MINNESOTA
PUBLIC UTILITIES COMMISSION

Staff Briefing Papers

Meeting Date	**May 15, 2025**	**Agenda Item 5****
Company	Minnesota Power	
Docket No.	E015/M-23-258	
	In the Matter of Minnesota Power's 2023 Integrated Distribution Plan	
Issues	Should the Commission approve, modify, or reject Minnesota Power's multi-dwelling unit EV charging pilot program?	

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✓ **Relevant Documents**	**Date**
Minnesota Power – Initial Filing	December 20, 2024
Clean Energy Groups – Comment	March 5, 2025
Department of Commerce DER – Comment	March 5, 2025
Office of Attorney General RUD – Comment	March 5, 2025
Minnesota Power – Reply Comment	March 19, 2025
Department of Commerce DER – Reply Comment	April 1, 2025
Clean Energy Groups – Reply Comment	April 2, 2025

I. Acronyms

CEG	Clean Energy Groups
CIAC	Contribution in Aid of Construction
DCFC	Direct Current Fast Charger
DO	Decision Option
EV	Electric Vehicle
EVSE	Electric Vehicle Supply Equipment
EVSI	Electric Vehicle Supply Infrastructure
IDP	Integrated Distribution Plan
MDU	Multi-Dwelling Unit
O&M	Operations and Maintenance
OAG	Office of Attorney General
TEP	Transportation Electrification Plan
TOD	Time of Day
TOU	Time of Use

II. Background

On December 20, 2024, Minnesota Power filed a supplemental filing to their Transportation Electrification Plan, which is filed as part of its Integrated Distribution Plan, requesting approval of a pilot program for electric vehicle charging in Multi-Dwelling Units (MDU).

On March 3, 2025, Clean Energy Groups, the Department of Commerce, and the Office of Attorney General filed initial comments.

On March 19, 2025, Minnesota Power filed reply comments.

On April 1, 2025, the Department of Commerce filed reply comments.

On April 2, 2025, the Clean Energy Groups filed reply comments.

With the submittal of Minnesota Power's third transportation electrification plan (TEP) in 2021, the Clean Energy Groups (CEG) requested Minnesota Power provide more information on their plans for MDU electric vehicle charging. In May of 2022, the Commission accepted MP's 2021 TEP and ordered Minnesota Power to provide a timeline for development of a pilot program facilitating access to charging facilities for residents of multi-dwelling units.[1] Minnesota Power committed to developing and submitting a proposal by the end of 2024.[2]

This program proposal is Minnesota Power's submission towards meeting the requirements of

[1] Docket 17-879, Order, May 17, 2022.

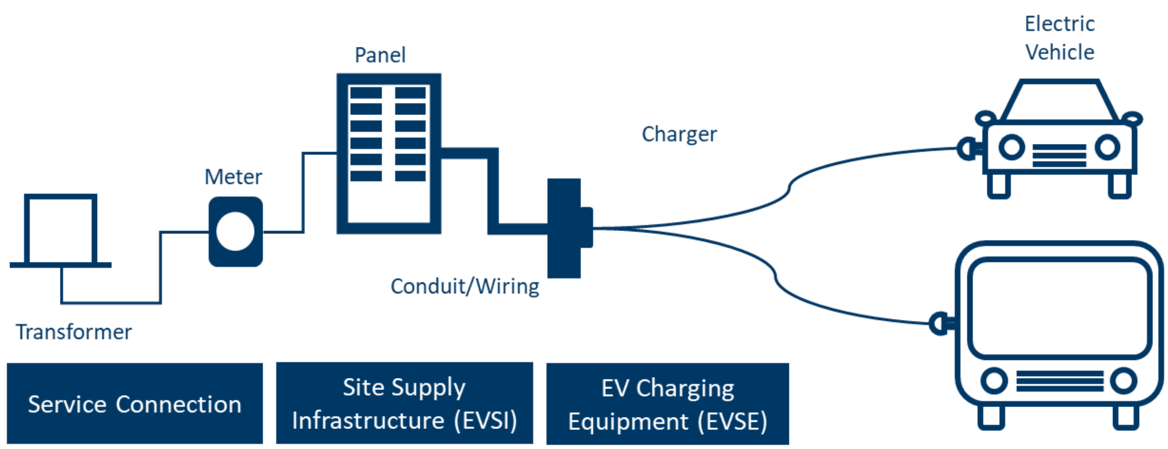
[2] Docket 17-879, Letter, July 15, 2022.

the Commission's 2022 Order.

Minnesota Power currently has a variety of EV rates and programs designed to reduce upfront costs and increase access to public charging. The Company is in the process of developing 16 direct current fast charging (DCFC) sites throughout northern Minnesota, offering rebates for the purchase of Level 2 charging, and has time-of-use rate options for EV charging. This new program is designed to address the high upfront costs of installing EV charging infrastructure experienced in MDU complexes.[3]

The Company has proposed an incentive-make-ready pilot as well as an expansion of their existing Level 2 rebate program to cover MDU residents whereas the rebate previously just covered single family home residents. Unlike Xcel Energy's pilots, the Company is not proposing to own equipment on the customer side of the meter, and instead plans to provide customers rebates to assist with the installation of site supply infrastructure (EVSI). A comparison of Minnesota utility EV pilot ownership models is provided below.

Figure 1: Utility Ownership of Equipment in Minnesota EV Programs



Service Connection	Site Supply Infrastructure (EVSI)	EV Charging Equipment (EVSE)	
Utility	Customer		Business as Usual
Utility		Customer	Xcel Fleet and Public Charging Pilots
Utility	Customer	Utility	Xcel EV Accelerate at Home
Utility	Customer – with utility rebate		MP MDU Pilot, Residential Rebates
Utility			MN Utility Owned DCFC Networks

Make-ready transportation electrification programs are designed for the utility to spur and support the development of EV charging by reducing the upfront costs of installation by the client. As one can see above, this means the utility taking a more active role in funding and/or owning site EVSI. In the case of a MDU program like the one proposed, EV drivers may need additional support via rebates/incentives to cover EV charging equipment as well. This is

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[3] Docket 23-258, MP Initial Filing, pp. 4-5

different than a model of full utility ownership, like the recent direct current fast charging network MP implemented.

