BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the matter of Northern States Power Co.'s, d/b/a Xcel Energy's, Petition for Approval of Large General Time of Day Service Customers and Large Peak Controlled Time of Day Service Tariffs	))))	**PUC Docket No. E002/M25-289**

INITIAL COMMENTS OF CLEAN GRID ALLIANCE

October 11, 2025

I. INTRODUCTION

Clean Grid Alliance ("CGA") submits these Initial Comments in response to the request of the Minnesota Public Utility Commission ("the Commission") for public comment in Docket No. E002/M25-289, in the matter of the large load customer tariff ("the Petition") submitted by Xcel Energy d/b/a Northern States Power ("Xcel" or "the Company") on July 16, 2025.[1] CGA is a Minnesota-based 501(c)(3) nonprofit organization with a mission of advancing clean energy in the Midwest through participation in the Midcontinent Independent System Operator ("MISO") stakeholder process and engagement before public utility regulatory commissions and state legislatures across MISO's North and Central footprint; our membership includes clean energy developers, clean energy and environmental nonprofit organizations, public interest advocates, farm groups, data centers, and businesses providing goods and services to the clean energy industry.

The issues at hand in the Company's Petition are directly pertinent to the mission of CGA and the interests of our members. Data center load growth in Minnesota, which this Petition was primarily submitted to address, presents significant economic development potential for the State of Minnesota and business opportunities for utilities and independent power producers ("IPPs"), with possible benefits to other ratepayers.[2] The devil is, of course, in the details of cost allocation methodologies, risk mitigation measures, resource procurement strategies, and environmental considerations, such as Minnesota's Carbon-Free Standard ("CFS") and new law requiring

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[1] Minnesota PUC. Docket No. E002/M25-289. *"In the Matter of Northern States Power Co.'s, d/b/a Xcel Energy's, Petition for Approval of Large General Time of Day Service customers and Large Peak Controlled Time of Day Service Tariffs".* (Petition filed July 16, 2025).

[2] The Company expects 1.3 GW of load growth from data centers by the early 2030s. *The Minnesota Reformer*. "Xcel president: Minnesota can meet data center energy demands and 2040 carbon-free mandate". (June 6, 2025). Accessed at: https://minnesotareformer.com/2025/06/06/xcel-president-minnesota-can-meet-data-center-energy-demands-and-2040-carbon-free-mandate/

regulated utilities to develop clean energy and capacity tariffs and of course, the Company's own net-zero goals.[3] CGA appreciates this opportunity to discuss such topics before the Commission.

II. ISSUES

CGA recommends changes to the proposed tariff that would better align the opportunity to serve large load customers with both the clean energy requirements of the State of Minnesota and the stated clean energy goals of the Company. Our suggested improvements to the Petition pertain to tariff eligibility, risk mitigation, carbon-free resource procurement, and market competition, and we address each where applicable per the Commission's list of topics for comment, as follows.

Question 1: Whether the Commission should approve the Company's proposed Large General Time of Day Service tariff.

Regarding key terms of the tariff. We recommend revisions to the proposed tariff as follows:

> ***a. Applicability.*** The Company proposes to limit the Large General Time of Day Service tariff to customers with cumulative demand of 100 MW or more ("Large Load Customers"), justifying this threshold on the definition of "data center" under Minn. Stat. § 216B.02.[4] Yet, the Company also states the tariff is "open to all industries".[5] The Large General Time of Day Service tariff should also be made available to commercial and industrial customers ("C&I customers") with less than 100 MW of demand but with similarly high load factors, rather than solely to those with "new demand equal to or greater than" 100 MW.[6] The workpapers submitted in the Petition are based on a load

[3] Xcel Energy. "Sustainability: Energy plans". (September 29, 2025). Accessed at: https://corporate.my.xcelenergy.com/s/sustainability/plans

[4] *See* Minn. Stat. § 216B.02.

[5] *See* Petition, Section IV, "Large General Time of Day Service Customer Overview", (p. 9), and Section V(A), "Large General Time of Day Service Tariff Key Terms: Applicability", (p.10).

