level of future energy efficiency procurement for gas IRPs shall correspond to the maximum program spending level that remains cost-effective when compared to alternatives. **(no support)**

OR

83. Replace ordering paragraph 12 of the Commission's March 27, 2024 Order in these dockets with the following: The appropriate and cost-effective level of future energy efficiency procurement shall correspond to the maximum program spending level that remains cost-effective when compared to supply-side alternatives. **(no support)**
84. Require natural gas utilities to work through the Gas Utility Innovation Roundtable to gather and incorporate input on the assumptions used for energy efficiency in their natural gas IRPs. **(no support)**

Additional Scenarios and Sensitivities

[Select neither OR only one of the following; Staff bolded language to emphasize difference]

85. In initial integrated resource plans, require utilities to analyze scenarios and sensitivities as specified in the March 27, 2024 Order in this docket. The Commission may later order additional scenarios and sensitivities. **(no support)**

OR

86. In initial integrated resource plans, require utilities to, **at minimum**, analyze scenarios and sensitivities as specified in the March 27, 2024 Order in this docket. The Commission may later order additional scenarios and sensitivities. **(no support)**

MERC Deferred Accounting

[Select one of the following]

87. Allow utilities deferred accounting treatment of costs associated with ~~developing and implementing~~ a Gas IRP ~~for costs that are above and beyond what are being covered in base rates process for reporting conducting a Gas IRP the costs associated with the regulatory process for the Gas IRP filings, and implementing a Gas IRP once approved by the Commission.~~ (MERC offered modification, CPE supports MERC's modification)

OR

88. Deny MERC's request for deferred accounting. (Joint Preferred)

Five-Year Action Plan

[To give more direction on the Action Plan, select one from the following. Staff bolded text to emphasize difference.]

89. Require each utility to include in its preferred five-year action plan justification of need, resource mix, project scope, construction timeline, and cost estimates. **(no support)**

OR

90. Require each utility to include in its preferred five-year action plan justification of need, resource mix, project scope, construction timeline, and cost estimates **with any offsetting revenues and tax benefits.** **(no support)**

OR

91. **For each project proposed** in its preferred five-year action plan, require the utility to include justification of need, resource mix, project scope, construction timeline, cost estimates **including any offsetting revenues and tax benefits, and a narrative discussion of any equity impacts the project may have.** (Joint Preferred, LIUNA/Local 49, Xcel, CPE, Ayada et al.)

Mapping

[Select any of the following]

92. Require each utility, in its first gas IRP, to evaluate ways to incorporate public data and mapping tools for low-income residents or disadvantaged communities in this IRP process. (Ayada et al.)

93. Require utilities to delineate the extent to which their resource plans will impact environmental justice communities, including the portion of project emissions that would be located within environmental justice communities. (Ayada et al.)

Clarifying Ordering Paragraphs

[Select any of the following]

94. Modify ordering paragraph 36 of the March 27, 2024 Order in these dockets as follows:
A utility shall include in its resource plan filing a nontechnical summary, not exceeding 25 pages in length, describing the utility's resource needs, the resource plan created by the utility to meet those needs, the process and analytical techniques used to create the plan, activities required over the next five years to implement the plan, and the likely effect of plan implementation on electric rates and bills. (Joint Preferred, LIUNA/Local 49, MERC, Xcel, CPE)
95. Require Xcel, CenterPoint Energy, and MERC to work with electric utilities in their service territories to understand, to the extent possible, the electric system impacts on [EAA](#) resource options in the natural gas IRPs. (MERC proposed modification, if the Commission is interested in gas/electric collaboration and CPE supported modification; Joint Preferred, LIUNA/Local 49, Ayada et al.)
96. Clarify that for purposes of gas IRPs, "near-term" means within five years. (MERC)

Resource Comparison Using All-In Costs

97. Require each utility to use a consistent methodology in its gas IRPs to calculate the "all-in" costs of resources to allow for an apples-to-apples comparison. **(no support)**

City Climate Policy

[Select any of 98-99 OR select 100]

98. Require utilities, in their gas IRPs, to include a narrative discussion of how the plans consider the climate goals of local governments within the utilities' service territories. This includes evaluating the impact of gas utility decisions on local emissions reduction targets, the impact of electrification targets on the gas supply, and supporting the transition to cleaner energy alternatives. (Ayada et al.)
99. Require utilities required to file gas IRPs to consult with local governments in their service territories in the gas resource planning process so that cities may contribute data and insights on local climate initiatives, ensuring that utility resource plans reflect community-specific environmental priorities. Require utilities to include a narrative of how local policies are reflected in gas IRPs, or if not, why policies were not included in gas IRPs. (Ayada et al.)