III. Pilot Program Proposal

A. Program Design

In their proposal to tackle MDU transportation electrification infrastructure challenges, Minnesota Power requests approval from the Commission to (1) waive the Contribution in Aid of Construction (CIAC) for eligible participants[4], (2) provide rebates for customers to offset the cost of building out EV infrastructure on the customer side of the meter, (3) track and recover incurred customer side costs via a rider, and (4) treat utility-side capital additions and depreciation expenses as distribution plant expenditures so they may be recovered in a future general rate case.[5] The Company expands the program from just MDU residential buildings to other segments to address overall charging access challenges to MDU residents and gain additional experience with incentive-make-ready infrastructure projects. This decision is crafted based on policy tool recommendations for MDUs such as:[6]

1. Design incentives to reduce electric vehicle supply equipment (EVSE) installation costs
2. Implement plug in ready construction code
3. Expand availability of public EV charging opportunities for MDU residents
4. Conduct outreach to drive EVSE installation and EV ownership in MDUs

Minnesota Power currently offers up to $1,000 in rebates to residential customers to support the establishment of a separate residential time of use EV service, defraying some of the upfront costs. However, there is not a similar program for multi-family units or commercial EV charging needs. In this proposed pilot program MP would install, own, and maintain dedicated service for EV charging including all infrastructure costs on the utility side of the meter. The commercial customer will install, own, and maintain all equipment beyond the meter including any new service panel, conduit, and wiring up to the EV charger. Then, depending on application and income eligibility, participating commercial customers will be eligible to receive a rebate to cover up to 100 percent of the cost of infrastructure on the customer side of the meter. MP includes the cost of two Level 2 chargers in the rebate calculation for MDU projects. MP also proposes a $500 rebate for qualified smart Level 2 chargers to any resident of a MDU with a dedicated EV service within their territory. The application process and equipment requirements will be equivalent to MP's current residential Level 2 smart charger rebate approved in the Company's 2023 rate case.[7] The goal of these rebates is to ensure that residents in MDU buildings receive similar benefits as those in single family homes while

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[4] As was approved for Xcel Energy's make-ready EV pilot in Docket E002/M-18-643.

[5] Docket 23-258, Initial Filing, pp. 1-2

[6] DeShazo, J.R.. Overcoming Barriers to Electric Vehicle Charging in Multi-unit Dwellings: A Westside Cities Case Study. 2017.

[7] Docket 23-115

avoiding utility equipment ownership on the customer side of the meter which MP believes would be too administratively burdensome for a small pilot such as this.[8]

To address the varied need of public charging for MDU residents, the Company includes public and workplace charging applications in the program, as well as a small budget for fleet charging applications. The Company states they will maintain project spending caps to ensure control of the budget.[9] MP also proposes allowing fleet customer participation on a limited basis in order to determine if incentive-make-ready programming is an effective model for the fleet customer segment and what level of support is needed to spur adoption. MP proposes to only provide a funding for the service connection on the utility side of the meter for fleet applications, assuming one three-phase DCFC project up to $50,000 a year of the pilot phase.

For a visualization of these budgets, the Company provides the table below.[10]

Table 1: MDU Pilot Budgets by Customer Segment

Customer Segment	Maximum Service Connection Incentive (per project)	Maximum EVSI Incentive (per project)
MDU Building	Single Phase (Level 2): up to $10,000	75% of project costs (up to $45,000) Income-qualified[11]: 100% of project costs (Up to $60,000)
Public[12]	Single Phase (Level 2): Up to $10,000 Three Phase (DCFC): Up to $50,000	25% of project costs (Up to $7,500) Located in Disadvantaged Community, Environmental Justice Area, or Tribal Lands[13,14]: 50% of project costs (Up to $15,000)
Workplace	Single Phase (Level 2): Up to $10,000	25% of project costs (Up to $7,500)
Fleet	Three Phase (DCFC): Up to $50,000	N/A

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8 Docket 23-258, Initial Filing, pp. 9-10

9 Docket 23-258, Initial Filing, p. 11

10 Docket 23-258, initial filing, p. 13, table 1.

11 MP aligns “income-qualified” for this pilot with the Energy Conservation and Optimization program definition used: five or more units have at least 66% of the unites occupied by low-income households. If the threshold is met, 100% of the building can be considered low-income.

12 EVSI incentives are limited to support for the installation of Level 2 chargers for the pilot.

13 Disadvantaged communities are determined using the Climate and Economic Justice Screening Tool (CEJST) from the United States Council on Environmental Quality as well as environmental justice areas as determined by the Minnesota Pollution Control Agency or as defined under 216B.1691 sudb. 1(e).

14 Of note, the CEJST is no longer hosted on federal servers and will need to be obtained by the Company via other means.

The Company determined their participation requirements for the program in coordination with feedback from stakeholders and utility peers. These are the program participation requirements:[15]

1. A limit of one project per customer per year.
2. The customer's account must be in good standing.
3. Written consent from building or facility owner
4. A willingness to maintain the chargers via ongoing maintenance recommendations of the manufacturer as well as site maintenance such as snow and vegetation removal and management.
5. Participant must establish a dedicated EV service separate from all other load on site and be billed on one of MP's EV rates
6. Requires a minimum of two installed charging plugs per project
7. Direct current fast chargers must use Combined Charging System or North American Charging Standard connectors
8. Proof of purchased charging stations and dates for expected arrival of stations prior to company deployment of incentive-make-ready infrastructure.
9. Requests to future proof infrastructure for future charging expansion will not be funded through the program but the incremental costs may be funded by the customer.
10. MDU chargers must be Open Charge Point Protocol (OCPP) compliant where the costs of Level 2 chargers are in the rebate calculation.
11. The Company will encourage equipment capable of administering user fees or passing energy costs through to the end-user
12. The Company will encourage OCPP compliant networked chargers.

Department

The Department recommends denial (**DO 2**) based on two conclusions.[16]

First, the Department concludes that the intent of the Commission in ordering a pilot to address access to EV charging for residents of MDUs is to determine best practices for encouraging EV adoption for residents of MDUs. The Department cites the Commission's 2019 Order[17] requiring TEP filings which asserted electrification is in the public interest and can further the public interest in (a) affordable, economic electric utility service that places downward pressure on rates, (b) renewable energy use, and (c) clean energy. The Order also encourages adoption of EVs by (i) expanding the availability of charging infrastructure, (ii) enhancing consumer awareness, and (iii) facilitating the electrification of vehicle fleets.

Second, the Department concludes MP is not intending to test how to best encourage EV adoption through the application of EV charging infrastructure. Therefore, the Department recommends denial with the Commission requiring MP to propose, in their next TEP, a pilot to

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[15] Docket 23-258, initial filing, p. 14

[16] Docket 23-258, DOC Reply, pp. 3-4

[17] Commission Order, February 1, 2019, Docket No. E-999/CI-17-879.

test the effects of MDU-sited EV charging on EV adoption on MDU residents (**DO 2**).