[6] *See* Petition, Attachment A, "Large General Time of Day Service tariff", Section No. 5, Original Sheet No. 32.2. Also note that aggregation of premises for purposes of qualifying for the tariff will be permitted at the Company's discretion, an approach CGA supports.

factor of 90% but the load factor is otherwise undefined in the tariff.[7] Beyond their immense demand, data centers are unique from other customer types for their high load factors and flat load profiles, as the facilities do not ramp up or down significantly over the course of the day. This characteristic holds whether the particular data center is a 5, 10, 20, or even 100 MW facility, presenting similar service requirements across the range of possible demand. Thus, the Company's approach should be grounded in principles related to the daily realities of meeting the needs of such customers rather than on the relatively arbitrary 100-MW threshold.

CGA does not recommend a particular demand threshold or load factor at this time, but we do encourage the Company to substantially lower the load threshold and make both tariffs (e.g., the Large General Time of Day Service tariff and the Large Peak Controlled Time of Day Service tariff) open to C&I customers with similarly high load factors demonstrated in other jurisdictions, as shown by the non-exhaustive examples below:

- Dominion Energy Virginia ("Dominion") has proposed a new rate class for large customers of at least 25 MW with load factors of at least 75%.[8]
- Indiana Michigan Power Company offers its large load tariff to customers of 70 MW or more.[9]

[7] Petition, Attachment I. "Large General Time of Day Service Rate Design Work Paper", pp. 2-3.
[8] *See* Virginia State Corporation Commission ("SCC"). Case No. PUR-2025-00058. *"In the matter of Virginia Electric and Power Company, d/b/a Dominion Energy for a 2025 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services".* Application. (Filed August 22, 2025).
[9] Indiana Utility Regulatory Commission ("IURC"). Cause No. 46097. "*In the matter of the verified petition of Indiana Michigan Power Company for approval of modifications to its industrial power tariff – tariff I.P."* Order. (Filed February 19, 2025).

- Intervenors in the Consumers Energy large load case are arguing for load thresholds of 25 MW rather than the 100 MW threshold Consumers proposed.[10]

b. Term. The Load Ramp Period as defined in the ESA, which is permitted for a maximum period of up to five years, should be *in addition to* the proposed default initial contract term rather than *included in* the initial contract term.[11] See our response to Question 2 for a detailed explanation as to this recommendation.

c. Approach to resource procurement and generation ownership. Large Load Customers should be engaged in the resource procurement process in a manner that enlists these customers as financial partners in bringing on new generation and that explicitly provides Large Load Customers with bespoke clean energy resource options. The service model maintained under this Petition, in which the Company is solely responsible for resource procurement, is overly restrictive and introduces undue risk. Though Xcel has proposed using the Modified Track 2 process for resources identified in the ESA and Incremental Cost Test ("ICT"), emerging alternative resource procurement and generation ownership constructs could better insulate other customers from risk while encouraging Large Load Customers to bear more of it, as discussed in detail in response to Questions 3, 4, and 6.

Regarding the proposed Retail Customer Form ESA. We recommend clarifying whether stakeholder engagement protocols, including for discovery, would exist within the regulatory proceedings under which approval of the Retail Customer Form ESA, including the

[10] Michigan Public Service Commission ("MPSC"). Case No. U-21859. *"In the matter of the application of Consumers Energy Company for ex parte approval of certain amendments to Rate GPD".* Direct testimony of John D. Albers on behalf of Michigan Energy Innovation Business Council. (Filed June 12, 2025).
[11] Petition, Attachment A. In other words, the 15-year default initial contract term should not be inclusive of the Load Ramp Period. For a customer requiring a 3-year Load Ramp Period, the entire contract term, then, would include both the Load Ramp Period and the initial contract term, equaling 18 years.

Interconnection Agreement ("IA"), would be sought.[12] The Company's tariff includes a number of measures designed to mitigate the risk of stranded costs, such as by requiring proof of financial security and/or collateral, minimum billing, and exit and capacity reduction fees. As the details would be executed under unique ESAs and IAs, transparent and consistent regulatory treatment of each signed ESA and IA is essential, and we encourage the Commission to enshrine their importance in any ensuing order in this docket.[13]

Question 2: Reasonableness of key terms of the Large General Time of Day Service Tariff.

