### COMMERCE DEPARTMENT

March 5, 2025

Will Seuffert Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, Minnesota 55101-2147

#### RE: Comments of the Minnesota Department of Commerce Docket No. E015/M-23-258

Dear Mr. Seuffert:

Attached are the comments of the Minnesota Department of Commerce (Department) in the following matter:

*In the Matter of a Commission Inquiry into Electric Vehicle Charging and Infrastructure.* 

The Supplemental Filing to Minnesota Power's 2023 Transportation Electrification Plan ("Petition") was filed by Minnesota Power on December 20, 2024.

The Department requests further information from Minnesota Power in Utility Reply Comments and is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ Dr. SYDNIE LIEB Assistant Commissioner of Regulatory Analysis

RW/LN/ad

### **COMMERCE DEPARTMENT** Before the Minnesota Public Utilities Commission

#### **Comments of the Minnesota Department of Commerce**

Docket No. E015/M-23-258

#### I. INTRODUCTION

The Minnesota Department of Commerce, Division of Energy Resources (Department) provides its initial comments on the Supplemental Filing (Petition) filed by Minnesota Power (MP or the Company) in Docket No. E015/M-23-258.<sup>1</sup>

On May 17, 2022, the Minnesota Public Utilities Commission (Commission) accepted MP's 2021 Transportation Electrification Plan (TEP).<sup>2</sup> Order Point 2B of *Order Accepting 2021 Transportation Electrification Plans and Adopting Additional Informational Requirements* directed MP to "provide a timeline for development of a pilot program facilitating access to charging facilities for residents of multi-dwelling units." On July 15, 2022, MP submitted a letter to the commission that states MP plans to develop and submit a pilot program for multi-dwelling units by the fourth quarter of 2024.<sup>3</sup> The current Petition contains the proposal for a pilot program to address access to charging facilities in multi-dwelling units.

MP states that it recognizes continued obstacles to charging access for those living in multi-dwelling units (MDU). To address these obstacles, MP proposes a pilot program that will "promote just, equitable, and affordable access to home charging for customers in MDUs."<sup>4</sup> MP states that the make-ready nature of the projects proposed in its Petition will also provide a useful framework to advance public, workplace, and fleet charging initiatives.<sup>5</sup>

MP seeks approval from the Commission to:

 Waive the Contribution in Aid of Construction (CIAC) for eligible participants in the Pilot Program, as the Commission did for Xcel Energy's petition for a make-ready EV pilot on July 17, 2019.<sup>6</sup>

<sup>&</sup>lt;sup>1</sup> In the Matter of a Commission Inquiry into Electric Vehicle Charging and Infrastructure, Minnesota Power, Supplement Filing, December 20, 2024, Docket No. E015/M-23-258, (eDockets) <u>202412-213271-01</u>, (hereinafter "Petition"), at 1-2. <sup>2</sup> In the Matter of a Commission Inquiry into Electric Vehicle Charging and Infrastructure, Order Accepting 2021 Transportation Electrification Plans and Adopting Additional Informational Requirements, May 17, 2022, Docket No. E999/CI-17-879, (eDockets) <u>20225-185855-01</u>, (hereinafter "2021 TEP Order").

<sup>&</sup>lt;sup>3</sup> Minnesota Power, Letter, July 15, 2022, Docket No. E999/CI-17-879, (eDockets) <u>20227-187526-01</u>, (hereinafter "MP Letter").

<sup>&</sup>lt;sup>4</sup> Petition at 1-2.

<sup>&</sup>lt;sup>5</sup> Id.

<sup>&</sup>lt;sup>6</sup> In the Matter of Xcel Energy's Petition for Approval of Electric Vehicle Pilot Programs, Order Approving Pilots with Modifications, Authorizing Deferred Accounting, and Setting Reporting Requirements, July 17, 2019, Docket No. E002/M-18-643, at 11-12, (eDockets) 20197-154444-01.

