

Revised Decision Options

Xcel Energy Residential Time of Use Rate Design, Docket No. E-002/M-23-524

- Xcel, the Department, the OAG, Fresh Energy, CUB, CEE and MNSEIA sent preferred decision options. Where there are changes from the initial briefing papers in support Staff has noted it in (red underline)
- New/revised decision options are also included in red underline and prefaced by the organization sponsoring them, for example “CUB/Dep Revised 7”
- Submissions received by participants are attached to the end of the revised decision options and contain additional context on participant preferences.

Summary of Positions

Decision Option	Xcel	Dept	OAG	CUB	CEE	MNSEIA	Fresh Energy
1	Yes						
2						Prefers 3	
3		Yes	Yes	Yes		Yes	Yes
4	Yes	Yes	Yes	Yes	Yes		
5				Yes			Yes
6		Yes				Yes	
7	Xcel 7	CUB 7		CUB 7		Yes	CUB 7
CUB 7		Yes		Yes			Yes
Xcel 7	Yes						
8 A-G	Xcel 8		Yes	Yes	Yes		
Xcel 8	Yes						
CEE 8.1	Yes				Yes		Yes
9							Yes
10	Yes	Yes					
11		Yes					
12						Yes	
13						Yes or 14	
14						Yes or 13	
15		Yes					
16		Yes				Yes	
17	Yes						
18							
19							
20		Yes					Yes
21		Yes					Yes
22						Yes	
23		Yes	Yes			Yes	
24		Yes	Yes				

Decision Option	Xcel	Dept	OAG	CUB	CEE	MnSEIA	Fresh Energy
25			Yes				Yes
26 A-C		CUB 26	Yes	CUB 26		Yes	CUB 26
CUB 26 A-D		Yes		Yes			Yes
27		Yes					
28		Yes	Yes	Yes		Yes	Yes
29 A	Yes	Yes	Yes	Yes	Yes	Yes	Yes
29 B	Yes	Yes	Yes	Yes		Yes	Yes
29 C	Yes	Yes	Yes	Yes	Yes	Yes	
29 D-E	Yes	Yes	Yes	Yes	Yes	Yes	Yes
29 F	Yes	Yes	Yes	Yes	Yes	Yes	
29 G	Yes	Yes		Yes		Yes	Yes
29 H	Yes	Yes	Yes			Yes	
29 I	Yes	Yes	Yes	Yes		Yes	
30 A	Yes	Yes	Yes		Yes		
30 B	CEE 30B		Yes		CEE 30B		
CEE 30B	Yes				Yes		
30 C	Yes		Yes				
30 D	Yes	Yes	Yes		Yes		
30 E	Yes	Yes	Yes		Yes		
30 F	Yes		Yes				
30 G	Yes						
31	Yes						
32	Yes						
33							
34		Yes	Yes				Yes
35		Yes, prefer 34	Yes, prefer 34			Yes	
36				Yes, if no 7			
37	Yes			Yes			Yes
38			Yes			Yes	
39							
40 A-N			Yes	Yes			Yes
40 O							
40 P			Yes	Yes			
40 Q							Yes
40 R-T				Yes			Yes
41	Xcel 41	Yes		Yes, if no 40		Yes	
Xcel 41	Yes						

Revised Proposal Approval or Denial

The Commission may select Decision Options 1, 2, or 3. Staff recommends selecting Decision Option 4 with either DO 1 or 3. If the Commission selects DO 3, it may select proposed modifications starting with DO 5. For each issue, if no modification is selected, Xcel's proposal on that issue will be approved by default through Decision Option 3.

1. Approve Xcel's August 16, 2024 Revised Residential TOU Rate Proposal and updated tariffs. (Xcel, GridX, Uplight)

OR

2. Deny Xcel's August 16, 2023 Revised Residential TOU Rate Proposal and updated tariffs and require Xcel to file a new proposed pilot program with the updated proposal's structure and constraints. The new pilot shall include residential ratepayers utilizing Net Energy Metering (NEM) on the Excess Generation – Average Retail Utility Energy Service (A50). (MNSEIA [alternative](#), CLEAR, ILSR)

OR

3. Approve Xcel's August 16, 2024 Revised Residential TOU Rate Proposal and updated tariffs as modified below. (CUB, Department, Fresh Energy, OAG, [MNSEIA](#))
4. Require Xcel Energy to make a compliance filing in this docket within 90 days of the Commission's Order (90-day Compliance Plan) that includes the information as detailed in subsequent Decision Options. Delegate authority to the Executive Secretary to issue notices and set comment periods on the 90-day Compliance Plan. Where not otherwise noted require Xcel to file tariff updates consistent with the Commission's Decisions. (Staff modification of Department, CUB, [OAG](#), [CEE](#), [Xcel](#))

On-Peak Period

The Commission may select DO 5 or 6, or neither option. If the Commission does not make a selection, Xcel's proposed 7pm-10pm on peak period will be implemented.

5. Require Xcel to revise the on-peak period to be from 6 p.m. to 9 p.m. (Fresh Energy, CUB)

OR

6. Require Xcel to revise the on-peak period to 4 p.m. to 7 p.m. on non-holiday weekdays. The off-peak period shall be 11 p.m. to 6 a.m., and the base period all other hours. (Department, CLEAR, [MNSEIA](#))

Rate Implementation- Opt-In or Opt-Out

The Commission may select Decision Option 7 and its subparts. If the Commission does not select DO 7, the TOU rate will be an opt-in rate.

7. Require Xcel to use an opt-out approach with phased implementation modeled on Minnesota Power's (MP) approach approved by the Commission in Docket No. E015/M-20-850 as follows: (~~Department~~, ~~CUB~~, MNSEIA)
- A. Following Commission approval of a new TOU rate, require Xcel to conduct a TOU rate pilot with approximately 20,000 customers.
 - B. Require Xcel to allow customers to opt out of the TOU rate at any time, returning to a flat rate.
 - C. Require Xcel to default an additional group of customers to TOU rates.
 - D. Require Xcel to continue evaluations and make changes to the TOU rate and programming as necessary.
 - E. Require Xcel's TOU rate to become the default rate for all customers, rolled out strategically to customers in groups.

- CUB REVISED 7. Require Xcel to use an opt-out approach with phased implementation modeled on Minnesota Power's (MP) approach approved by the Commission in Docket No. E015/M-20-850 as characterized by the following phases: (~~Department~~, Fresh Energy)
- A. **Phase 1:** Following Commission approval of a new TOU rate, require Xcel to conduct a new 12-month default TOU rate pilot with approximately 20,000 customers.
 - 1. Keep customers under Xcel's existing pilot TOU rate on the pilot rate until the approved default TOU rate is rolled out in the final implementation stage to allow Xcel to compare the pilot TOU rate to the alternative approved by the Commission.
 - 2. Require Xcel to allow customers to opt out of the TOU rate at any time, returning to a flat rate.
 - 3. Require Xcel to allow customers not selected for pilot participation to opt into the TOU rate.
 - B. **Phase 2:** Within four months after the new 12-month pilot is completed, require Xcel to begin the second implementation phase by submitting a compliance filing evaluating the results of the Phase 1 Pilot. The compliance filing should discuss:
 - 1. Any proposed revisions to the rate structure, customer engagement, and enrollment processes employed by the Company, with the goal of determining how to successfully proceed with TOU rates before transitioning all residential customers to a default rate.
 - 2. Any other reporting metrics required by the Commission.
 - 3. Ten months after the new 12-month Phase 1 Pilot is completed, require Xcel to submit a new proposal for a default TOU rate roll-out.
 - C. **Phase 3:** Subject to review and approval of the Phase 2 filings, require Xcel to roll out Commission approved default TOU rates to all non-exempt residential customers, while maintaining an opt-out option. Xcel shall roll out default TOU rates using strategically sized groups, with the implementation depending on the learnings from the pilot phases.