As an alternative to denial, the Department recommends limiting the program to MDUs and including further data in compliance filings. The Department recommends the Commission require MP to focus its pilot on off street, level two charging at designated MDU parking to allow for cost-effective integration of EVs onto the grid. The Department believes this to be a key component of cost-effective integration of EVs via overnight, TOU rates along with the capability of managed charging and MDU level 2 charging provides the opportunity to maximize both.[18]

To complete this objective, the Department recommends removing the non-MDU customer segments from the pilot (**DO 3**) and limiting the program to level 2 charging stations (**DO 4**). The Department asserts the intent of the Commission's Order in their 2021 TEP for this program was to direct MP to focus on implement charging solutions for residents of MDUs specifically, not funding EV charging across multiple customer segments. The Department also expresses concern that a focus on multiple customer segments would not provide statistically significant data on any one of the segments. With a minimum of four MDUs and no firm minimum target for public, workplace or fleet applications, the Department believes an ideal course correction would be to remove those customer segments from the pilot.[19]

OAG

The OAG recommends approval with modification to better align the pilot with Commission Order and statute (**Decision Option 1**). The OAG recommends maximizing time-varying rates (**DO 5**) and smart charging (**DO 7**), an adjustment to the incentive levels in response to pilot demand (**DO 12a and 12b**), a prioritization of funding that leverages the most nonutility funding (**DO 8**), and a denial of rider recovery for operating costs (**DO 22**), as explained in subsequent sections.[20]

CEG

The CEG recommends approval with modifications to encourage EV adoption by MDU residents such as time-varying price signals that are passed through to drivers (**DO 5**); better tracking of costs, rates, and other potential impacts (**DOs 32 and 33**); improved support for MDU owners, electricians, trade groups; and those without sufficient capital to finance the investments before the rebates are disbursed (**DO 15**).[21] The CEG notes that some building owners, specifically small organizations, may find it difficult to secure initial capital either through their own funds or through lines of credit and therefore want to make sure the Company works with

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[18] Docket 23-258, Department Reply, p.11

[19] Docket 23-258, Department Reply, p. 5

[20] Docket 23-258, OAG Comment, p. 7

[21] Docket 23-258, CEG Comment, p. 2

their MDU partners so that credit access is not a hinderance.[22]

The CEG's specifically requested clarification from MP regarding their maximum of two level 2 chargers for MDUs, suggesting removing the maximum could help the program be more attractive to larger MDUs who want to serve more residents.[23]

MP Response

MP notes the limit was to manage the budget for the pilot program but would be willing to increase the maximum number of Level 2 chargers incentivized through the pilot to three, in alignment with the CEG's recommendation (**Decision Option 13**) and encourage futureproofing.[24]

B. Rate Design

OAG

OAG notes that time-based pricing and smart chargers are important tools in harnessing the benefits of vehicle electrification while minimizing costs and the OAG believes MP's pilot proposal could do more to leverage those tools to ensure ratepayer benefit in exchange for funding the incentives for make-ready infrastructure. Therefore, the OAG supports **Decision Option 5** to require site hosts pass through time-based rates to end users by default, while allowing them to opt out. If a site host chooses not to pass through its time-based rate to end users, the OAG recommends collecting information on the price structure used (**DO 5**).[25]

The OAG also recommends requiring MDU projects to take service under the MP's residential time-of-day rate (**DO 6**) because MDU buildings are residential buildings. This would be consistent with Xcel's MDU pilot. Alternatively, MP's Residential Electric Vehicle Service rate could be used but OAG notes it only has two usage periods which is less reflective of system costs than a three-period rate.[26]

The OAG also recommends the Commission require all MDU chargers to be capable of active management (**DO 7**). Active management of charging stations involves a utility, or aggregator, sending dispatch signals to the charging equipment to control charging. Active management holds unique potential compared to passive management options like time of use rates as it involves direct control (with the customer or owner's permission). The Commission found that actively managed charging creates grid benefits by deferring system upgrades while allowing

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[22] Docket 23-258, CEG Comment, p. 12

[23] Docket 23-258, CEG Comment, p. 9

[24] Docket 23-258, MP Reply, p. 3

[25] Docket 23-258, OAG Comment, p. 9

[26] *Id.*, pp. 9-10

for greater transportation electrification.[27]

CEG

The CEGs believe the default should be the site-hosts passing the time-variant price signals of the underlying time-of-use rates to the EV driving consumer, stating that this is a best practice that helps drivers see the price signals that incentivize cost saving charging behavior for the grid. The CEGs also note it would align with Minn. Stat. § 216B.1615, Subd. 3 which directs the Commission to consider if EV investments and programs improve grid operation and increase access to the use of electricity as a transportation fuel for all customers. The CEGs note that prior to that Minnesota statute the Commission also modified Xcel's public charging pilot to include a default pass through time-differentiated rate structure.[28] From this understanding, CEGs support **Decision Option 5** to communicate default price signals.[29]

Department

The Department supports the OAG's recommendation to require time-of-use as the default option for participants (**DO 5**).[30]

MP Response

MP is agreeable to requiring default time-based rates for end users, with an opt-out option for site hosts (**Decision Option 5**).[31]

MP notes in response to the OAG's recommendation that MDU buildings be on a residential time of day rate[32] (**DO 6**) that the Company intends to update their residential EV service rate time periods to align with the residential time of day rate to alleviate the OAGs concern regarding two vs three period rates.[33]

In response to the OAG recommendation that all chargers installed in MDU projects be capable of active management to be enrolled in future managed charging programs, MP reiterates that the chargers will be OCPP-compliant and notes that some MDU facilities may prefer to "bring their own chargers" in which case MP does not believe they will be able to control the equipment specifications.[34]

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[27] Docket 23-258, OAG Comment, p. 10

[28] Docket No. 18-643, Order Approving Pilots with Modifications, Authorizing Deferred Accounting, and Setting Reporting Requirements, issued July 17, 2019, at 22.

[29] Docket 23-258, CEG Comment, p. 7

[30] Docket 23-258, Department Reply, p. 10

[31] Docket 23-258, MP Reply, pp. 1-2

[32] The Residential EV Service rate or the Residential Time-of-Day Service rate

[33] Docket 23-258, MP Reply, p. 2

[34] Docket 23-258, MP Reply, p. 2

C. Application and Site Evaluation Process

The Company also proposes an application process they feel is robust and transparent. There will be an annual application period with a public evaluation framework. Projects in disadvantaged communities, tribal lands, or environmental justice areas that meet the MDU income qualifications will receive heavier weights to ensure prioritization. MP will accept applications on a rolling basis from customers who are interested in developing an infrastructure plan and application.[35]

Below is the Company's Evaluation Framework that will be publicly available for applicants.[36]

Table 2: MDU EV Pilot Site Application Evaluation Framework

Weight	**Criteria**
50%	**Site and Utilization**
	a) Current or planned use of renewable energy b) Chargers are publicly available c) Income-qualified facility or located within recognized disadvantaged community d) Proximity to MDU buildings (for publicly available, non-MDU proposals) e) Make up of renters vs. owners (for MDU proposals specifically) f) Estimated number of EV drivers expected to utilize chargers g) Current or planned use of renewable energy h) Chargers are publicly available i) Income-qualified facility or located within recognized disadvantaged community j) Proximity to MDU buildings (for publicly available, non-MDU proposals) k) Make up of renters vs. owners (for MDU proposals specifically) l) Estimated number of EV drivers expected to utilize chargers
30%	**Financial and Timeline**
	a) Minnesota Power account in good standing b) Project timeline feasibility c) Estimated project costs d) Required distribution system upgrades e) Previous participation in incentive-make-ready program
20%	**Infrastructure**
	a) Total planned charger capacity b) Total number of Level 2 or DCFC (where applicable) plugs c) Estimated increase in number of Level 2 or DCFC (where applicable) plugs within three years d) Chargers are OCPP compliant e) MDU Projects:

[35] Docket 23-258, initial filing, p.15

[36] Docket 23-258, Initial Filing, p. 16, Table 2

	a. Percent of spaces directly served by customer-side infrastructure b. Percent of spaces with access to Level 2 chargers, NEMA outlets or junction boxes