Regarding the default initial contract length. The default contract length is a hedge against a failure of contracted load to materialize, or against any significant reduction in energy demand from a Large Load Customer, or even against load loss if a Customer chooses to relocate, as incomplete cost recovery for assets meant to serve that load or from the costs of associated transmission investments could otherwise result under each scenario. The Company proposes a default term of 15 years but reserves the right to negotiate other "reasonable" terms.[14] In response to an information request submitted by the Environmental Law and Policy Center, the Company noted that "ESA terms ranging from 15-30 years are generally appropriate."[15]

Despite certain other measures in the tariff (i.e., security and collateral, exit and capacity reduction fees, and minimum billing requirements), we view the default as insufficiently protective of other retail customer classes from risk introduced by the Company's Large Load Customers for the simple reason that the default term is far shorter than the "book life" of any

[12] Petition, Section V(J). "Electric Service Agreement and Interconnection Agreement", p. 16. *Also see* Attachment G, "Electric Service Agreement" (starting on p. 108) and Attachment H, "Interconnection Agreement" (starting on p. 142).
[13] Petition, Attachment G and Attachment H.
[14] Petition, Section V(B). "Contract Term", p. 10.
[15] MN PUC. Docket No. M25-289. Xcel response to Environmental Law and Policy Center IR-001. (Sent August 15, 2025).

generating asset built to serve large loads. Most Power Purchase Agreements ("PPAs") cover periods of 20-30 years while both renewable and gas-fired power plants have useful lives of at least 25-30 years—up to twice the length of the proposed default initial contract length in either case. However, we acknowledge that several other utilities within the MISO North and Central regions have also proposed large load customer tariffs with initial contract lengths of 15 years,[16] while data center companies themselves are pushing for even shorter contract terms.[17] Yet the Florida and Kentucky Public Service Commissions recently approved minimum contract terms of 20 years for large load customers of Florida Power and Light and Kentucky Power, respectively; both the Missouri consumer advocate and the Sierra Club just filed separate rebuttal in Ameren Missouri's large load tariff docket seeking the same; and under NV Energy's Clean Transition Tariff, the term matches the lifetime of the new clean energy facility.[18]

Regardless of the duration of a contract ultimately under consideration in a particular jurisdiction, the essential issue regards whether investments made to meet immense levels of demand will unduly burden other customer classes under scenarios where the generating resources are underutilized by intended load, for whatever reason. The risk of stranded assets and/or incomplete cost recovery for generation procured to serve Large Load Customers could be

[16] *See* Ameren Missouri and Consumers Energy applications in Missouri Public Service Commission ("MO PSC") Docket No. ET-2025-0184 (filed April 14, 2025) and Michigan Public Service Commission Case No. U-218959 (filed February 7, 2025), respectively. Note, however, that Consumers Energy would initiate the 15-year term following a five-year contract ramp period.

[17] *See* MO PSC, Docket No. ET-2025-0184. Rebuttal testimony of Dr. Carolyn Berry on behalf of Google, pp. 10-11. (Filed September 5, 2025). Google recommends an initial contract term of 10-12 years.

[18] *See* Georgia Public Service Commission, Docket No. 20250011, *Petition by Florida Power & Light Company for Base Rate Increase.* (Filed February 28, 2025). *See also* Kentucky Public Service Commission, Case No. 2024-00305. *In the Matter of the Electronic Tariff Filing of Kentucky Power Company to Revise Its Industrial General Service Tariff*, Final Order. (March 18, 2025). *See also* MO PSC, Docket No. ET-2025-0184, Rebuttal testimony of Dr. Geoff Marke on behalf of the Office of Public Counsel for the State of Missouri, p. 27, and Rebuttal testimony of Caroline Palmer on behalf of the Sierra Club, p. 4. (Filed September 5, 2025). *See also* Public Utilities Commission of Nevada ("PUCN"), Docket No. 24-05022, *Application of Nevada Power Company d/b/a NV Energy, filed under Advice Letter No. 547, to implement Clean Transition Tariff Schedule No. CTT to allow eligible customers to receive bundled electric service from new clean energy resources,* Order (Filed February 11, 2025).

mitigated if a "bring your own generation" construct were made available to Large Load Customers under this tariff, thereby shifting a portion of risk *from* the Company and its other retail customers *to* the Large Load Customer(s) opting for such a resource procurement option. We discuss these configurations, and their potential tradeoffs, in response to Questions 3 and 6 of these comments.