- D. Require Xcel to continue annual evaluations and make changes to the TOU rate and programming as necessary.

Xcel NEW 7. Require Xcel to use a TOU rate enrollment approach with phased implementation as follows:

- A. Following Commission approval of a new TOU rate and Xcel's billing and technology development timeline, Xcel will transition pilot participants and customers on EV tariffs to the approved TOU rate (opt-out).
- B. Xcel will test targeted communications and education approaches, garner feedback from opt-out customers, and provide a written report to the Commission in this docket regarding its ME&O efforts after the first 6 months.
- C. 6 months after transition of TOU rate pilot participants and customers on EV tariffs, Xcel will begin actively marketing to encourage voluntary enrollment from residential customers on the approved TOU rate (opt-in).
- D. Xcel will test targeted communications and education approaches, garner feedback from opt-in customers, and provide a written report to the Commission in this docket regarding its ME&O efforts after the first 6 months.
- E. Xcel will continue evaluations and make changes to the TOU rate and programming as otherwise required.

Special Customer Circumstances

Space Heating Rate

The Commission may select Decision Option 8 and any or all of its subparts relating to enrollment and outreach for the Electric Space Heating Rate.

- 8. Require Xcel to take the following actions related to implementation of the Space Heating Rate and include information on the proposed outreach in its 90-day Compliance Plan. (CUB, OAG, CEE)
 - A. Require Xcel to develop a process to actively facilitate enrollment in the electric space heating rates for customers that receive an ASHP rebate through ECO. (CEE, CUB, OAG)
 - B. Require Xcel to incorporate customer education and awareness of the residential electric space heating rates into customer communications for heat pump rebates to show the full value proposition of installing an ASHP. (CEE, CUB, OAG)
 - C. Require Xcel to ensure implementers of complementary programs, such as local government campaigns and future state ASHP rebates, receive education about the new electric space heating rates and materials to promote the new rates. (CEE, CUB, OAG)
 - D. Require Xcel to provide educational resources to contractors to ensure appropriate sizing and switchover temperatures to optimize customer benefits. (CEE, CUB, OAG)
 - E. Require Xcel to cross market TOU rates with ECO programs (CEE, CUB, OAG)

- F. Require Xcel to educate heat-pump related staff, contractors, and customers with a broad range of topics, beyond new TOU rates, including electric heating systems that affect operating costs, such as system efficiency, rebate eligibility, proper sizing, and switch-over temperatures. (CEE, [CUB](#), [OAG](#))
- G. A preview of what webpages containing space heating rate information will look like. (Staff offered based on CEE recommendation and Xcel's intent to include such information on its website, [CUB](#), [OAG](#), [CEE](#))

Xcel REVISED 8. Require Xcel to take the following actions related to implementation of the Space Heating Rate, to ~~include information on the proposed outreach in its 90-day Compliance Plan~~ report on these activities in future ECO Status Reports and to include a description of planned outreach and education regarding the Space Heating Rate in their next Triennial Plan.

- ~~A. Require Xcel to develop a process to actively facilitate enrollment in the electric space heating rates for customers that receive an ASHP rebate through ECO. (CEE)~~
- B. Require Xcel to incorporate customer education and awareness of the residential electric space heating rates into customer communications for heat pump rebates to show the full value proposition of installing an ASHP.
- C. Require Xcel to ensure provide implementers of complementary programs, such as local government campaigns and future state ASHP rebates, receive with information and education about the new electric space heating rates and materials to promote the new rates.
- D. Require Xcel to provide educational resources to contractors to ensure appropriate sizing and switchover temperatures to optimize customer benefits.
- E. Require Xcel to cross market TOU rates with ECO programs.
- F. Require Xcel to educate provide information to heat-pump related staff, contractors, and customers ~~with regarding~~ a broad range of topics, beyond new TOU rates, ~~including electric heating systems~~ that affect operating costs of electric space heating systems, such as system efficiency, rebate eligibility, proper sizing, and switch-over temperatures.
- ~~G. A preview of what webpages containing space heating rate information will look like. (Staff offered based on CEE recommendation and Xcel's intent to include such information on its website)~~

CEE NEW 8.1 Require the Company to make the proposed 1-period electric space heating rate of \$0.06537 per kWh available to customers with electric space heating within 30 days of the Commission's Order and allow the Company to track and recover revenue imbalances due to offering the 1-period electric space heating rate ahead of the TOU rate implementation through a true up mechanism. ([Fresh Energy](#), [Xcel](#))

Critical Peak Pricing

The Commission may select DO 9, or not.

9. Require Xcel to evaluate the opportunities for layering a CPP component with the TOU rate, or for a stand-alone demand response program. (Fresh Energy)

Net Energy Metered (NEM) Customers

The Commission may select DO 10, and 11; or DO 12 and 13; or DO 14. DO 15 and 16 can be adopted with any of the above options.

10. Approve Xcel's proposed changes to the Excess Generation – Average Retail Utility Energy Service rate tariff. (Xcel, Department)

AND

11. Require Xcel to amend the tariff language for its Excess Generation – Average Retail Utility Energy Service to include a new rate code that implements its approved changes. (Staff recommended if 10 is selected, [Department](#))

OR

12. Deny Xcel's proposed changes to the Excess Generation – Average Retail Utility Energy Service A50 rate tariff. (MnSEIA, CLEAR, ILSR)

AND

13. Require Xcel propose a method for netting generation against consumption and calculating compensation with a continuation of 1:1 net metering compensation as a new rate code under the Excess Generation – Average Retail Utility Energy Service with the 90-day Compliance Plan. Require Xcel to monetize the net kilowatt-hour credit for each TOU period in each billing period (month) at the applicable rate for that TOU period. (Staff interpretation of CLEAR, MNSEIA, ILSR)

OR

14. Require Xcel to propose a solar-specific TOU rate that complies Excess Generation-Average Retail Utility Energy Service and has a peak that aligns with solar generation with the 90-day Compliance Plan. (Staff interpretation of MNSEIA, CLEAR, ILSR)

15. Approve Xcel's proposed new A57 (Sale to Company After Customer Self-Use), A58 (Monthly Net Metering), and A59 (Annual Net Metering (kWh Banking Option) rates subject to a compliance filing that contains the proposed rate calculations with the 90-day Compliance Plan. (Staff recommended, [Department](#))

16. Require Xcel develop and perform targeted outreach to existing distributed generation rate customers on the existing A50 to A56 rate codes to inform them of the new rates and include it in the 90-day Compliance Plan. Require the Company to hold a training for DER developers on the new rate options at a quarterly DER Workgroup meeting prior to rate implementation. (Staff recommended, [Department](#), [MNSEIA](#))