OAG

The OAG recommends the Commission require MP to include in their evaluation framework a criterion that provides greater weight to projects that use less utility funds by comparing the ratio of incentives to total project costs. The goal of this is to prioritize funding of low-cost projects that leverage the most non-utility funding, giving greater weight to projects seeking smaller amounts of incentives as a percentage of the total project budget. To do this, the OAG recommends a criterion added to the "financial and timeline" rubric called "requested incentive as percentage of project costs" and then assign the highest point value to projects requesting the lowest percentage of incentives.[37] Adding this criterion can be found as **Decision Option 8**. The goal of this is to encourage prudent use of utility incentives and save ratepayers' money. If a project is significantly funded by the utility vs the private partner, it would not be rated as high in the evaluation. The OAG also recommends MP include a prominent statement on the application form indicating priority will be given to projects that leverage the most nonutility funding at the lowest cost to MP (**Decision Option 10**) to draw attention to said criteria. Another way the OAG recommends giving more weight to financial criteria generally is giving more weight to the "financial and timeline" category and decreasing the weight of the "site and utilization" category. This can be completed by **Decision Option 9**.[38]

CEG

The CEGs would like MP to clarify how criteria like the "make-up of renters vs. owners" at an MDU would impact project eligibility determinations, and requested the Company provide this with their tariff compliance filing.[39]

Department

The Department requests a separate application evaluation category to apply specific weight to site location criteria for at risk communities (low income, tribal lands, environmental justice areas). In response to that recommendation, MP finds the request to be reasonable and will establish site location as a category in the final application.[40] The Department recommended this be filed with the Company's tariff compliance filing (**DO 11**).[41]

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[37] Docket 23-258, OAG Comment, pp. 13-14

[38] Docket 23-258, OAG Comment, p. 14

[39] Docket 23-258, CEG Reply, p. 4

[40] Docket 23-258, MP Reply, pp. 4-5

[41] Docket 23-258, Department Reply, p. 7

MP Response

In response to the OAG evaluation framework recommendations, MP expresses concern that the change to give greater weight to projects seeking smaller amounts of incentives as a percentage of total project budget (**Decision Option 8**) could have unintended consequence by prioritizing projects at larger facilities with financial capital for bigger and more costly installations. In the case of comparing a large project to a small project, the less expensive project has a much higher ratio of incentives as both projects are capped out at 75% of project costs or $45,000. The smaller project would then receive weight even if it may be a better project with less upgrades required and therefore being more cost effective.[42]

The Company provides a comparison example below of two projects where one is a "large" project totaling $100k while the other is a "small" project of half that. In the example, the lower ratio would benefit the large project by giving greater weight in the evaluation process.

Table 3: Minnesota Power's Incentives as % of Total Project Example

	Larger Project	Small Project
Service Connection Total Costs	$10,000	$10,000
Site Supply Infrastructure Total Costs	$90,000	$40,000
Total project costs	$100,000	$50,000
Total incentives awarded under program (Service Connection + Site Supply)	$55,000	$40,000
Ratio of incentive to project costs	0.55	0.8

D. Budget

MP provides the budget table below and notes each project is subject to the maximum project incentives as described in Table 4. For the Service Connection Incentive, the Company proposes to waive its existing CIAC policy (**Decision Option 17**). While the number of projects completed will depend on the customer type and installation costs, MP will not exceed the total program budget shown below. The Company believes this flexibility will allow them to accommodate a wide variety of project proposals while prioritizing MDU installations. Due to experience, the Company proposes any unspent incentive-make-ready incentive funds to be rolled over into the following year for the duration of the pilot.[43]

Table 4: Annual Maximum Budgets[44]

	2026	**2027**	**2028**	**Total**
Service Connection Incentives	$330,000	$350,000	$360,000	$1,040,000
Site Supply Infrastructure Incentives	$277,500	$330,000	$390,000	$997,500

42 Docket 23-258, MP Reply, p. 4

43 Docket 23-258, Initial Filing, p. 19

44 Docket 23-258, Initial Filing, p. 19

Education and Outreach	$15,000	$15,000	$15,000	$45,000
MDU Smart Level 2 Rebates	$2,500	$5,000	$5,000	$12,500
Total	$625,000	$700,000	$770,000	**$2,095,000**

Department

The Department is concerned that the cost data collected by MP to support its proposed budget is several years old, limited in scope, and based on small installations.[45] While MP provides a cost estimate as requested by the Department in their reply comment,[46] the Department believes it was not enough to base a whole pilot on without multiple estimates and adequate cost information. Between the cost uncertainty and the Department's interpretation of Commission intent that the pilot be limited in scope to just MDU sites, the Department requests the Commission deny the pilot, as noted above.[47] If the Commission approves the pilot, the Department recommended establishing a cost cap (**DO 27**) and requiring the Company to file the approved budget with its compliance filing (**DO 35a**).

The Department also supports the CEG's recommendation (**DO 14**) of including a minimum of one income-qualified MDU per pilot year and if MP cannot, it must explain in its annual reporting.[48]

CEG

The CEGs recommend specific inclusions into the Company's budget reservations such as including a minimum of 12 charging port installations per year for the proposed minimum of four MDU buildings (**Decision Option 13**) to help ensure benefits of the program are brought to more customers and be evaluated in multiple sizes of MDU buildings. The CEGs also recommend a budget carve out of those four MDU buildings where, at minimum, one is 'income-qualified' (**Decision Option 14**). [49]

OAG

The OAG recommends an approach to adjust the incentive caps in response to pilot demand. MP states one of their goals was to determine funding levels needed to incentivize EV charging infrastructure for a wide variety of customer segments. The OAG felt the pilot program did not include any features specifically designed to test the level of ratepayer funding needed to support EV infrastructure. Therefore, the OAG proposes the following: if one or more applications for a particular project type (i.e. MDU, public, fleet, workplace) remain unfunded after the first or second year of the pilot but otherwise meet all minimum pilot requirements, the incentive cap for the project will be reduced by ten percent the following year (**Decision**

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[45] MP response to the OAG's information request 006, p. 2.
[46] Docket 23-258, MP Reply, Attachment A
[47] Docket 23-258, Department Reply, pp. 3-4
[48] Docket 23-258, Department Reply, p. 12
[49] Docket 23-258, CEG Comment, p. 9

Option 12a and 12b).[50] The purpose of stepping down the caps is to test what level of funding is necessary to support various project types. If there continues to be strong demand for the incentives even at lower cap levels, this indicates MP may be able to foster growth of beneficial electrification in the transportation system while offering even smaller incentives.[51]

The OAG provides the following example where if one or more viable MDU projects do not receive funding in the first year, both the service connection and site supply infrastructure incentive caps would be stepped down by ten percent in year two. Year one starts at the MP proposed $10,000 maximum service connection incentive but in year two, it would decrease to $9,000. If year two also had one or more viable MDU projects not receiving funding, year three would step down by 10 percent to a maximum service connection incentive of $8,100. Below it is shown in table form.