- Provide new rebates for customers to offset the cost of building out EV infrastructure on the customer side of the meter.
- Track and recover incurred customer-side cost via a new rider.
- Treat utility-side capital additions and depreciation expenses as Distribution Plant expenditures and recover them in a future general rate case.<sup>7</sup>

#### II. PROCEDURAL BACKGROUND

February 1, 2019	The Commission found in E999/CI-17-879 that electrification is in the public interest, that it is essential to remove EV barriers and optimize EV infrastructure, and that utilities have a role to play in expanding EV infrastructure. <sup>8</sup>
May 17, 2022	The Commission accepted MP's 2021 Transportation Electrification Plan. <sup>9</sup>
July 15, 2022	MP filed a letter informing the Commission that it will provide a timeline for the development of a pilot program that facilitates charging facilities for residents of multi-dwelling units. <sup>10</sup>
October 16, 2023	MP filed its 2023 TEP as part of its IDP and included its proposal for a pilot project to facilitate access to charging facilities for residents of multi-dwelling units. <sup>11</sup>
September 16, 2024 December 20, 2024	The Commission accepted Minnesota Power's 2023 IDP and TEP. <sup>12</sup> MP filed its Petition proposing an MDU EV Charging pilot program in docket E015/M-23-258. <sup>13</sup>
January 16, 2025	The Commission issued its Notice of Comment Period in the current proceeding. <sup>14</sup>

<sup>&</sup>lt;sup>7</sup> Petition at 1-2.

<sup>&</sup>lt;sup>8</sup> (eDockets) <u>20192-149933-01</u> (hereinafter "EV Inquiry Order").

<sup>&</sup>lt;sup>9</sup> 2021 TEP Order.

<sup>&</sup>lt;sup>10</sup> MP Letter.

 <sup>&</sup>lt;sup>11</sup> In the Matter of Minnesota Power's 2023 Integrated Distribution Plan, Minnesota Power, Integrated Distribution Plan, October 16, 2023, Docket No. E015/M-23-258, (eDockets) <u>202412-213271-01</u>, at Appendix E (hereinafter "2023 TEP").
<sup>12</sup> Minnesota Public Utilities Commission, Order Accepting 2023 Integrated Distribution Plan and Transportation Electrification Plan, and Modifying Reporting Requirements, September 16, 2024, Docket No. E015/M-23-258, (eDockets)

<sup>&</sup>lt;u>20249-210224-01</u> (hereinafter "2023 TEP Order").

<sup>&</sup>lt;sup>13</sup> Petition.

<sup>&</sup>lt;sup>14</sup> Notice of Comment Period, January 16, 2025, Docket No. E015/M-23-258, (eDockets) <u>20251-214059-01</u>.

The Notice included the following topics open for comment:

- Should the Commission approve, modify, or reject Minnesota Power's multi-dwelling unit EV charging pilot program?
- Should the Commission approve Minnesota Power's proposed pilot budget, and should it consider establishing budget reservations for certain customer segments, such as those outlined in Table 1 of its filing?
- Should the Commission approve, modify, or reject Minnesota Power's evaluation criteria (Table 2)?
- Should the Commission waive Minnesota Power's Contribution In Aid of Construction (CIAC) tariff for eligible pilot participants?
- Should the Commission approve, modify, or reject the proposed rebates to customers to offset the cost of building out electric vehicle infrastructure on the customer side of the meter?
- Should the Commission approve, modify, or reject Minnesota Power's proposed new rider to recover the operations and maintenance costs associated with customer rebates, education, and outreach for the pilot?
- Should the Commission treat utility-side capital additions and depreciation expenses as Distribution Plant expenditures and allow Minnesota Power to petition for recovery of the expenditures in its next general rate case?
- Should the Commission require Minnesota Power to file tariff pages if the program is approved? Should the Commission delegate authority to the Executive Secretary to approve the tariff pages via notice if no objections are filed within 30 days of the Company's filing?
- Are there other issues or concerns related to this matter?

#### III. DEPARTMENT ANALYSIS

#### A. PILOT PROGRAM

The Department responds to the following notice topic:

Should the Commission approve, modify, or reject Minnesota Power's multi-dwelling unit EV charging pilot program?