Electric Vehicles

The Commission may select Decision Options 17, 18 and 19; OR Decision Options 20 and 21

17. Approve Xcel's request to change the rates, peak periods, and customer charges in the Residential EV Accelerate At Home Pay As You Go Service, Residential EV Accelerate at Home Subscription Service, and Multi-Dwelling Unit Electric Vehicle Service Pilot tariffs, to reflect the approved residential TOU rates and peak periods. (Xcel, Department)

AND

18. Require to Xcel update its EV Accelerate at Home - Subscription Service (A82, A83, A84) monthly fee to reflect the increased off-peak rate. (Staff recommended if 17 is adopted)

AND

19. Require Xcel to develop and perform targeted outreach to customers on the impacted EV rates to inform them of the changed time periods and rates and offer assistance with reprogramming charging devices to reflect the updated time periods. (Staff recommended if 17 is adopted)

OR

20. Deny without prejudice the Company's request to update its residential EV rates to align with the TOU rates approved in this docket. (Staff recommended, Fresh Energy, Department)

AND

21. Require the Company to provide an analysis of, and any recommended changes to, its existing residential EV charging rates in order to accommodate longer off-peak time periods that allow for Level 1 charging and the ability to stagger the start time of EV charging in its Transportation Electrification Plan due November 1, 2025. (Staff recommended, Fresh Energy, Department)

Existing TOU Rate Customers

The Commission may choose Decision Option 22 and/or 23. If the Commission does not adopt DO 23, the Company's existing TOD rate (Rate Code A02/A04) will be cancelled.

22. Require Xcel to give current Time of Day ratepayers the option to opt into the new TOU rate and provide direct communications about doing so. (MNSEIA)
23. Deny Xcel's cancellation of its existing residential TOD rate (A02, A04) and instead close the rate to new customers but allow customers currently enrolled on the rate to remain on the rate. Once the A02 and A04 rates have no remaining customers, allow Xcel to make a compliance filing cancelling the rate. Direct the Company to conduct targeted outreach to existing TOD customers informing them of the new TOU rate. (Staff recommended, OAG, Department, MNSEIA)

Medical Device Dependent Customers

The Commission should consider selecting the following only if an opt-out rate is approved.

24. Require Xcel to exempt medical-equipment dependent customers from the residential TOU rate. (Department, OAG)

Bill Protection

If the Commission would like to require customer bill protection under Xcel's new TOU rate, commenters have recommended different customer bill protection options specifically for opt-in versus opt-out rates.

*If the Commission approves a **permanent opt-in** TOU rate, it may consider this following customer bill protection strategy:*

25. Require Xcel to adopt a bill protection strategy such that all customers who **opt in** receive bill protection up to two times for the first 12 months of their participation in the new rate. If a customer receives a monthly bill that exceeds their prior monthly bill (Baseline Bill) by more than 10 percent, Xcel shall cap the increased bill at a 10 percent increase over the Baseline Bill and provide the customer with communications about effective load shifting, energy efficiency, and how to change their residential rate. If that customer's bill for the immediately following month also exceeds the Baseline Bill by more than 10 percent, Xcel shall also cap that successive bill at a 10 percent increase over the Baseline Bill. (OAG; Fresh Energy)

*If the Commission approves an **opt-out TOU rate** or an **opt-in TOU rate that will transition to an opt-out TOU rate**, it may consider the following customer bill protection strategy:*

26. Require Xcel to adopt a bill protection strategy such that all customers on the new rate receive the bill protection that was available in Xcel's initial residential TOU pilot, modified as follows: (OAG, ~~Department, CUB, Fresh Energy~~, MnSEIA)
 - A. Xcel shall provide customers who receive EAP assistance or self-certify as low-income a monthly true-up to what their bill would have been on the basic flat residential rate for 12 months, and another true-up 12 months later if their annual bill is more than 10 percent greater than it would have been on the flat rate. This true-up at the end of 24 months must be to their flat rate annual bill.
 - B. Xcel shall provide all other customers a true-up after 12 months on the new rate if the customer's annual bill is more than 10 percent greater than it would have been on the flat rate. The true-up must be to their flat rate annual bill.
 - C. Xcel shall provide customers who trigger the bill protection an on-bill alert along with additional information about effective load shifting, energy efficiency, and choosing the best rate for a household. (~~CUB~~)

CUB REVISED 26. Require Xcel to adopt a bill protection strategy for the duration of its Phase 1 Pilot rate, such that all customers on the new rate receive the bill protection that was available in year one of Xcel's initial residential TOU pilot, modified as follows: (~~Department, Fresh Energy if opt-out rate~~)

- A. Xcel shall provide customers who receive EAP assistance or self-certify as low-income a monthly true-up to what their bill would have been on the basic flat residential rate. ~~for 12 months, and another true-up 12 months later if their annual bill is more than 10 percent greater than it would have been on the flat rate. This true-up at the end of 24 months must be to their flat rate annual bill;~~

- B. Xcel shall provide all other customers a true-up after 12 months on the new rate if the customer's annual bill is more than 10 percent greater than it would have been on the flat rate. The true-up must be to their flat rate annual bill.
- C. Xcel shall provide customers who trigger the bill protection an on-bill alert along with additional information about effective load shifting, energy efficiency, and choosing the best rate for a household.

D. Require Xcel to evaluate the need for subsequent bill protections for any future default TOU rate in its compliance filing following the 12-month pilot.

The Commission may choose to evaluate the need for further bill protections after one year with the following decision option:

- 27. Require Xcel to offer bill protections for one year with the need for subsequent bill protections evaluated afterwards. (Department)

Shadow Billing

- 28. Require Xcel to explore the feasibility of developing and implementing a shadow billing program and file an update with the 90-Day Compliance Plan. If the Company is unable to implement shadow billing internally, require it to conduct an RFI to identify the feasibility, costs, and estimated timing associated with implementing shadow billing within 6 months from the date of the Commission's Order and file the results in this docket. (Staff modification of Fresh Energy, CUB, Department, ILSR, OAG, MNSEIA)

90-Day Compliance Filing

The Commission may select DO 29 and any combination of subparts A-I.

The Commission may also select DO 30 and any combination of subparts A-G.