Table 5: Incentives in Year 1 of Pilot[52]

	Maximum Service Connection Incentive	Maximum Site Supply Infrastructure Incentive
Year 1	$10,000	$45,000 or 75% of the project
Year 2	$9,000	$40,500 or 75% of the project

Table 6: OAG 10% Incentive Reduction if Pilot Applications Exceed Participation Target

	Maximum Service Connection Incentive	Maximum Site Supply Infrastructure Incentive
Year 2	$9,000	$40,500 or 75% of the project
Year 3	$8,100	$36,540 or 75% of the project

If in the second year another viable MDU project did not receive funding, the ten percent reduction would again apply for the next year.

MP Response

In response to the CEG's incentive cap and budget reservation recommendations, MP specifically supported the minimum specifications if possible and noted the Company would explain in their annual compliance filing why the requirements are not met if applicable.[53]

In response to the OAG's incentive stepdown recommendation, the Company summarized the OAG's position but did not respond with a position to the recommendation.[54]

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[50] Docket 23-258, OAG Comment, p. 11
[51] Docket 23-258, OAG Comment, p. 12
[52] Docket 23-258, OAG Comment, pp. 11-12
[53] Docket 23-258, MP Reply, p. 3
[54] Docket 23-258, MP Reply, p. 3

E. Cost Recovery

The Company proposed creation of a new rider to recover the O&M expenses associated with the pilot, which includes the rebate incentives for the EVSI and MDU chargers, and the education and outreach budgets, as they believe the new rider would allow for greater flexibility to respond to market changes and funding needs without the need to align cost recovery with rate case timing (**Decision Option 18**).[55] They also requested to treat utility-owned service connection capital additions and depreciation expenses as Distribution Plant expenditures and recover them in a future general rate case via deferred accounting (**Decision Option 23**).

The Company believes the Commission can use their authority under Minn. Stat. § 216B.1614, subd. 2(c)(2) to allow the Company to recover costs related to educating customers including costs necessary to comply. The Company also cites the Commission discussion on cost recovery options in their 2019 Order[56] that notes the Commission authority to recover costs outside of a rate case through riders. Due to these precedents, the dollar amount requested, as well as the program being a mandated proposal by the Commission, the Company believes rider treatment to be appropriate for cost recovery of O&M costs.[57]

MP notes the Commission has previously employed deferred accounting as an appropriate cost recovery mechanism for EV projects and the Company believes rider recovery would allow greater flexibility and respond to customer needs as the EV market shifts and develops. If their request for a new rider is denied, the Company requests the O&M costs also recovered through deferred accounting, including a return on those expenses at the Company's authorized rate of return.[58]

OAG

The OAG believes the Commission should deny MP's request for rider recovery (**DO 19**). The OAG justified the denial because they believe the riders require legislative authorization. In the alternative if the Commission approves deferred accounting, the OAG believes the Commission should deny MP's request to earn a return on deferred accounting O&M expenses (**DO 22**).[59]

The OAG disfavors rider recovery due to it entailing single-issue ratemaking where a utility is allowed to reflect a particular cost increase in rates without considering potential offsetting cost decreases or increased revenues from other areas of its operations. MP cites Minn. Stat. § 216B.1614 but the OAG states this section provides for rider recovery of the costs of offering customers "a tariff that allows a customer to purchase electricity solely for the purpose of recharging an electric vehicle" including "costs to inform and educate customers about

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[55] Docket 23-258, Initial Filing, p. 21
[56] Order, Docket No. E999/CI-17-879, February 1, 2019.
[57] Docket 23-258, Initial Filing, pp. 21-22
[58] Docket 23-258, Initial Filing, p. 22
[59] Docket 23-258, OAG Comment, pp. 14-15

financial, energy conservation, and environmental benefits of electric vehicles and to publicly advertise and promote participation in the customer-optional tariff."[60] The OAG felt the only O&M costs that may arguably meet statute is the education and outreach costs but that these costs have little to do with offering a "customer-optional tariff" under the section. The OAG highlights that the Commission previously rejected a similar request by MP.[61]

The OAG notes deferred accounting is normally reserved for unforeseen, unusual, and/or large costs that have a significant impact on a utility's financial condition.[62] With this pilot's O&M costs making up less than 0.2 percent of MP's annual O&M budget, the OAG recommends against it. However, the OAG recognizes the Commission's use of deferred accounting for other utilities' EV pilot programs (see dockets 18-643 and 20-711) concluding the Commission may want to treat the utilities consistently. With that in mind, if the Commission approves deferred accounting for O&M, the OAG recommends declining MP's request to earn a profit on deferred costs at its regulated rate of return for their O&M expenses (**Decision Option 22**).[63]

Department

Due to the cost data available to the Company to be outdated, limited and based on small installations, The Department believes the pilot proposal does not contain adequate information on which to set a budget and subsequent rate design such as cost recovery mechanisms, caps, and customer side rebate amounts. Due to this, the Department recommends the Commission deny the pilot.[64] However, if the Commission approves the pilot, the Department recommended the following limitations be placed on deferred accounting to protect ratepayers:

- Limit deferred accounting to the approved budget/costs of the pilot.
- Limit deferred accounting treatment and potential recovery to only the costs incremental to MP's most recent rate case.
- Limit deferred account treatment to only the cost incurred before the start of the next rate case test year.
- Deny MP's request to earn a return on its capital accrual for the deferred account.

MP Response

MP states the Company would accept deferred accounting if that is the preference of the Commission but is concerned regarding a lack of timely cost recovery for mandated programs and projects through the deferred accounting process. If the Commission approves cost recovery for O&M costs through deferred accounting, MP requests to be allowed a return on

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[60] Minn. Stat. § 216B.1614, subd. 2

[61] Minn. Power's Petition for Approval of Residential Off-Peak Elec. Vehicle Serv. Tariff, Docket No. E-015/M-15-120, Compliance Filing from June 29, 2015.

[62] Docket 18-643, July 17, 2019 Order, p. 18

[63] Docket 23-258, OAG Comment, p. 17

[64] Docket 23-258, DOC Reply, p. 4

both the capital and O&M expenses at the Company's authorized rate of return.[65] The Department and OAG disagree, and recommend the Company not be allowed to earn a return on any deferred expense, either O&M or capital (**DO 22 and 25**).