As to the Company reserving the right to negotiate other "reasonable" minimum term lengths, any change to the default initial contract length (1) should not be allowed for terms *less than* any default initial term agreed to in this docket that do not ensure full cost-recovery of investments made on a Large Load Customer's behalf over that time period, and (2) should be negotiated in a docketed proceeding open to stakeholders. Under no circumstances should the Company be permitted to negotiate unique initial contract lengths with Large Load Customers in private "black box" sessions that are shorter than the default initial contract term. The length of a contract under this tariff is a key term upon which myriad other issues hinge and which are directly pertinent to risk mitigation per the Commission's Order and for compliance with newly established Minnesota law on the matter.[19]

Question 3: Regarding whether Xcel's proposal reasonably complies with Order Point 32 of the April 21, 2025, Order in Docket Nos. E002/RP- 24-67 and E002/CN-23-212.

Among other things, the above-referenced Order Point 32 ("the Order") directed the Company to include in its proposal provisions ensuring that qualifying customers make financial commitments to protect other customer classes from associated costs and risk, including by *"purchasing a certain level of electricity"* to insulate non-Large Load Customers *"from the risk*

[19] Per the Commission's Order Point 32 in Docket Nos. E002/RP- 24-67 and E002/CN-23-212 on April 12, 2025, and Minn. Stat. § 216B.1622 related to Service for Very Large Customers as established by the 2025 General Assembly, respectively.

of stranded costs." The Order also directed the Company to serve its Large Load Customers with electricity "*that achieves each benchmark of the state's electricity standards under Minn. Stat. § 216B.1691"* as well as to *"consult with the Department* [of Commerce] *and consider filing a voluntary carbon-free electricity* ["CFE"] *procurement program that enables more customers to achieve annual CFE goals and increase hourly matching CFE levels."*

The Company's proposal responds to both charges and includes some measures addressing stranded cost risks (e.g., exit terms, proof of financial security, minimum billing, contract length) and a pathway by which to serve Large Load Customers with electricity complying with Minnesota's CFE standards [i.e., by using system resources "consistent with" an approved integrated resource plan ("IRP")].[20] However, it does not contemplate reducing stranded cost risks through resource procurement strategies that reduce Xcel's exposure to the necessary new generation, which are discussed in the examples below. Additionally, while Xcel did discuss voluntary carbon-free electricity procurement with the Department of Commerce, including a Clean Energy and Capacity Tariff ("Clean Tariff") per new Minnesota law, the Petition includes no such programs.[21] Our first recommendation on this matter is for the Commission to set a deadline by which the Company must propose a Clean Tariff, before granting approval of the Petition.

We view the Company's Petition as adhering to *the letter* but not *the spirit* of the Order. It insufficiently responds to either charge, given the Company's approach to serving Large Loads is to retain sole responsibility for resource procurement and not provide its Large Load Customers with any Clean Tariff option. The choice to provide Large Load Customers only with electricity

[20] Petition, Section V(G), "Additional order point items", p. 24.
[21] Petition, Section V(H), "Consultation with the department regarding a voluntary carbon-free electricity procurement program", p. 26. *See also* Minn. Stat. § 216B.1623.

that meets the State of Minnesota's CFE requirements in an incremental manner (i.e., with system resources acquired under an approved IRP) needlessly delays the transition to a carbon-free system, particularly as data center industry powerhouses like Google, Meta, Microsoft, and Amazon have corporate sustainability commitments;[22] a demonstrated interest in accessing clean energy and clean firm capacity, including relatively novel technologies like enhanced geothermal and long-duration storage;[23] and, at least as importantly, the capital to invest in carbon-free resources.[24] Meanwhile, in retaining sole responsibility for resource procurement related to demand from new large loads, the Company is taking on a great deal of risk that will ultimately be borne by its other customers, as discussed prior.

Alternative resource procurement structures would (a) better protect other customer classes from cross-subsidizing Large Load Customers and from stranded asset costs and (b) constitute additional constructs by which the Company's Large Load Customers, which may desire a faster transition to clean energy than the Company's IRP provides for, could operate in compliance with the Minnesota CFS. There are numerous example strategies that other utilities have proposed to serve large loads in other jurisdictions.[25] Several of these are highlighted below, and other potential structures are discussed in detail under Question 4.

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[22] *See* Meta, "2025 Sustainability Report", accessed at: sustainability.atmeta.com/wp-content/uploads/2025/08/Meta_2025-Sustainability-Report_.pdf; Google, "2025 Environmental Report", accessed at: https://sustainability.google/google-2025-environmental-report/; and Amazon Web Services, "Sustainability: Data centers", accessed at: https://aws.amazon.com/sustainability/data-centers/.

