



January 6, 2026

Sasha Bergman, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: Revised Decision Options from Center for Energy and Environment In the Matter of the Petition of Xcel Energy for Approval of a Residential Time of Use Rate Design

Docket Number: E002/M-23-524

Ms. Bergman,

Center for Energy and Environment (“CEE”) respectfully submits our preferred Decision Options for consideration by the Minnesota Public Utilities Commission at the January 8, 2026 agenda meeting on the matter referenced above.

- Strike existing language for Decision Option 8 and add the following:
 - New Decision Option 8:** Require Xcel Energy to update its heat pump rebate application to require the customer or contractor submitting the form to indicate whether the heat pump will serve as the customer’s primary heating source following installation. If the application indicates that electric heat will be the primary heating source, require Xcel Energy to directly enroll the customer in the electric space heating rate. (CEE)
- **Revised Decision Option 12:** Require Xcel to implement a confirmation of enrollment when customers enroll in the space heating rate. With confirmation of enrollment, customers should be informed of the benefits of the rate, why they are eligible, and the process for unenrolling if they do not wish to remain on the rate. (CEE)
- **New Decision Option 13b:** Require Xcel to include in its implementation plan for the electric space heating rate a robust communications plan for trade allies on the importance of accurately inputting the primary heating source in the heat pump rebate application. (CEE)
- Strike existing language for Decision Options 11b and 11c.

CEE also supports the following decision options as written in Staff briefing papers: 7, 9, 10, 11a, 13, 13a, and 14.

Please contact me at amcfarlane@mncee.org with any questions.

Sincerely,

Ashly McFarlane

Senior Manager of Market Transformation Regulatory Policy and Forecasting
Center for Energy and Environment

AFFIDAVIT OF SERVICE

DOCKET NUMBER E002/M-23-524

I, Ashly McFarlane, hereby certify that on this 6th day of January 2026, I served *Center for Energy and Environment's Preferred Decision Options in the Matter of Xcel Energy's Petition for Approval of Residential Time-of-Use Rate Design* in Docket Numbers E002/M-23-524 on the following persons on the attached Service Lists by:

X placing such filing in envelopes, properly addressed, and depositing the same in the Post Office at the City of Minneapolis, for delivery by the United States Post Office as directed by said envelopes.

X electronic filing

/s/ Ashly McFarlane
Ashly McFarlane

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