F. Education and Outreach

The Company also proposes an education and outreach component to continue to break down charging barriers. This budget is $15,000 per yar and can be found in Table 4 on pages 11-12. The proposal identifies 3 education and outreach categories: (1) program awareness, (2) trade ally support and project coordination, and (3) EV-readiness for new construction. With their program awareness, the Company proposes targeted, paid advertisements promoting the benefits of EVs generally as well as the availability of this new pilot. The Company plans to host on-site meetings for collaborative information sharing sessions with MDU owners, tenants, and employers interested in workplace charging or EV fleet adoption. The Company also anticipates participating in multifamily related events, tradeshows, and conferences.[66]

MP states they will establish an electrician network to support training opportunities for regional electricians on EV charging installation best practices and promote the pilot program to support the electricians in providing timely and accurate information to their customers regarding the program.[67]

MP will also look to address the issue of EV charging readiness. EV ports in existing MDUs can cost more than $10,000 per port, adding a significant expense when installing post initial building construction.[68] To prevent the significant costs of adding charging to MDUs post initial construction, the Company will work with building developers and municipalities throughout their service territory to encourage EV-ready building codes and ordinances.[69]

CEGs

The CEGs recommend the Company work with trade groups and electricians to unlock benefits of the program that would otherwise struggle to finance the initial investment (**DO 15**). The CEGs suggests working with entities such as the Minnesota Climate Innovation Finance Authority (McNiff) and others to leverage its funding to provide solutions for equity challenges within MP's pilot.[70]

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[65] Docket 23-258, MP Reply, p. 5

[66] Docket 23-258, Initial Filing, p. 17

[67] Docket 23-258, Initial Filing, pp. 17-18

[68] Atlas Public Policy. Smart Columbus Kickstarts EV Charging Deployments at Multi-Unit Dwellings. 2018. p.5. https://d2rfd3nxvhnf29.cloudfront.net/legacy/uploadedfiles/playbook-assets/electric-vehiclecharging/mud-case-study-final.pdf.

[69] Docket 23-258, Initial Filing, p. 18

[70] Docket 23-258, CEG Comment, p. 12

MP Response

MP notes that the Company supports suggestions by the parties such as working with the MnCIFA, electricians and trade groups, and others to unlock the benefits of the program for site owners that would otherwise struggle to finance the initial investment.

G. Reporting

MP proposes filing an annual report to the Commission on participation in the program. The Company will not own any of the EV chargers installed through the pilot, so information reported will be based on meter data, project costs, and qualitative feedback including:[71]

1. Number of applications received as well as the number of projects selected by customer segment (i.e. MDU, public, fleet, workplace, hospitality)
2. Site characteristics including
    a. Make up of renters vs owners, building age, parking structure, charger availability details, payment mechanism and responsibilities of building owners vs building tenants
    b. Public and workplace projects will detail site host amenities and payment mechanisms
    c. Fleet projects will detail the number and type of vehicles charging, any future expansion plans
3. The number of ports and charges installed as well as port capacity
4. The project costs broken down by service connection and site supply infrastructure incentives
5. Rebate amounts provided
6. Billed energy and demand to determine charger utilization
7. Feedback from participating customers, including drivers, and barriers to participation.
8. Any unexpected project challenges or costs

Department

The Department recommends the Commission require MP to file a list of program-level evaluation metrics and require ongoing program level reporting within the annual report.[72]

CEG

The CEGS recommends MP track the rates and fees charged to end-users of the utility supported charging stations.[73] The CEGs also recommends MP track the rent charged to tenants of MDUs participating in the program to compare against rents in similar housing units that did not receive incentive-make-ready EV charging funding (**Decision Option 33**). This recommendation grew out of concerns regarding potential impacts of green gentrification: the

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[71] Docket 23-258, Initial Filing, p. 20

[72] Docket 23-258, Department Reply, p. 6

[73] Docket 23-258, CEG Comment, p. 8

potential for rent-induced housing displacement following the installation of green infrastructure, in this case EVSE installations, which can pose a critical equity challenge to communities specifically struggling with access to green amenities and affordable housing. The CEGs find that tracking potential unintended consequences would help MP understand the extent to which the problem may impact their customers and allow for a better understanding if mitigation measures need to be implemented in a future permanent program.[74]

The CEGs also requested MP clarify how the makeup of renters vs owners at an MDU would impact project eligibility determinations, requesting this clarification in the Company's tariff compliance filing (**DO 35c**).

MP Response

MP approves of the CEG's recommendation that rates and fees charged to end-users by site hosts be tracked and reported to the extent possible. (**Decision Option 32**).[75] The Company did note that comparable rental rate information may not be readily available, but the Company did commit to reporting public, accessible information on the topic in their annual compliance filing.[76]

IV. Staff Analysis

The OAG, CEGs, and Minnesota Power all recommend approving the pilot with modifications. In general, Staff notes that Minnesota Power was very receptive to the OAG's and CEG's suggestions and appreciates the participants working together to improve the pilot project.

However, the Department recommends denying MP's pilot program and instead requiring the Company to propose a new pilot testing the effects of MDU-sited EV charging on EV adoption among MDU residents. The Department came to this conclusion based on their interpretation of the Commission's May 17, 2022 Order in Docket No. E999/M-17-879, and the fact that only one specific and potentially outdated cost estimate was provided by the Company.[77] Staff notes the Order required Minnesota Power to "provide a timeline for development of a pilot program facilitating access to charging facilities for residents of multi-dwelling units." In its letter filed July 15, 2022, Minnesota Power committed to filing a MDU pilot by Q4 of 2024. The Commission will need to clarify if the Order or any subsequent Orders allows a broad scope interpretation or a limited scope interpretation of the Commission's intent for Minnesota Power's EV pilot.

In the event the Commission approves the pilot, the Department recommends removing the fleet, public, and workplace charging customer segments via **Decision Option 3**. Staff notes that the decision option may be modified to only remove one or two customer segments, if that is a

[74] Docket 23-258, CEG Comment, pp. 11-12

[75] Docket 23-258, MP Reply, p. 2

[76] Docket 23-258, MP Reply, pp. 5-6

[77] Docket 23-258, Department Reply, p. 2

direction the Commission is interested in taking.

Staff notes it is widely established that MDU residents and renters experience different challenges that need a unique suite of policy options to complete their charging needs, including a heavier reliance on workplace and public charging than single family homeowners. Therefore, Staff understands MP's thought process in providing a suite of incentives that target the multipronged approach to EV charging renters and MDU residents take when charging their vehicles. EV owners where MDU charging is cost prohibitive, even with this MP incentive pilot program, will continue to look toward workplace and public charging to fill their needs.

Staff notes that **DOs 5 and 6** that require default time-of-use rate as passthrough to end use customers aligns with prior Commission decisions in Xcel Energy's public charging[78] and multi-family pilots[79], and recommends adoption of similar decision options here. Staff also believes that requiring any chargers purchased with rebates to be capable of active load management (**DO 7**) to be in line with the findings of the Commission Investigation Order to optimize charging to minimize grid impact and create beneficial electrification.

Staff notes that the Department recommended limiting the pilot just to level two charging and not direct current fast charging. As explained above, MDU residents and renters often use public charging, including DCFC stations, to a greater extent than single family homeowners. However, MP already has a DC fast charging program across their service area via 16 stations.[80] DC fast chargers require more extensive infrastructure than level two chargers, which may result in any selected DCFC sites hitting the incentive caps for both the service connection and site supply infrastructure. This could result in a small number of total sites being installed under the pilot proposal. The Commission will need to weigh how it will prioritize funds between fast charging and level two charging and if to limit scope to just MDUs vs fleet, MDU, public, and workplace charging in the pilot.

With regards to the OAG's recommendation of an innovative incentive stepdown process (**DO 12a and 12b**), Staff believe this to be an effective recommendation to maximize the beneficial impact of increased MDU charging options and charging optimization, all while testing what the needed incentive is.