The Department considers MP's petition in light of: 1) the relevant statute, which enumerates specific requirements for an Electric Vehicle Deployment Program;<sup>15</sup> and 2) the Commission's May 17, 2022

<sup>&</sup>lt;sup>15</sup> Minn. Stat. § 216B.1615, subd. 3

Order, at Order Point 2.B, where the Commission specified that "Minnesota Power shall provide a timeline for development of a pilot program facilitating access to charging facilities for residents of multi-dwelling units."<sup>16</sup> The petition does not appropriately balance the participation of public utilities and private enterprise as required by statute. Furthermore, the Company's petition broadens the scope of that Order beyond MDU charging into public, workplace, and fleet charging.<sup>17</sup> Lastly, the proposed structure of the pilot is insufficient to gathering meaningful learnings.

#### A.1. Commission Order Approving TEP and Requiring MDU Pilot

During the 2021 TEP, the Clean Energy Groups posited that there had been no specific proposals by the company to address a lack of access to EV charging at MDUs.<sup>18</sup> The Clean Energy Groups agreed with MP that its service area included many rural areas where transportation electrification may be slower, but that the service area also included metropolitan centers like Duluth that could benefit from additional focus on MDU charging.<sup>19</sup> The Commission discussed its support for expanding access to MDU charging in its 2021 TEP Order: "[b]ecause Minnesota Power serves urban environments with apartment buildings, it is appropriate that the utility give additional focus to meeting the needs of this population."<sup>20</sup> At Order Point 2.B, the Commission ordered that, "Minnesota Power shall provide a timeline for development of a pilot program facilitating access to charging facilities for residents of multi-dwelling units."<sup>21</sup> The Department concludes it was the intent of the Commission, in this instance, to direct attention to the needs of MDU charging specifically and not EV charging applications as a whole. The Department requests MP, in replies, revise its Pilot to focus only on MDU.

#### A.2. Pilot Structure

A pilot should test credible assumptions through the collection of statistically significant data and qualitative learnings. The Company has not proposed how it will test its assumptions or collect relevant data and learnings. Therefore, the Department concludes that the pilot as proposed will not accomplish these goals.

#### A.2.1. Test Credible Assumptions

As proposed, the Pilot does not contain credible assumptions to test.

In a response to an OAG information request for more clarity on the discrepancies of costs discussed in its Petition, MP states that actual cost data available to the Company is several years old, is extremely limited, and is based on relatively small installations.<sup>22</sup> For example, the report MP cites to—"A Smart

<sup>19</sup> Id.

<sup>&</sup>lt;sup>16</sup> 2021 TEP Order at 10.

<sup>&</sup>lt;sup>17</sup> Petition at 13.

<sup>&</sup>lt;sup>18</sup> In the Matter of a Commission Inquiry into Electric Vehicle Charging and Infrastructure, Clean Energy Groups, Initial Comments, Docket No. E999/CI-17-879, September 30, 2021, (eDockets) <u>20219-178401-01</u> at 8.

<sup>&</sup>lt;sup>20</sup> 2021 TEP Order at 8

<sup>&</sup>lt;sup>21</sup> 2021 TEP Order

<sup>&</sup>lt;sup>22</sup> MP response to OAG Information Request 006, at 2

Columbus case study, found that installing a Level 2 charger in existing MDU buildings can cost more than \$10,000 per port"—is from 2018.<sup>23</sup> A more recent article states that the average cost for a Level 2 charger installation is about \$6,000, though most projects fall within a \$2,500 to \$15,000 range.<sup>24</sup> MP states that the installation of EV charging infrastructure in MDUs is complex and highly variable.<sup>25</sup> However, MP states in its Petition that it has been engaging with several MDUs and tenants to discuss the installation of EVSE.<sup>26</sup> The Company makes no mention of investigating the opportunities, costs, or barriers to installation further than the stated engagement. The Department asserts that contractor estimates of the costs involved in installing EV infrastructure at the contacted MDUs could help to resolve the cost uncertainty. Further, discussions with contractors could also address what the specific complexities and variables are. The Department requests MP, in reply comments, address the feasibility of having contractor estimates performed on at least the MDUs that MP is already in contact with.

In another response to an OAG information request, when asked if it had conducted or commissioned any studies or other analyses, formal or informal, of EV adoption, needs, or barriers in its service territory, MP replied that it had surveyed customers who opted into its Energy Team email list in 2020, but it had not commissioned or conducted formal studies.<sup>27</sup> The Department concludes that additional research could prove beneficial given the uncertainty cited by MP. Further study topics could include successful MDU programs in other states, average price for installation of EV charging in MDU, potential technology or siting solutions for common barriers, and other areas of interest to the Commission or parties to this proceeding.<sup>28</sup> The Department requests MP, in replies, cite to additional, more recent research to address at least the concerns addressed herein. Further, the Department requests MP, in replies, list and discuss the assumptions it is proposing to test with its approved pilot.