ME&O

- 29. Require Xcel to file a detailed ME&O plan for the approved TOU rate rollout with the 90-day Compliance Plan outlined in Decision Option 4. This plan shall describe, at a minimum, the following: (OAG, CUB, Fresh Energy, and Department, CEE, Xcel, MNSEIA)
 - A. What customer communications will look like and what form they will take (emails, mailers, notices on customer bills, etc.). (CUB, Fresh Energy, OAG, CEE, Department, Xcel)
 - B. More detailed cost estimates for each feature in Xcel's proposed outreach plan. (CUB, Fresh Energy, OAG, Department, Xcel)
 - C. Xcel's consideration of additional customer-support staff training to ensure employees are well prepared to answer questions about the new rate. (CEE, CUB, OAG, Department, Xcel)

- D. The timeline of when each step or communication strategy will be implemented. ([CUB](#), [Fresh Energy](#), [OAG](#), [CEE](#), [Department](#), [Xcel](#))
- E. Xcel's plan to engage and communicate with customers who are traditionally underrepresented in energy-decision making, including communities of color and low-income communities. ([CUB](#), [Fresh Energy](#), [OAG](#), [CEE](#), [Department](#), [Xcel](#))
- F. Any other relevant aspects of Xcel's proposal for customer outreach and education, including those adopted in other decision options. (Staff supported, [CUB](#), [OAG](#), [CEE](#), [Department](#), [Xcel](#))
- G. The potential for automatic enrollment options. (CUB and Fresh Energy only, OAG does not support, Department supports eventual transition to default TOU rate for all customers, [Department](#), [Xcel](#))
- H. Plans or results of a messaging study that goes beyond customers likely to adopt a TOU rate. (Staff recommended, [OAG](#), [Department](#), [Xcel](#))
- I. How digital, non-digital, and paired ME&O approaches will be leveraged and for which customer segments and/or geographies those messages will be deployed. (Staff recommended, [CUB](#), [OAG](#), [Department](#), [Xcel](#))

Additional Items for Compliance Filing, detailed throughout briefing paper

30. With the 90-day compliance plan outlined in Decision Options 4 and 29, require Xcel to file the following:

- A. An implementation plan and proposed tariff changes reflecting any modifications approved by the Commission (Xcel, Department, [OAG](#), [CEE](#))
- B. Clarification of, if applicable, the transition of existing space heating customers to Xcel's revised space heating rate, following the discontinuation of the flat rate space heating option. (Staff, [OAG](#))
- [CEE Revised B.](#) Clarification of, if applicable, the transition of existing space heating customers to Xcel's revised 1-period and TOU space heating rates, ~~following the discontinuation of the flat rate space heating option.~~ ([Xcel](#))
- C. Clarification on the intersection of the space heating and net metering rates prior to offering these rate options, especially if the Commission were to choose an opt-out rate. (Staff, [OAG](#), [Xcel](#))
- D. The timing of the cancellation of Xcel's existing TOU rate and the timing to transition existing TOU rate customers to Xcel's revised TOU rate from its August 16, 2024 filing (Department, [OAG](#), [CEE](#), [Department](#), [Xcel](#))
- E. The plan to transition existing TOU rate customers to Xcel's revised, as detailed in its August 16, 2024 filing, TOU rate (Department, [OAG](#), [CEE](#), [Department](#), [Xcel](#))
- F. The cost of bill protections and a timeline for preparing its system to offer those protections. (Staff recommendation, if not clarified during Agenda Meeting, [OAG](#), [Xcel](#))
- G. Clarify whether an application could be developed that would use information from the billing system or even directly from the meters itself that could be included as a link in customer bills, rather than having the information appear directly on the bill. Include information from any RFI may issue exploring

existence of developers that offer this kind of application. (Staff, drawing on ILSR suggestion, [Xcel](#))

ME&O Cost Recovery

- 31. Authorize cost recovery for Xcel to have the opportunity to pursue and fund solutions that will enable personalized rate education. (GridX, [Xcel](#))
- 32. Authorize cost recovery for Xcel's proposed Digital Energy Insights Tools, customer education and engagement plan, and rate implementation process. (Uplight, [Xcel](#))

TOU Program Evaluation Reporting

The Commission may set reporting by selecting some combination of Decision Options 33 through 41.

Timing

The Commission may choose DO 33, 34, or 35. It may also choose DO 36 and/or 37.

- 33. Require Xcel to make a program evaluation filing 12 months after implementation of the new TOU rate. (~~Fresh Energy~~, ~~MnSEIA~~)

OR

- 34. Require Xcel to make an annual program evaluation filing, beginning 12 months after implementation of the new TOU rate. (OAG, Department, [Fresh Energy](#))

OR

- 35. Require Xcel to make a six-month program evaluation filing and then annually thereafter, beginning six months after implementation of the new TOU rate. (Staff, [OAG if not 34](#), [Department if not 34](#), [MNSEIA](#))
- 36. Require Xcel to file, after one year of rate implementation, a detailed report evaluating the current rate design and analyze the potential for transitioning to a systemwide default time-of-use rate. (CUB [if 7 is not adopted](#))
- 37. Delegate authority to the Executive Secretary to reevaluate whether all ongoing reporting requirements remain valuable after the initial phases of TOU rate implementation are completed. (Xcel, [CUB](#), [Fresh Energy](#))

Comment Periods on Regular Program Evaluations

The Commission may select DO 38 or 39.

- 38. A comment period may be requested within 60 days of each program evaluation filing if it appears that changes need to be made to the rate design. (OAG, [MNSEIA](#))

OR

- 39. Each program evaluation filing shall be followed by a stakeholder process to evaluate the program's impact and to identify changes needed to ensure successful TOU

implementation generally and the eventual transition to a default TOU rate. (~~Fresh Energy~~)

Content of Regular Program Evaluations

The Commission may select DO 40 and any combination of subparts A-P. If the Commission chooses an opt-out rate it may choose any combination of subparts Q-T. Alternatively, the Commission may select Staff option 41.

40. Require Xcel to include in its program evaluation filings the following information (OAG, CUB, Fresh Energy):
- A. Participation metrics, including the number of customers who have opted into the new TOU rate and opted out of the new TOU rate, overall and by customer segment (including but not limited to: low-income, senior, renter, EV, smart thermostat, and participation by census block group). (CUB, Fresh Energy, OAG)
 - B. Customer bill impacts for the full population and by customer segment, including minimum, maximum, and average bill increases, and charts showing the full distribution of bill impacts annually and by season, as included in Attachments D and E to the new proposal. (CUB, Fresh Energy, OAG)
 - C. The number of customers who received bill protection, overall and by customer segment, as well as the number of customers who opted out of the TOU rate after receiving bill protection. (CUB, Fresh Energy, OAG)
 - D. The number of customers on the TOU rate who have had their service disconnected. (CUB, Fresh Energy, OAG)
 - E. Minimum, maximum, and average household peak impact overall and by customer segment, annually and by season. (CUB, Fresh Energy, OAG)
 - F. Actual hourly load net of renewables. (CUB, Fresh Energy, OAG)
 - G. System coincident peak impact of TOU customers annually and by season. (CUB, Fresh Energy, OAG)
 - H. Load shifting (percent of load shifted to and from off-peak, peak, and shoulder periods) based on historical customer usage, overall and by customer segment, annually and by season. (CUB, Fresh Energy, OAG)
 - I. Load shifting comparison of participants in TOU versus residential ratepayers on the traditional rate, annually and by season. (CUB, Fresh Energy, OAG)
 - J. Energy consumption impacts for peak, shoulder, and off-peak periods, annually and by season. (CUB, Fresh Energy, OAG)
 - K. Customer experience, including satisfaction, preferences, attitudes, acceptance, and comprehension, including awareness of the specific on-peak, mid-peak, and off-peak periods. (CUB, Fresh Energy, OAG)
 - L. Any trends or changes (forecast or historical) related to the carbon dioxide emissions and renewable energy profile of the Company, including hourly annual data presented showing hourly CO₂ emissions, hourly CO₂ emissions per MWh, percentage of renewable energy per MWh, with corresponding worksheets. (CUB, Fresh Energy, OAG)