With regards to the OAG's recommendation for site application evaluation of providing greater weight to projects with a smaller incentive to project cost ratio (**DO 8**), Staff share MP's concern that this recommendation could hamper smaller projects from accessing the utility's incentive funds, specifically small business and small MDU portfolio applicants that face challenges lining up funding for the significant upfront capital costs.

With regards to the OAG's recommendation for customers to take service under a residential

[78] Docket 18-643, July 17, 2019 Order, p. 18

[79] See Docket 20-711

[80] See Docket 21-257

time varying rate with two or three periods (**DO 6**), this would expand the offering for MDU service as originally proposed in the initial filing. The initial filing required the service to be an EV rate which is currently two periods, the OAG's recommendation would open the option to the residential time of use rate which is currently three periods. MP supports this change.[81]

Staff notes that the CEG recommendation for a minimum reservation of 4 MDUs per year and 12 ports per year at the MDUs (**DO 13**) and reservation for one income qualified MDU per year (**DO** 14) would not increase the budget of the program but would instead prioritize those projects and port standards each year. Due to concern from the Company regarding CEGs recommendation to collect MDU rental rates that participate in the program (**DO 33**), Commission Staff crafted an alternative (**DO 34**) that requires the data collection if possible and requires an explanation as to why not if the Company is unable to collect the information as a stipulation of funds dispersal.

Staff does not have concerns with the Company waiving CIAC for pilot participants (**Decision Option 17**), as this is in line with other utility EV programs approved by the Commission.[82] However, Staff does recommend the Company include the specific sections of the CIAC policy it is waiving in its tariff pages for the pilot, consistent with Xcel's treatment for its EV programs.[83]

Staff echoes the concerns of the OAG and Department with establishing a new rider. The Commission previously denied Minnesota Power a rider for costs associated with its EV pilot programs in Docket 20-638, in line with the Department's and OAG's recommendations. Instead, in that case the Commission suggested Minnesota Power request deferred accounting for those pilot projects, which Minnesota Power did with a filing in Docket 21-349. The Commission also granted deferred accounting to the Company for its utility owned DCFC network in Docket 21-257. Staff summarizes those decisions below.

- In its October 22, 2021 Order in Docket No. E015/M-21-257, the Commission approved deferred accounting for Minnesota Power's utility owned EV charging network. The Commission placed the following conditions on Minnesota Power's deferred accounting tracker:
    - Only capital costs and depreciation costs related to the actual EV capital investment may be accrued in the deferred account.
    - Only the project revenue requirements, including operation and maintenance costs, that are clearly incremental to those approved in the Company's most recent rate case proceeding will be considered eligible to be reviewed for eventual recovery.
    - Minnesota Power may not accrue in the deferred account a return on its capital

[81] Docket 23-258, MP Reply, p. 2

[82] See, for example, Xcel Energy's Fleet and Public Charging Pilot in Docket 18-643 and Xcel Energy's MDU pilot in 20-711.

[83] See, for example, "Terms and Conditions of Service" for Xcel's Electric Vehicle Public Charging Pilot Service, Rate Code A90, Section 5, Sheet 52.3 of the Company's tariff.

expenditures associated with the proposal.
  - Minnesota Power may not accrue in the deferred account property taxes related to the proposal unless the Company can show that actual total property taxes are higher than total property taxes built into base rates.
  - Deferred accounting is granted only for costs incurred between the issuance of the Commission's order approving the pilots and the onset of the test year in Minnesota Power's rate case filed after November 1, 2021.

- In its February 2, 2022 Order in Docket No. E015/M-21-349, the Commission approved deferred accounting for Minnesota Power's EV Charging Rewards and EV Charging Rebate Program approved in Docket 20-638. The Commission placed the following conditions on its approval.
  - A cap on the total amount recoverable through the deferred account based on the approved program budgets.
  - Only recovery education and outreach costs that are incremental to those approved in the Company's prior rate case.
  - Only allowing deferred accounting between the approval of the pilot program and the onset of the test year in the Company's next rate case.

As outlined above, the Commission had differing treatments and restrictions for deferred accounting in the two prior cases. Therefore, the Commission will need to decide:

- Whether it will grant deferred accounting for capital expenses associated with the project (the service connection incentives).
- Whether it will allow the Company to accrue a return on the capital expenses in the deferred account.
- Whether it will grant the Company's request to establish a rider for O&M expenses
- If it does not establish a rider, whether it will grant deferred accounting for O&M expenses (the EVSI incentive rebates, education and outreach budget, and MDU charger rebates).
- Whether it will allow the Company to accrue a return on the O&M expenses in the deferred account.

Staff specifically requested review of this pilot by our pilots and innovation specialist who, after a review of MDU pilots from other Minnesota utilities and the record,[84] recommended the information in Attachment 1 be included in future compliance reports. The reporting requirements are based off Minnesota Power's proposal, outlined in the reporting section above, and on reporting points from Xcel Energy's MDU pilot. Staff recommends checking with the Company to ensure they are agreeable to the amended list of reporting requirements. To the extent possible, Staff also recommends providing the information as excel spreadsheets for ease of Commission analysis. **Decision Option 30** approves the Staff proposed reporting

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[84] Order, Docket No. E-002/18-643 (dated July 17, 2019) and Order, Docket No. E-002/M-20-711 (dated July 2, 2021)

requirements in Attachment A and requires Minnesota Power to file the requirements as part of its June 1, annual EV Program Report filed in Docket E015/M-15-120 and other associated EV dockets, and delegates authority to the Executive Secretary to update the reporting requirement list consistent with subsequent decisions. Staff notes there are also additional reporting recommendations suggested by participants that are outlined in **Decision Options 31-35**, which can be adopted in addition to Attachment A.

V. Decision Options

The Commission should choose one of decision options 1 or 2. If the Commission selects DO 2.

1. Approve Minnesota Power's Multi-Dwelling Unit Electric Vehicle Pilot Proposal with the modifications identified below. (MP, CEG, OAG, DOC alternative)

[OR]

2. Deny Minnesota Power's Multi-Dwelling Unit Electric Vehicle Pilot Proposal and require the Company to propose a pilot that tests the effects of MDU-sited EV charging on EV adoption in MDU residents in the Company's next TEP due November 1, 2025. (DOC)

Program Modifications

If modifying the program (DO 1), the Commission may choose from the following decision options:

3. Modify the program to exclude the "public," "workplace," and "fleet" segments. (DOC)

4. Modify the program to include just level two charging stations and not DCFC. (DOC)

5. Require MP to implement time of use rates requirements for end use customers as a condition of any incentive-make-ready infrastructure investments in this program with an option to opt out. If the site host opts not to pass through the variable rate to end users, require MP to collect information on the site host's alternative pricing structure to include in its annual report. (OAG, CEG, DOC, MP)

6. Require MP to bill MDU site hosts under the rider for residential time-of-day service or the residential electric vehicle service tariff. (OAG)

7. Require that MDU chargers be capable of active load management. (OAG, DOC)

Application and Site Evaluation

8. Add "requested incentive as a percent of project costs" criterion to the "financial and timeline" section of the project evaluation framework, assigning the maximum value to projects requesting the lowest percentage of incentives. (OAG)

9. Increase the weight of the "financial and timeline" criteria to 40% and correspondingly

reduce the weight of the “site and utilization” criteria to 40%. (OAG)

10. Require MP to include a statement on the application form indicating priority will be given to projects that leverage the most nonutility funding at the lowest cost to Minnesota Power. (OAG if Decision Option 8 is adopted)

11. Require MP to file within 60 days a compliance filing with 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. (DOC, MP)

Budget

The Commission may select any combination of DOs 12 through 16.