#### A.2.2. Facilitate collection of Data and Learnings

As proposed, the Pilot will not facilitate the collection of statistically significant data or qualitative learnings, nor does it contain any metrics that will gauge its success or failure in encouraging EV adoption through increased access to EV charging for MDU tenants.

MP proposes in its Petition to file an annual report on participation in the pilot program.<sup>29</sup> The information that MP proposes to file is akin to site selection criteria or cost recovery metrics rather than program-level pilot metrics that would help to determine the success of the Pilot. The

<sup>28</sup> A July 2023 report prepared by the Center for Sustainable Energy for the Department of Energy, Office of Energy Efficiency and Renewable Energy for Award No. DE-EE0008473 details six main barriers to the installation of EV charging in MDUs, highlights several case studies for potential solutions, and presents a toolkit. The Department offers this toolkit as an example of recent research in the topic area.

 <sup>&</sup>lt;sup>23</sup> Petition at 17, *citing* Atlas Public Policy, <u>Smart Columbus Kickstarts EV Charging Deployments at Multi-Unit Dwellings</u>, 2018, at 5.

 <sup>&</sup>lt;sup>24</sup> Dinello, S., Get EV Charging for Your Apartment or Condo Buildings. Future Energy, (8 February 2022). Available at: https://futureenergy.com/ev-charging/get-ev-charging-for-your-apartment-or-condo-buildings/
<sup>25</sup> Id.

<sup>&</sup>lt;sup>26</sup> Petition at 5.

<sup>&</sup>lt;sup>27</sup> MP response to OAG Information Request 004, at 1.

<sup>&</sup>lt;sup>29</sup> Petition at 19

Department contends that an annual report should contain data and learnings gathered from the pilot that would ultimately help the Commission implement a permanent program that satisfies the intent of the Commission's order to encourage EV adoption by increasing access to EV charging for MDU tenants. For example, potential metrics could include:

- A comparison of the number of EV drivers before and after the installation of EVSE at each MDU pilot site.
- Utilization rate of the EVSE and/or kWh usage at the EVSE in each MDU pilot site.
- A comparison of technology/equipment types—e.g., is one type utilized more frequently than the other type, why?
- A comparison of charger sites does the location of the charger(s) impact usage, why?
- Lessons learned in communication and marketing of the pilot to potential pilot participants including the learnings from the direct outreach initiatives proposed in the Petition.
- Any opportunities for improvement or modification of the pilot toward potential creation of a permanent program.

The Department requests that MP, in replies, propose program-level pilot metrics to be filed within its proposed annual report.

B. BUDGET

The Department responds to the following notice topic:

Should the Commission approve Minnesota Power's proposed pilot budget, and should it consider establishing budget reservations for certain customer segments, such as those outlined in Table 1 of its filing?

As discussed above, the Department concludes that the customer segments beyond MDU should be excluded from the Pilot. The Department requests MP, in replies, propose a revised budget that reflects the exclusion of the other customer segments.

C. APPLICATION EVALUATION CRITERIA

The Department responds to the following notice topic:

# Should the Commission approve, modify, or reject Minnesota Power's evaluation criteria (Table 2)?

The Department appreciates that MP collaborated with interested stakeholders to develop the proposed evaluation framework, as shown in Table 2 of the Petition.<sup>30</sup> Although the weight for each category (site and utilization, financial and timeline, and infrastructure) is clearly listed, it is less clear to the Department how MP values the factors toward the sum of the category when reviewing an application (i.e. how important/what is the value of the make up of owners vs. renters when compared

<sup>&</sup>lt;sup>30</sup> Petition at 16.

to current or planned use of renewable energy?). The Department requests MP, in reply comments, provide an example of how a hypothetical project may be evaluated utilizing the evaluation framework it proposed. This example should illustrate how each sub-criteria is weighted in the evaluation process.