- M. Updated system data to evaluate the appropriateness of the TOU rate design and potential modifications. (CUB, Fresh Energy, OAG)
 - 1) A comparison of the forecasted net load during peak, base, and off-peak periods (as used to design the rate), to the actual net load during each reporting year.
 - 2) A comparison of the forecasted LMP ratios between peak, base, and off-peak periods (as used to design the rate), to actual LMPs during each reporting year.
 - 3) Updated forecasts of residential customer load, Xcel net load, actual market purchases, and LMP through 2035.
- N. An explanation of how the reported peak reductions will factor into future resource and distribution system planning, including an estimate of costs avoided due to peak reductions. (Fresh Energy)
- O. Updated projections of the costs and benefits of their tariffs, if the proposed TOU rates were to go into effect. (~~MNSEIA-only~~)
- P. Additional information on the efficacy of ME&O strategies including but not limited to such questions as, “How did you hear about TOU rates?” and “By which method did you learn how to modify your energy behaviors?” (Staff, CUB, OAG)
- Q. An evaluation of opportunities for a Critical Peak Pricing component to the TOU rate or utilizing CPP as a stand-alone demand response program. (Fresh Energy)
- R. A plan for coordinating the TOU rate alongside DSM and enabling technology programs including electric vehicle programs, ECO incentives for thermostats or other flexible appliances. (Fresh Energy, CUB)
- S. An evaluation of whether to expand its rebate options to provide load flexibility devices at no cost to under-resourced consumers to ensure their ability to access the benefits of TOU rates. (Fresh Energy, CUB)
- T. An evaluation of whether to expand programs that help customers have energy management technology installed and programmed, especially for lower-resourced customers. (Fresh Energy, CUB)

OR

- 41. Require Xcel to co-create with a stakeholder group a set of annual reporting metrics, reduced number compared to those listed in staff briefing papers at Attachment A. Require Xcel to provide the group’s agreed upon metrics in the 90-day Compliance Filing, with the provision that Xcel retain 15-minute interval data and make those data available upon stakeholder request consistent with existing data privacy standards. (Staff recommendation, CUB if 40 is not adopted, Department, MNSEIA)

Xcel REVISED 41. Require Xcel to co-create with a stakeholder group a set of annual reporting metrics, reduced number compared to those listed in staff briefing papers at Attachment A. Require Xcel to provide the group’s agreed upon metrics in the 90-day Compliance Filing, with the provision that Xcel retain 15-minute interval data and make those data available upon stakeholder request consistent with existing data privacy standards and Xcel’s data retention standards.

Date: March 3, 2025

To: Tera Dornfeld

Subject: March 6, 2025 Agenda Hearing, Item #5, Docket No. E002/M-23-524 *In the Matter of the Petition of Xcel Energy for Approval of a Residential Time of Use Rate Design*, **Preferred Decision Options**

Department Preferred Decision Options

Revised Proposal

3. Approve Xcel's August 16, 2024 Revised Residential TOU Rate Proposal and updated tariffs as modified below. (CUB, Department, Fresh Energy, OAG)
4. Require Xcel Energy to make a compliance filing in this docket within 90 days of the Commission's Order (90-day Compliance Plan) that includes the information as detailed in subsequent Decision Options. Delegate authority to the Executive Secretary to issue notices and set comment periods on the 90-day Compliance Plan. Where not otherwise noted require Xcel to file tariff updates consistent with the Commission's Decisions. (Staff modification of Department, CUB)

On Peak Period

6. Require Xcel to revise the on-peak period to 4 p.m. to 7 p.m. on non-holiday weekdays. The off-peak period shall be 11 p.m. to 6 a.m., and the base period all other hours. (Department; CLEAR)

Opt-in or Opt-out (Modified)

7. (Modified) Require Xcel to use an opt-out approach with phased implementation modeled on Minnesota Power's (MP) approach approved by the Commission in Docket No. E015/M-20-850 as characterized by the following phases:

A. **Phase 1:** Following Commission approval of a new TOU rate, require Xcel to conduct a new 12-month default TOU rate pilot with approximately 20,000 customers.

1. Keep customers under Xcel's existing pilot TOU rate on the pilot rate until the approved default TOU rate is rolled out in the final implementation stage to allow Xcel to compare the pilot TOU rate to the alternative approved by the Commission.
2. Require Xcel to allow customers to opt out of the TOU rate at any time, returning to a flat rate.
3. Require Xcel to allow customers not selected for pilot participation to opt into the TOU rate.

B. Phase 2: Within four months after the new 12-month pilot is completed, require Xcel to begin the second implementation phase by submitting a compliance filing evaluating the results of the Phase 1 Pilot. The compliance filing should discuss:

1. Any proposed revisions to the rate structure, customer engagement, and enrollment processes employed by the Company, with the goal of determining how to successfully proceed with TOU rates before transitioning all residential customers to a default rate.
2. Any other reporting metrics required by the Commission.
3. Ten months after the new 12-month Phase 1 Pilot is completed, require Xcel to submit a new proposal for a default TOU rate roll-out.

C. Phase 3: Subject to review and approval of the Phase 2 filings, require Xcel to roll out Commission approved default TOU rates to all non-exempt residential customers, while maintaining an opt-out option. Xcel shall roll out default TOU rates using strategically sized groups, with the implementation depending on the learnings from the pilot phases.

D. Require Xcel to continue annual evaluations and make changes to the TOU rate and programming as necessary.

Net Energy Metered (NEM) Customers

10. Approve Xcel's proposed changes to the Excess Generation – Average Retail Utility Energy Service rate tariff. (Xcel, Department)
11. Require Xcel to amend the tariff language for its Excess Generation – Average Retail Utility Energy Service to include a new rate code that implements its approved changes. (Staff recommended if 10 is selected)
15. Approve Xcel's proposed new A57 (Sale to Company After Customer Self-Use), A58 (Monthly Net Metering), and A59 (Annual Net Metering (kWh Banking Option) rates subject to a compliance filing that contains the proposed rate calculations with the 90-day Compliance Plan. (Staff recommended)
16. Require Xcel develop and perform targeted outreach to existing distributed generation rate customers on the existing A50 to A56 rate codes to inform them of the new rates and include it in the 90-day Compliance Plan. Require the Company to hold a training for DER developers on the new rate options at a quarterly DER Workgroup meeting prior to rate implementation. (Staff recommended)

Electric Vehicles

20. Deny without prejudice the Company's request to update its residential EV rates to align with the TOU rates approved in this docket. (Staff recommended)

21. Require the Company to provide an analysis of, and any recommended changes to, its existing residential EV charging rates in order to accommodate longer off-peak time periods that allow for Level 1 charging and the ability to stagger the start time of EV charging in its Transportation Electrification Plan due November 1, 2025. (Staff recommended)

Existing TOU Rate Customers

23. Deny Xcel's cancellation of its existing residential TOD rate (A02, A04) and instead close the rate to new customers but allow customers currently enrolled on the rate to remain on the rate. Once the A02 and A04 rates have no remaining customers, allow Xcel to make a compliance filing cancelling the rate. Direct the Company to conduct targeted outreach to existing TOD customers informing them of the new TOU rate. (Staff recommended)