OR

100. Determine that resource plans should not accommodate local goals or policy preferences in a manner that shifts costs or burdens to other communities and their ratepayers. **(no support)**

Comprehensive Gas IRP Requirements Document

101. Authorize the Executive Secretary to create a “Comprehensive Gas IRP Requirements” document which reconciles the gas IRP requirements established in the Framework Order filed March 27, 2024, and the additions and modifications to those requirements made above, and issue the document as an attachment to the Order. Delegate continuing authority to the Executive Secretary to update the Comprehensive Gas IRP Requirements document to reflect any future modifications or additions to the gas IRP requirements established in future Commission decisions, to be filed as an attachment to future orders establishing such changes. (Joint Preferred, LIUNA/ Local 49, MERC, Xcel, CPE)

New Decision Options as of September 9, 2024

102. Natural gas utilities shall work with local government agencies to:
- Consider local climate goals in resource plans and provide a narrative discussion of how resource plans impact those goals.
 - Collaborate with local governments with adopted climate goals to prioritize greenhouse gas reduction investments and pilots when possible.
 - Actively include local government representatives in resource planning stakeholder engagement to discuss community-specific concerns. Gas utilities will provide a narrative description of its government engagement activities and a summary of how input is or is not incorporated into final decisions.
 - Align gas infrastructure projects with approved community capital improvement plans. Plans will include a narrative description of how utilities will coordinate with government representatives. (Local Governments- Edina, Eden Prairie, Hopkins, Minneapolis, St. Louis Park, St. Paul, and Richfield. Supported by OAG, CUB/CEOs)
103. CUB/CEE NEW A: Amend Ordering Paragraph 3 of the March 27, 2024 Order in this docket as follows: "Integrated resource planning for natural gas utilities includes analysis and evaluation of the appropriate resource mix, including supply-side and demand-side resources to serve customer end-use energy needs.,~~and~~

The resource selection process shall include consideration of ~~new all planned capital and non-capital infrastructure investments~~ costs associated with each resource.

[CPE supports the entire CUB/CEE NEW A but would modify by replacing the red underlined text above with the following **bolded** text:] **The analysis and evaluation conducted in this resource planning will include all planned costs associated with each resource.**

~~above a defined threshold necessary to meet existing or forecasted gas demand needs. Infrastructure investments for routine maintenance, safety, public works accommodation, integrity, and reliability are not part of the integrated resource planning~~

~~process or analysis, and existing proceedings covering procurement and cost recovery of natural gas supply, transportation, and storage should continue independently from this proceeding.~~” (Joint Preferred supports but without the CPE modification)

104. CUB/CEE NEW B: Amend Ordering Paragraph 55 of the March 27, 2024 Order in this docket as follows: "Distribution system investments related to routine maintenance, public works accommodation, integrity, reliability, and safety are not part of the ~~integrated resource planning process or~~ expansion alternatives analysis." (Supported by Joint Preferred)
105. CEE NEW C: In developing their Integrated Resource Plan, the utilities will engage with stakeholder groups to provide information about the utilities' planning process and Expansion Alternative Analysis project selection, answer stakeholder questions, and seek stakeholder feedback to inform the resource plan. The stakeholder groups shall include, at minimum, relevant state agencies, clean energy advocates, consumer advocates, low-income and environmental justice advocates, organized labor, local governments, and business, and communities directly impacted or served by Expansion Alternative Analysis projects. In each resource plan, natural gas utilities will provide a narrative description of its outreach and engagement activities and a summary of stakeholder feedback. (Supported by Joint Preferred, LIUNA/ Local 49, MERC, Xcel, CPE)
106. LIUNA/Local 49 NEW: Amend Ordering Paragraph 55 of the March 27, 2024 Order in this docket as follows: Resource plans, including EAA resources, will be evaluated based on the characteristics of the available resource options and of the proposed plan as a whole. Resource options and resource plans will be evaluated on their ability to: (*retain Framework Ordering paragraph components 20 a-f*) (Supported by LIUNA/Local 49)