In addition, the Department contends that in its evaluation criteria, it has not adequately come into alignment with Minn. Stat. § 216B.1615, subd. 3, (2):

(2) increase access to the use of electricity as a transportation fuel for all customers, including those in low- and moderate-income communities, rural communities, and communities most affected by air emissions from the transportation sector.<sup>31</sup>

MP's evaluation criteria do not specify the weight of its socioeconomic evaluation criteria:

Projects located in disadvantaged communities, Tribal lands, an environmental justice area, or that meet MDU income qualifications will be heavily weighted to ensure that projects serving this sector are prioritized.<sup>32</sup>

There is also a placeholder in Table 2 of the Petition for "Income-qualified facility or located within recognized disadvantaged community."<sup>33</sup> However, MP does not clearly state what value or weight will be applied. The Department requests MP, in replies, propose a separate application evaluation category that applies specific weight to the site location being within low- and moderate- income communities, disadvantaged communities, tribal lands, environmental justice areas or communities most impacted by emissions.

D. CIAC WAIVER

The Department responds to the following notice topic:

Should the Commission waive Minnesota Power's Contribution In Aid of Construction (CIAC) tariff for eligible pilot participants?

MP requests that the Commission waive the Contribution in Aid of Construction (CIAC) for eligible participants in its Pilot Program. The CIAC refers to the portion of infrastructure costs paid by the customer for service extension. The Company reasons that cost, complexity, and market research justify its proposal to waive CIAC requirements for participants in its MDU pilot.

Customers installing a new commercial EV service are required to pay a CIAC which represents the cost of extending lines to serve the load. Minnesota Power currently offers a \$500 rebate to residential customers

<sup>&</sup>lt;sup>31</sup> Minn. Stat. 216B.1615 Sudd. 3(2)

<sup>&</sup>lt;sup>32</sup> Petition at 14.

<sup>&</sup>lt;sup>33</sup> *Id*. at 15.

establishing a residential EV service to help offset some of the upfront costs. However, the Company does not currently have a program that provides the same support to commercial customers establishing a new commercial EV service. Installing EV charging equipment in commercial settings is typically more costly and complex than a residential service.<sup>34</sup>

And:

Based on market research, the Company is proposing a make-ready program that provides additional support for infrastructure on the utility side of the meter by waiving the CIAC and offering a rebate to cover all or a portion of the infrastructure costs on the customer side of the meter.<sup>35</sup>

MP further asserts that there is Commission precedent for such a waiver.<sup>36</sup> The Commission approved a CIAC waiver in Xcel's MDU docket at Order Points 8 and 9:<sup>37</sup>

8. The Commission approves Xcel's proposed waiver of service policy provisions for contributions in aid of construction and other customer contributions for only the three-year term of the pilot. Xcel shall record the infrastructure costs net of customer contributions and shall not be eligible to receive a return on any customer contributions.

9. Xcel shall use its current contributions in aid of construction formula to determine the amount of subsidy a participant would receive and track these costs, as well as revenues, for each pilot parking option.

In addition to that CIAC waiver, the Commission recently approved Xcel's request for a CIAC waiver for transformer upgrades related to residential EV programs on December 3, 2024 Order, in Docket 23-452.<sup>38</sup> Given Commission precedent of approving a CIAC waiver for EV pilot programs, the Department would is supportive of the Commission approving the CIAC waiver for eligible participants if a modified pilot program is approved. At such a time, the Department would also recommend that the Commission require MP to track, as part of its annual report, the application and additional costs of the CIAC waiver including information on whether rebates have incentivized increased construction and utilization of charging equipment.

<sup>&</sup>lt;sup>34</sup> *Id*. at 8.

<sup>&</sup>lt;sup>35</sup> *Id*. at 9.

<sup>&</sup>lt;sup>36</sup> Id. at 1, citing, In the Matter of Xcel Energy's Petition for Approval of Electric Vehicle Pilot Programs, Commission, Order Approving Pilots with Modifications, Authorizing Deferred Accounting, and Setting Reporting Requirements, Docket 18-643, July 17 2019, (eDockets) <u>20197-154444-01.</u>

 <sup>&</sup>lt;sup>37</sup> In the Matter of Xcel Energy's Petition for Approval of a Multi-Dwelling Unit Electric Vehicle Pilot Program. Order Approving Pilot Program with Modification, July 2, 2021, Docket No. E002/M-20-711, (eDockets) <u>20217-175822-01</u>.
<sup>38</sup> In the Matter of Xcel Energy's 2023 Integrated Distribution Plan, Commission, Order, Docket No. E-002/M-23-452, December 3, 2024, (eDockets) <u>202412-212613-01</u>.