Medical Device Dependent Customers

24. Require Xcel to exempt medical-equipment dependent customers from the residential TOU rate. (Department)

Bill Protections

26. **(Modified)**. Require Xcel to adopt a bill protection strategy for the duration of its Phase 1 Pilot rate, such that all customers on the new rate receive the bill protection that was available in year one of Xcel's initial residential TOU pilot, modified as follows:
- A. Xcel shall provide customers who receive EAP assistance or self-certify as low-income a monthly true-up to what their bill would have been on the basic flat residential rate.
 - B. Xcel shall provide all other customers a true-up after 12 months on the new rate if the customer's annual bill is more than 10 percent greater than it would have been on the flat rate. The true-up must be to their flat rate annual bill.
 - C. Xcel shall provide customers who trigger the bill protection an on-bill alert along with additional information about effective load shifting, energy efficiency, and choosing the best rate for a household.
 - D. Require Xcel to evaluate the need for subsequent bill protections for any future default TOU rate in its compliance filing following the 12-month pilot.
27. Require Xcel to offer bill protections for one year with the need for subsequent bill protections evaluated afterwards. (Department)

Shadow Billing

28. Require Xcel to explore the feasibility of developing and implementing a shadow billing program and file an update with the 90-Day Compliance Plan. If the Company is unable to implement shadow billing internally, require it to conduct an RFI to identify the feasibility, costs, and estimated timing associated with implementing shadow billing within 6 months from the date of the Commission's Order and file the results in this docket. (Staff modification of Fresh Energy, CUB, Department, ILSR)

90-Day Compliance Filing

29. Require Xcel to file a detailed *Marketing, Education and Outreach* plan for the approved TOU rate rollout with the 90-day Compliance Plan outlined in Decision Option 4. This plan shall describe, at a minimum, the following: (OAG, CUB, Fresh Energy, and Department, except where the exclusive support of one group / Staff is noted)
- A. What customer communications will look like and what form they will take (emails, mailers, notices on customer bills, etc.);
 - B. More detailed cost estimates for each feature in Xcel's proposed outreach plan;
 - C. Xcel's consideration of additional customer-support staff training to ensure employees are well prepared to answer questions about the new rate; (CEE)
 - D. The timeline of when each step or communication strategy will be implemented;
 - E. Xcel's plan to engage and communicate with customers who are traditionally underrepresented in energy-decision making, including communities of color and low-income communities;
 - F. Any other relevant aspects of Xcel's proposal for customer outreach and education, including those adopted in other decision options (Staff supported);
 - G. The potential for automatic enrollment options; (CUB and Fresh Energy only, OAG does not support, Department supports eventual transition to default TOU rate for all customers)
 - H. Plans or results of a messaging study that goes beyond customers likely to adopt a TOU rate. (Staff recommended)
 - I. How digital, non-digital, and paired ME&O approaches will be leveraged and for which customer segments and/or geographies those messages will be deployed. (Staff recommended)
30. With the 90-day compliance plan outlined in Decision Options 4 and 29, require Xcel to file the following:
- A. An implementation plan and proposed tariff changes reflecting any modifications approved by the Commission (Xcel, Department)
 - D. The timing of the cancellation of Xcel's existing TOU rate and the timing to transition existing TOU rate customers to Xcel's revised TOU rate from its August 16, 2024 filing (Department)
 - E. The plan to transition existing TOU rate customers to Xcel's revised, as detailed in its August 16, 2024 filing, TOU rate (Department)

TOU Reports

34. Require Xcel to make an annual program evaluation filing, beginning 12 months after implementation of the new TOU rate. (OAG, Department)
- OR
35. Require Xcel to make a six-month program evaluation filing and then annually thereafter, beginning six months after implementation of the new TOU rate. (Staff)

Report Content

41. Require Xcel to co-create with a stakeholder group a set of annual reporting metrics, reduced number compared to those listed in staff briefing papers at Attachment A. Require Xcel to provide

the group's agreed upon metrics in the 90-day Compliance Filing, with the provision that Xcel retain 15-minute interval data and make those data available upon stakeholder request consistent with existing data privacy standards. (Staff recommendation)

Peter Teigland

Minnesota Department of Commerce

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St. Paul, MN 55101

651-539-1032

peter.teigland@state.mn.us



March 3, 2025

Will Seuffert, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: Center for Energy and Environment's Preferred Decision Options in the Matter of Xcel Energy's Petition for Approval of a Residential Time-of-Use Rate Design

Docket Number E002/M-23-524

Dear Mr. Seuffert,

Center for Energy and Environment ("CEE") respectfully submits our preferred Decision Options to the Minnesota Public Utilities Commission ("Commission") in the Matter of Xcel Energy's Petition for Approval of a Residential Time-of-Use Rate Design as requested by Commission Staff.

CEE supports the following decision options:

4. Require Xcel Energy to make a compliance filing in this docket within 90 days of the Commission's Order (90-day Compliance Plan) that includes the information as detailed in subsequent Decision Options. Delegate authority to the Executive Secretary to issue notices and set comment periods on the 90-day Compliance Plan. Where not otherwise noted require Xcel to file tariff updates consistent with the Commission's Decisions.

8. Require Xcel to take the following actions related to implementation of the Space Heating Rate and include information on the proposed outreach in its 90-day Compliance Plan.

A. Require Xcel to develop a process to actively facilitate enrollment in the electric space heating rates for customers that receive an ASHP rebate through ECO.

B. Require Xcel to incorporate customer education and awareness of the residential electric space heating rates into customer communications for heat pump rebates to show the full value proposition of installing an ASHP.

C. Require Xcel to ensure implementers of complementary programs, such as local government campaigns and future state ASHP rebates, receive education about the new electric space heating rates and materials to promote the new rates.

D. Require Xcel to provide educational resources to contractors to ensure appropriate sizing and switchover temperatures to optimize customer benefits.

E. Require Xcel to cross market TOU rates with ECO programs.

F. Require Xcel to educate heat-pump related staff, contractors, and customers with a broad range of topics, beyond new TOU rates, including electric heating systems that affect operating costs, such as system efficiency, rebate eligibility, proper sizing, and switch-over temperatures.

G. A preview of what webpages containing space heating rate information will look like.

29. Require Xcel to file a detailed ME&O plan for the approved TOU rate rollout with the 90- day Compliance Plan outlined in Decision Option 4. This plan shall describe, at a minimum, the following:

A. What customer communications will look like and what form they will take (emails, mailers, notices on customer bills, etc.);

C. Xcel's consideration of additional customer-support staff training to ensure employees are well prepared to answer questions about the new rate;

D. The timeline of when each step or communication strategy will be implemented;

E. Xcel's plan to engage and communicate with customers who are traditionally underrepresented in energy-decision making, including communities of color and low-income communities;

F. Any other relevant aspects of Xcel's proposal for customer outreach and education, including those adopted in other decision options

30. With the 90-day compliance plan outlined in Decision Options 4 and 29, require Xcel to file the following:

A. An implementation plan and proposed tariff changes reflecting any modifications approved by the Commission.

30b. (Alternative) Clarification of, if applicable, the transition of existing space heating customers to Xcel's revised 1-period and TOU space heating rates, following the discontinuation of the flat rate space heating option¹.