12. Require MP to adjust service connection and site supply infrastructure incentive caps such that:

    A. If one or more applications for a particular project type were unable to be funded under the prior year’s budget, MP will reduce the incentive caps for that project type by 10% for the current year. (OAG)

    B. Prior-year applications that were not funded due to budget constraints but otherwise meet all minimum pilot requirements may be considered for funding in the current year under the reduced incentive caps. (OAG)

13. Require MP to reserve funds for a minimum of 4 MDUs and 12 ports per year at the MDUs. (CEG)

14. Require MP to reserve funds for at least one MDU that is ‘income qualified’ per year. If MP is unable to fulfill this requirement, the Company must explain why in its annual report. (CEG, DOC, MP)

15. Require MP to work with MDUs without sufficient initial capital to finance the investments before rebate disbursement. (CEGs)

16. In a compliance filing within 60 days, require MP to file the approved budget that will be subject to deferred accounting treatment. (DOC)

Cost Recovery

17. Approve MP’s request to waive Contribution in Aid of Construction (CIAC) charges for eligible participants in the MDU Pilot. (MP, CEG, DOC)

Decision Options 18 to 22 pertain to recovery of O&M costs (EVSI and MDU charger rebates, education and outreach budget)

18. Approve Minnesota Power's request to establish a rider to recover Site Supply Infrastructure Incentive Rebates, MDU Charger Rebates, and Education and Outreach costs as O&M expenses. (MP)

[OR]

19. Deny Minnesota Power's request to establish a rider to recover pilot costs. (OAG, CEG, DOC)

[AND]

20. Authorize MP to use deferred accounting to track and request future recovery of O&M costs of the pilot. (MP alternative)

[AND]

21. Allow the Company to record a return on O&M expenses at the Company's authorized rate of return in the deferred account. (MP alternative, if 20 adopted)

[OR]

22. Do not allow the Company to earn a rate of return on the deferred O&M costs. (OAG, if 20 adopted)

Decision Options 23 to 25 pertain to recovery of capital costs (service connection).

23. Authorize Minnesota Power to treat utility-owned service connection capital additions and depreciation expenses as Distribution Plant expenditures and recover them in a future general rate case via deferred accounting. (MP)

24. Allow the Company to record a return on capital expenses at the Company's authorized rate of return in the deferred account. (MP, if 23 adopted)

25. Do not allow the Company to record a rate of return on the deferred capital expenditures. (DOC, if 23 adopted)

Decision Options 26 to 29 place limitations on the Company's use of deferred accounting for O&M and/or capital expenses.

26. Limit deferred accounting to the approved budget/costs of the pilot. (DOC)

27. Limit deferred accounting treatment and potential recovery to only the costs incremental to Minnesota Power's most recent rate case. (DOC)

28. Limit deferred account treatment to only the cost incurred before the start of the next rate case test year. (DOC)

29. Limit MP's recovery of MDU Pilot costs to the budget proposed in MP's December 20, 2024 petition, subject to future prudence review, unless the Company shows by clear and convincing evidence that any costs incurred above that amount were reasonable, prudent, and beyond the Company's control. (DOC)

Reporting and Compliance Filings

30. Approve Attachment A as the MDU Pilot reporting requirements due June 1 annually. Delegate authority to the Executive Secretary to update the reporting requirements list consistent with the decisions made in this and subsequent EV related dockets.

31. Require Minnesota Power to track the application and additional costs of the CIAC waiver including information on if rebates have incentivized increased construction and utilization of charging equipment. (DOC) *[Staff note: this DO may be selected only if the CIAC waiver in DO 17 is approved.]*

32. Require MP to track rates and fees charged to end-users. (CEG)

33. Require MP to track rent at participating MDUs. (CEG)

[OR]

34. Require MP to track rent at participating MDUs and if they cannot, explain why in their annual filing. (Staff interpretation of MP)

35. Require Minnesota Power to make a compliance filing within 60 days of the Commission's Order that includes the following information:
    a. Tariff pages that outline the MDU Pilot as approved herein. 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. (Staff interpretation of DOC, CEG)
    b. The budget impact of providing an additional level two charger rebate per MDU. (DOC)
    c. A clarification of how the make-up of renters vs owners at an MDU would impact project eligibility determinations. (CEG)

Attachment 1

Minnesota Power must file reports that include the following information and data to the greatest extent practicable. Where Minnesota Power is not able to provide the information required below, the Company shall explain why it is unable to do so. Such reports must be filed on an annual basis throughout the pilot as part of Minnesota Power's Annual EV report in Docket No. E-015/M-15-120 on June 1, with a copy filed in the Company's current IDP/TEP docket. Where applicable, Minnesota Power must include data in spreadsheet (.xlsx) format.

If Minnesota Power files a PDF version of spreadsheet data, it shall be filed as an attachment in a separate document instead of being merged with the main report.

To the extent possible, for the MDU, public, and workplace customer segments, separated out by segment:

A. Program Level Information:
    1. Number of applications received as well as the number of projects selected by customer segment (i.e. MDU, public, fleet, workplace, hospitality)
    2. Number of applicants rejected, including reason(s) for rejection.
    3. Status of projects (application, approved, under construction, operational etc.) with the following information by:
        a. Total sites
        b. Number and capacity of ports
        c. Total funds allocated/spent
    4. Number of site hosts that are located within disadvantaged communities, tribal lands, or environmental justice areas that meet the MDU income qualifications;
    5. Total funds spent, broken down by approved budget categories.
    6. Total funds that have been allocated to pending projects that has not been spent, broken down by approved budget categories.
    7. Total amount of energy and demand billed to sites in the pilot, by month.
    8. Number of sites electing to charge with renewable energy.
    9. Feedback from participating customers, including drivers, and barriers to participation.
    10. A summary of customer service and technical assistance needs
    11. Any unexpected project challenges or costs

B. Site level information for each site:
    1. Location of charging site, including zip code;
    2. Site type (MDU, public, fleet, etc.)
    a. Site characteristics, where known:
        i. MDU: make up of renters vs owners, building age, parking structure, charger availability details, payment mechanism and responsibilities of building owners vs building tenants
        ii. Public and workplace: detail site host amenities and payment mechanisms

iii. Fleet projects: detail the number and type of vehicles charging, any future expansion plans

3. Total cost of the service connection and total incentive provided
4. Total cost of the EVSI and total rebate provided
5. Total cost of the EVSE if known
6. Number and amount of MDU charger rebates provided
7. Total amount paid by customer that was not covered by the utility
8. Distribution system upgrade costs, including cost per kW
9. Number and capacity of Level 2 charging ports
10. Number and capacity of DCFC ports
11. Billed energy and demand to determine charger utilization, by month