#### E. CUSTOMER-SIDE SPENDING

The Department responds to the following notice topic:

Should the Commission approve, modify, or reject the proposed rebates to customers to offset the cost of building out electric vehicle infrastructure on the customer side of the meter?

#### E.1. \$500 Rebate for Smart Level 2 Chargers

The Department finds that this is a reasonable expansion of the Commission's approval of MP's current residential Smart Level 2 Charger rebate. The Department agrees with MP that this rebate offers the same opportunity to those who reside in MDUs as those who reside in single family homes.<sup>39</sup> The Department recommends that the Commission approves MP's request for a \$500 rebate for any resident of an MDU with a dedicated EV service in its service territory.

#### E.2. Customer-side Contribution

In MP's Petition, the customer-side contribution that MP proposes is also a rebate. MP states in its Petition:

The customer would install, own, and maintain all equipment beyond the meter including a new service panel, conduit, and wiring up to the EV charger. Depending on charging application and income eligibility, participating customers will be eligible to receive a rebate to cover anywhere from zero to 100 percent of the costs of infrastructure on the customer side of the meter. The Company will include the cost of two Level 2 chargers in the rebate calculation for MDU projects.<sup>40</sup>

The Department agrees that such a rebate would help to expand EV charging access, especially in the MDU focus area. However, as discussed above, there is a high level of cost uncertainty that needs addressed. At this time, without the revisions and additional information requested, setting a rebate amount would be premature.

#### F. RIDER RECOVERY

The Department responds to the following notice topic:

Should the Commission approve, modify, or reject Minnesota Power's proposed new rider to recover the operations and maintenance costs associated with customer rebates, education, and outreach for the pilot?

<sup>&</sup>lt;sup>39</sup> Id. <sup>40</sup> Petition at 9

At this time, without the revisions and additional information requested, setting a cost-recovery mechanism would be premature.

#### G. UTILITY-SIDE SPENDING

The Department responds to the following notice topic:

Should the Commission treat utility-side capital additions and depreciation expenses as Distribution Plant expenditures and allow Minnesota Power to petition for recovery of the expenditures in its next general rate case?

At this time, without the revisions and additional information requested, setting a cost-recovery mechanism would be premature.

G.1. Cost Cap

As a method of ratepayer protection, the Department will likely be supportive of a cost cap on the overall budget for an approved pilot. At this time, without the revisions and additional information requested, setting the actual cost cap would be premature.

H. TARIFF PAGES

The Department responds to the following notice topic:

Should the Commission require Minnesota Power to file tariff pages if the program is approved? Should the Commission delegate authority to the Executive Secretary to approve the tariff pages via notice if no objections are filed within 30 days of the Company's filing?

The Department recommends the Commission require MP to file tariff pages if a program is approved in the future. The Department also recommends the Commission delegate authority to the Executive Secretary to approve the tariff pages via notice if no objections are filed within 30 days of MP's filing. This general process is based in Commission precedent.<sup>41</sup>

I. OTHER ISSUES OR CONCERNS

The Department responds to the following notice topic:

Are there other issues or concerns related to this matter?

The Department has no other concerns related to this matter at this time.

<sup>&</sup>lt;sup>41</sup> In the Matter of Minnesota Power's Electric Vehicle Charging Infrastructure Investment, Order Approving Proposal as Modified, Authorizing Deferred Accounting, and Requiring Reporting, October 22, 2021, Docket No. E015/M-21-257, (eDockets) <u>202110-179031-01</u>, at order point 4.

#### IV. DEPARTMENT RECOMMENDATIONS

Based on analysis of the Petition and prior Commission Orders, the Department requests further information from Minnesota Power. The requests are summarized below and correspond to the subheadings of Section III above.

#### A. PILOT PROGRAM

A.1 The Department requests that MP, in replies, revise its pilot to focus only on MDU.

A.2.1. The Department requests that MP, in replies, address the feasibility of having contractor estimates performed on at least the MDUs that MP is already in contact with.