¹ CEE modified this statement to remove the reference to the discontinuation of the flat rate space heating option, as it is our understanding that the flat rate space heating option will remain available to customers, regardless of whether an opt-out or opt-in model is adopted.

D. The timing of the cancellation of Xcel's existing TOU rate and the timing to transition existing TOU rate customers to Xcel's revised TOU rate from its August 16, 2024 filing.

E. The plan to transition existing TOU rate customers to Xcel's revised, as detailed in its August 16, 2024 filing, TOU rate.

Additionally, due to reasons described in Center for Energy and Environment ("CEE")'s October 15, 2024 Supplemental Comments, we recommend the Company offer the new single-period electric space heating rate as soon as possible. The Company noted² that implementing the electric space heating rate ahead of the proposed TOU rate would result in a revenue imbalance that would continue until the implementation of either the new TOU rate or the final rates in the Company's 2025-2026 rate case. Recognizing this complication, CEE offers the following **new** decision option:

CEE New 1. Require the Company to make the proposed 1-period electric space heating rate of \$0.06537 per kWh available to customers with electric space heating within 30 days of the Commission's Order, and allow the Company to track and recover revenue imbalances due to offering the 1-period electric space heating rate ahead of the TOU rate implementation through a true up mechanism.

CEE thanks the Commission for considering our preferred Decision Options. Please contact me at amcfarlane@mncee.org with any questions.

Sincerely,

Ashly McFarlane

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

²Page 15 of Xcel Energy's Reply Comments filed November 14, 2024.

March 3, 2025

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

VIA E-FILING

Re: Preferred Decision Options of Fresh Energy
*In the Matter of the Petition of Xcel Energy for Approval of a Residential Time of Use
Rate Design*
PUC Docket No. E002 /M-23-524

Dear Mr. Seuffert,

Fresh Energy submits the following list of our preferred decision options in advance of the upcoming hearing on the Xcel Residential Time of Use Rate Design proceeding.

Fresh Energy supports the following decision options:

- 3
- 5
- CUB Modified 7
- CEE New 1 – We understand CEE is filing an updated decision option on the space heating rate. We support this option.
- 9
- 20
- 21
- 25 or CUB modified 26
- 28
- 29 (a, b, d, e, g)
- 34
- 37
- 40 (a-n; q-t)

Respectfully,

/s/ Will Mulhern

Will Mulhern
Director, Electricity
Fresh Energy
408 Sain Peter St. Suite 350
St. Paul, MN 55102
(651) 294-7148
mulhern@fresh-energy.org



CITIZENS UTILITY BOARD

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March 3, 2025

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

VIA EMAIL & E-FILING

Re:

**In the Matter of the Petition of Northern
States Power Company d/b/a Xcel Energy,
for Approval of a Residential Time of Use
Rate Design**

Docket No. E002/M-23-524

Dear Mr. Seuffert,

The Citizens Utility Board of Minnesota ("CUB") respectfully submits the following preferred Decision Options and clarifications in recognition of the upcoming hearing on the above-referenced matter.

CUB **supports** the following Decision Options:

3, 4, 5, Modified 7 with all subparts, 8 with all subparts, Modified 26 with all subparts, 28, 29 with subparts A-G and I, 37, 40 with subparts A-N, P and R-T.

CUB supports the following **alternatives** to the preferred Decision Options listed above:

If Modified 7 is not adopted, 36.

If 40 is not adopted, 41.

CUB offers the following **modified** Decision Options:

Modified 7. Require Xcel to use an opt-out approach with phased implementation modeled on Minnesota Power's (MP) approach approved by the Commission in Docket No. E015/M-20-850 as characterized by the following phases:

A. **Phase 1:** Following Commission approval of a new TOU rate, require Xcel to conduct a new 12-month default TOU rate pilot with approximately 20,000 customers.

1. Keep customers under Xcel's existing pilot TOU rate on the pilot rate until the approved default TOU rate is rolled out in the final implementation stage to allow Xcel to compare the pilot TOU rate to the alternative approved by the Commission.



2. Require Xcel to allow customers to opt out of the TOU rate at any time, returning to a flat rate.

3. Require Xcel to allow customers not selected for pilot participation to opt into the TOU rate.

B. Phase 2: Within four months after the new 12-month pilot is completed, require Xcel to begin the second implementation phase by submitting a compliance filing evaluating the results of the Phase 1 Pilot. The compliance filing should discuss:

1. Any proposed revisions to the rate structure, customer engagement, and enrollment processes employed by the Company, with the goal of determining how to successfully proceed with TOU rates before transitioning all residential customers to a default rate.

2. Any other reporting metrics required by the Commission.

3. Ten months after the new 12-month Phase 1 Pilot is completed, require Xcel to submit a new proposal for a default TOU rate roll-out.

C. Phase 3: Subject to review and approval of the Phase 2 filings, require Xcel to roll out Commission approved default TOU rates to all non-exempt residential customers, while maintaining an opt-out option. Xcel shall roll out default TOU rates using strategically sized groups, with the implementation depending on the learnings from the pilot phases.

D. Require Xcel to continue annual evaluations and make changes to the TOU rate and programming as necessary.

Modified 26. Require Xcel to adopt a bill protection strategy for the duration of its Phase 1 Pilot rate, such that all customers on the new rate receive the bill protection that was available in year one of Xcel's initial residential TOU pilot, modified as follows:

A. Xcel shall provide customers who receive EAP assistance or self-certify as low-income a monthly true-up to what their bill would have been on the basic flat residential rate, ~~for 12 months, and another true-up 12 months later if their annual bill is more than 10 percent greater than it would have been on the flat rate. This true-up at the end of 24 months must be to their flat rate annual bill;~~

B. Xcel shall provide all other customers a true-up after 12 months on the new rate if the customer's annual bill is more than 10 percent greater than it would have been on the flat rate. The true-up must be to their flat rate annual bill.



CITIZENS UTILITY BOARD

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C. Xcel shall provide customers who trigger the bill protection an on-bill alert along with additional information about effective load shifting, energy efficiency, and choosing the best rate for a household.

D. Require Xcel to evaluate the need for subsequent bill protections for any future default TOU rate in its compliance filing following the 12-month pilot.

Sincerely,

/s/ Olivia Carroll

Olivia Carroll
Regulatory Advocate
Citizens Utility Board of Minnesota
332 Minnesota St., Suite W1360
651-300-4701, ext. 5
oliviacc@cubminnesota.org

From: Katherine Hinderlie <Katherine.Hinderlie@ag.state.mn.us>

Sent: Monday, March 3, 2025 10:38 AM

To: Dornfeld, Tera C (PUC) <Tera.Dornfeld@state.mn.us>

Subject: RE: Decision Options for agenda meeting March 6th for docket no. 23-524, Xcel's residential Time of Use rate design

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Tera,

Thanks so much for organizing! Below are OAG's preferred decision options. Please let me know if you have any questions or would like this information in a different format.