A.2.1. The Department requests that MP, in replies, cite to additional, more recent research to at least address the concerns listed in section A.1.

A.2.2. The Department requests that MP, in replies, propose program-level pilot metrics to be filed within its proposed annual report.

A.2.2. The Department requests that MP, in replies, list and discuss the assumptions it is proposing to test with its approved pilot.

#### B. BUDGET

B. The Department requests MP, in replies, propose a revised budget that reflects the exclusion of the other customer segments.

#### C. EVALUTATION CRITERIA

C. The Department requests MP, in replies, provide an example of how a hypothetical project may be evaluated utilizing the evaluation framework it proposed. This example should illustrate how each sub-criteria is weighted in the evaluation process.

C. The Department requests MP, in replies, propose a separate application evaluation category that applies specific weight to the site location being within low- and moderate-income communities, disadvantaged communities, tribal lands, environmental justice areas or communities most impacted by emissions.

#### State of Minnesota Office of the Attorney General Utility Information Request

In the Matter of Minnesota Power's 2023 Integrated Distribution Plan	MPUC Docket No.	E-015/M-23-258
Requested from: Minnesota Power		
Requested by: OAG-RUD	Date of Request: Due Date:	February 7, 2025 February 20, 2025

#### **Reference:**

Petition at page 6 of PDF mentions the following study: Overcoming Barriers to Electric Vehicle Charging in Multi-unit Dwellings: A Westside Cities Case Study by J.R. DeShazo, Ph.D., UCLA Luskin School of Public Affairs, 2017

#### **Request:**

Has Minnesota Power conducted or commissioned any studies or other analyses, formal or informal, of EV adoption, needs, or barriers in its service territory? If so, provide copies of the studies or analyses.

#### **Response:**

Minnesota Power has not commissioned any formal studies or analysis in this matter. However, the Company sent a survey to customers who opted in to Minnesota Power's Energy Team email list in 2020 (results included in OAG IR 004 Attachment 1) to better understand customer perceptions about EVs. Additionally, the Company regularly interacts with customers that are either already EV owners or are considering an EV purchase. Those conversations, along with research on industry best practices and case studies, help to inform Minnesota Power's understanding of EV adoption, needs, and barriers in both northern Minnesota and nationally.

## Any responsive documents must be provided in their unlocked native format with all formulas and links intact.

#### State of Minnesota Office of the Attorney General Utility Information Request

<i>In the Matter of Minnesota Power's 2023</i> <i>Integrated Distribution Plan</i>	MPUC Docket No.	E-015/M-23-258						
Requested from: Minnesota Power								
Requested by: OAG-RUD	Date of Request: Due Date:	February 7, 2025 February 20, 2025						

#### **Reference:**

- Petition, Table 1 (proposed incentive caps per project)
- Petition, Figure 1 (average installation costs for commercial EV infrastructure)

#### **Request:**

- A. Explain the discrepancies between the proposed incentive caps in Table 1 and the average cost of commercial EV infrastructure shown in Figure 1.
- B. By way of example, but not limitation, explain the following discrepancies:
  - 1. Figure 1 shows average Minnesota Power-owned infrastructure costs of \$1.7k to support a Level 2 charger, while Table 1 provides for a Minnesota Power contribution of up to \$10k for utility-owned infrastructure to support Level 2 charging. Why is the potential utility-owned infrastructure cost assumed in Table 1 (via the \$10k incentive cap) so much larger than the \$1.7k figure in Table 1?
  - 2. Figure 1 shows \$6.7k in customer-side costs for a Level 2 charger. Table 1 allows for customer-side incentives of up to \$45,000 per MDU project or \$60,000 for an income-qualified project. Why is the proposed maximum customer-side incentive for MDU Level 2 charging more than six times the customer-side Level 2 costs shown in Figure 1?

#### **Response:**

#### A.

The values presented in Figure 1 were derived from the company's experience with a limited number of Level 2 and Direct Current Fast Charger (or, "DCFC") station installations and do not represent all sectors outlined in the pilot proposal. The purpose of Figure 1 is to provide context regarding the costs incurred during actual EV charging installation projects, segmented into customer-side and utility-side expenses.

The proposed incentive caps were designed to address the unique needs of each sector, ensuring flexibility to support a wide range of projects. Additionally, the Company accounted for anticipated cost increases resulting from inflation, technology advancements, etc. to ensure that the proposed incentives remain sufficient to encourage participation in the proposed pilot program.

#### B.1

Figure 1 reflects average installation costs derived from the Company's participation in a limited number of public level 2 charger installations associated with dedicated commercial EV services. The referenced installations included a maximum of two Level 2 chargers with a total of four plugs.

While actual data was used in the design of the EV make ready pilot program, the Company recognizes that the scope of the data is extremely limited. The actual cost data available to Minnesota Power is several years old and is based on relatively small installations. Minnesota Power determined the budget caps proposed in this pilot based on expected costs when updated to reflect larger charging stations, anticipated installation complexities and inflation. These adjustments are intended to ensure that the pilot program accommodates a broader range of projects, thereby providing more comprehensive data to evaluate the level of funding required to stimulate activity across various sectors.

#### B.2

Figure 1 reflects average installation costs derived from the Company's limited experience with public level 2 charger installations associated with dedicated commercial EV services. At present, no Multi Dwelling Units (or, "MDUs") served by Minnesota Power have a dedicated commercial EV service. As a result, the cost estimates presented in Figure 1 do not account for the potential costs specific to MDUs.

Installation of EV charging infrastructure in MDUs is complex and highly variable due to factors such as building age, parking configurations, existing electrical infrastructure, and other site-specific considerations. In the absence of observed actual costs, the Company has established customer-side incentive maximums at levels intended to provide meaningful financial support to MDUs while incorporating cost-control mechanisms to limit the financial impact on non-participating customers. The Company believes that the proposed incentive

levels are sufficient to encourage participation, thereby providing the data necessary to inform the design of future programs.

Any responsive documents must be provided in their unlocked native format with all formulas and links intact.

#### **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce Comments

Docket No. E015/M-23-258

Dated this 5<sup>th</sup> day of March 2025

/s/Sharon Ferguson

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Anjali	Bains	bains@fresh-energy.org	Fresh Energy		408 Saint Peter Ste 220 Saint Paul MN, 55102 United States	Electronic Service		No	23- 258Official
2	Matthew	Brodin	mbrodin@allete.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	23- 258Official
3	Jennifer	Cady	jjcady@mnpower.com	Minnesota Power		30 W Superior St Duluth MN, 55802 United States	Electronic Service		No	23- 258Official
4	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	23- 258Official
5	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101- 2198 United States	Electronic Service		No	23- 258Official
6	Nicholas	Haeg	haeg@fresh-energy.org			12298 Bass Trail Sauk Centre MN, 56378 United States	Electronic Service		No	23- 258Official
7	Joe	Halso	joe.halso@sierraclub.org	Sierra Club		1536 Wynkoop St Ste 200 Denver CO, 80202 United States	Electronic Service		No	23- 258Official
8	Tiana	Heger	theger@mnpower.com	Minnesota Power		30 W. Superior Street Duluth MN, 55802 United States	Electronic Service		No	23- 258Official
9	Samantha	Houston	shouston@ucsusa.org	Union of Concerned Scientists		1825 K St. NW Ste 800 Washington DC, 20006 United States	Electronic Service		No	23- 258Official
10	Benjamin	Levine	blevine@mnpower.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	23- 258Official
11	Discovery	Manager	discoverymanager@mnpower.com	Minnesota Power		30 W Superior St Duluth MN, 55802 United States	Electronic Service		No	23- 258Official
12	Jess	McCullough	jmccullough@mnpower.com	Minnesota Power		30 W Superior St Duluth MN, 55802 United States	Electronic Service		No	23- 258Official
13	David	Moeller	dmoeller@allete.com	Minnesota Power			Electronic Service		No	23- 258Official
14	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential	1400 BRM Tower 445 Minnesota St St. Paul MN,	Electronic Service		Yes	23- 258Official

#		First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
						Utilities Division	55101-2131 United States				
1	5	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th PI E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	23- 258Official
1	6	Dean	Taylor	dtaylor@pluginamerica.org	Plug In America		6380 Wilshire Blvd, Suite 1000 Los Angeles CA, 90048 United States	Electronic Service		No	23- 258Official