3, 4, 8(all), 23, 24, 25, 26(all), 28, 29A-F,H-I (but not 29G), 30A-F(as applicable to final decision), 34 (but we're also okay with 35), 38, 40A-N, P.

Thanks,

Katherine



Katherine Hinderlie *(she/her/hers)*

Assistant Attorney General | Residential Utilities Division Manager

Office of the Minnesota Attorney General

445 Minnesota Street, Suite 600, Saint Paul, MN 55101

Office: 651-757-1468 | Mobile: 651-249-0914 | Website: ag.state.mn.us

Helping people afford their lives and live with dignity, safety, and respect

<gleckner@fresh-energy.org>; rachel.bryant@gridx.com; kahryn.riley@uplight.com;
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Will Mulhern <mulhern@fresh-energy.org>; Chris Duffrin <cduffrin@mncee.org>; Katherine
Hinderlie <Katherine.Hinderlie@ag.state.mn.us>; Teigland, Peter (He/Him/His) (COMM)
<Peter.Teigland@state.mn.us>; Rakow, Stephen (COMM) <stephen.rakow@state.mn.us>
Subject: Decision Options for agenda meeting March 6th for docket no. 23-524, Xcel's residential
Time of Use rate design

Good Afternoon March 6th Agenda Meeting Participants and Docket Commenters!

Staff briefing papers were recently filed for March 6th Agenda Meeting Item #5, Docket no. 23-524, Xcel's residential Time of Use revised proposal. Briefing papers can be accessed in eDockets and with this link [Minnesota Public Utilities Commission](#)

I am writing to request your **preferred decision options** sent to me as a Word Document or as an email with a list of decision option numbers. Please send me your preferences, if possible, **by Monday afternoon, March 3rd, at 12PM**. Please let me know if that timing will not work for you.

I will also respond to this group soon with the plan for the agenda meeting- whether the Chair will take opening statements, a review of preferred decision options, or move straight to Commissioner questions.

Finally, if you have not yet confirmed who will be representing your group on this matter, please do let me know as soon as possible.

Thank you so much for your work on this docket!

Best,

Tera

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From: Kostiuk, Nathan C <Nathan.C.Kostiuk@xcelenergy.com>
Sent: Monday, March 3, 2025 5:34 PM
To: Dornfeld, Tera C (PUC) <Tera.Dornfeld@state.mn.us>
Cc: Hinman, Holly R <Holly.R.Hinman@xcelenergy.com>; Kirschner, Brandon M <Brandon.M.Kirschner@xcelenergy.com>
Subject: RE: Participation in agenda meeting March 6th for docket no. 23-524, Xcel's residential Time of Use rate design

You don't often get email from nathan.c.kostiuk@xcelenergy.com. [Learn why this is important](#)

Hello Tera,

Please find below Xcel Energy's preferred decision options, as well as several alternative decision options, for the hearing of the Residential Time of Use Rate Design, Docket No. E002/M-23-524, during Thursday's agenda meeting. Please note that we plan to file these preferred and alternative decision options into the docket as well.

Preferred Decision Options

- 1, 4, Xcel Alt 7, Xcel Alt 8, 10, 17, 29 and all subparts, 30 with subparts A, CEE Alt B, C-G, 31, 32, 37, Xcel Alt 41, and CEE New 1

Alternative Decision Options

Xcel Alt. 7. Require Xcel to use a TOU rate enrollment approach with phased implementation as follows:

- A. Following Commission approval of a new TOU rate and Xcel's billing and technology development timeline, Xcel will transition pilot participants and customers on EV tariffs to the approved TOU rate (opt-out);
- B. Xcel will test targeted communications and education approaches, garner feedback from opt-out customers, and provide a written report to the Commission in this docket regarding its ME&O efforts after the first 6 months;
- C. 6 months after transition of TOU rate pilot participants and customers on EV tariffs, Xcel will begin actively marketing to encourage voluntary enrollment from residential customers on the approved TOU rate (opt-in);
- D. Xcel will test targeted communications and education approaches, garner feedback from opt-in customers, and provide a written report to the Commission in this docket regarding its ME&O efforts after the first 6 months.
- E. Xcel will continue evaluations and make changes to the TOU rate and programming as otherwise required.

Xcel Alt. 8. Require Xcel to take the following actions related to implementation of the Space Heating Rate, ~~to include information on the proposed outreach in its 90-day Compliance Plan~~ report on these activities in future ECO Status Reports, and to include a description of planned outreach and education regarding the Space Heating Rate in their next Triennial Plan.

- ~~A. Require Xcel to develop a process to actively facilitate enrollment in the electric space heating rates for customers that receive an ASHP rebate through ECO. (CEE)~~
- B. Require Xcel to incorporate customer education and awareness of the residential electric space heating rates into customer communications for heat pump rebates to show the full value proposition of installing an ASHP.
- C. Require Xcel to ~~ensure~~ provide implementers of complementary programs, such as local government campaigns and future state ASHP rebates, ~~receive with information~~ and education about the new electric space heating rates and materials to promote the new rates.
- D. Require Xcel to provide educational resources to contractors to ensure appropriate sizing and switchover temperatures to optimize customer benefits.
- E. Require Xcel to cross market TOU rates with ECO programs.
- F. Require Xcel to ~~educate~~ provide information to heat-pump related staff, contractors, and customers with regarding a broad range of topics, beyond new TOU rates, ~~including electric heating systems~~ that affect operating costs of electric space heating systems, such as system efficiency, rebate eligibility, proper sizing, and switchover temperatures.
- ~~G. A preview of what webpages containing space heating rate information will look like. (Staff offered based on CEE recommendation and Xcel's intent to include such information on its website)~~

Xcel Alt. 41. Require Xcel to co-create with a stakeholder group a set of annual reporting metrics, reduced number compared to those listed in staff briefing papers at Attachment A. Require Xcel to provide the group's agreed upon metrics in the 90-day Compliance Filing, with the provision that Xcel retain 15-minute interval data and make those data available upon stakeholder request consistent with existing data privacy standards and Xcel's data retention standards.

Please feel free to contact me with any questions or if you need anything additional at this time.

Thank you,
Nathan

Nathan Kostiuk
Xcel Energy
Case Specialist
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P: 612.215.4629
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From: czaun@mnseia.org
To: [Terwilliger, Hanna \(PUC\)](#)
Cc: [logrady](#); [dmoberg](#)
Subject: FW: Decision Options for agenda meeting March 6th for docket no. 23-524, Xcel's residential Time of Use rate design
Date: Tuesday, March 4, 2025 10:12:21 AM
Attachments: [image001.png](#)

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Good morning Hanna,

First, sorry these are a little late. I was at a doctor's appointment this morning and it ran a longer than I expected.

Second, please commend Tera on the excellent Briefing Papers.

Third, MnSEIA supports the following Decision Options:

2, but 3 with 6 and 7 is preferred because it is more reasonable to follow the approach the Commission has already approved for another utility.

12 with 13 (maybe 14 but unclear exactly how it is different than 13)

16

22 and 23

26

28

29

35

38

41

Let me know if you have any questions.

Finally, thank you and have a nice day!

Curtis

Curtis Zaun
Director of Policy & Regulatory Affairs
Minnesota Solar Energy Industries Association ([MnSEIA](#))
651-677-1602