[23] Note the discussion of the Clean Transition Tariff agreement between NV Energy and Google, below; *also see* Utility Dive, "Data centers could bring alternative battery types into the mainstream, developers say", (June 23, 2025), accessed at: https://www.utilitydive.com/news/data-center-flow-zinc-battery-xl-eos-prometheus/751144/.

[24] *See* Yahoo! Finance. "U.S. data center market landscape report 2025-2030: Liquid cooling revolutionizes the industry for AI/ML demands, hyperscale data centers fueling growth in infrastructure". (June 19, 2025). Accessed at: https://finance.yahoo.com/news/u-data-center-market-landscape-130700148.html.

[25] Even Xcel Energy has experience with this matter in another jurisdiction: its Colorado subsidiary, Public Service Company of Colorado, is developing a large load tariff which will be filed in 2026. *The Colorado Sun.* "Xcel says it needs to spend $22 billion to keep up with potential demand from Colorado data centers by 2040." (August 18, 2025). Accessed at: https://coloradosun.com/2025/08/18/colorado-xcel-data-center-demand-spending/.

- **The Clean Transition Tariff ("CTT") agreement between NV Energy and Google.** Recently approved by the Public Utilities Commission of Nevada, this tariff will facilitate the development of clean energy facilities for large load customers of NV Energy.[26] As permitted under the CTT, the utility, Google, and energy developer Fervo Energy signed an agreement by which NV Energy will add 115 MW from a Fervo Energy enhanced geothermal project to its system and deliver the full capacity value to Google, which will pay NV Energy for costs beyond what new solar, wind, or other resources would have cost the utility. In this way, Google will have access to 24/7 clean firm capacity and NV Energy and its other customers will benefit from the addition of clean power to the local system without cross-subsidizing the tech company's demand.
- **The Special Retail ESA between Duke Energy Indiana and Blocke, LLC.** In 2024 the IURC approved an agreement between Duke Energy Indiana ("Duke") and a data center developer that combines renewable PPAs and wholesale market access to fully meet both the energy and capacity requirements of the developer, who is fully responsible to meet the costs.[27] Duke "will specifically contract for output from dedicated renewable facilities" to serve the customer's load and turn to the MISO capacity market and Day-Ahead and Real-Time Markets when capacity and energy from the facilities is insufficient, charging the customer MISO's prices.[28] Any

[26] PUCN. Docket No. 24-05022. *Application of Nevada Power Company d/b/a NV Energy, filed under Advice Letter No. 547, to implement Clean Transition Tariff Schedule No. CTT to allow electric customers to receive bundled electric service from new clean energy resources.* Order. (Filed March 11, 2025).
[27] *See* IURC. Cause No. 45975. *Verified petition of Duke Energy Indiana, LLC, for approval of a special retail electric service agreement, renewable energy purchase agreement, and tranche agreements with Blocke, LLC, arising from operation of facilities in Jeffersonville, Indiana and for establishment of confidential procedures*. Final order. (Filed April 24, 2024).
[28] IURC. Cause No. 45975. Direct Testimony of John D. Swez, pp. 6-7. (Filed October 31, 2023).

renewable PPAs Duke enters into on behalf of the data center developer are not considered "system resources" for IRP purposes, nor is the load factored into the utility's planning reserve margin requirement ("PRMR"), insulating Duke's other customers from stranded cost risk and from cross-subsidization.

Each of these arrangements falls within a concept commonly known as the "bring your own generation" ("BYOG") concept, and even more specifically, as "bring your own clean energy" constructs (what some have referred to as the "BeYOnCE" solution).[29] Other constructs within the general BYO genre include even more specific options for large customers to "bring their own" energy or capacity to the utility, often in exchange for a faster interconnection or a more tailored energy supply. These BYO arrangements can be executed via PPAs between large customers and IPPs or as bilateral transactions between utilities and IPPs made solely on behalf of a large customer. Two Missouri utilities with large load tariffs under regulatory consideration have proposed optional riders falling within the BYOG concept:

- **Evergy Missouri's proposed Customer Capacity Rider and Clean Energy Choice Rider.** Evergy applied for approval of its own large customer tariff, a revision to its Large Load Power Service tariff, which includes the optional Customer Capacity Rider ("CCR") and Clean Energy Choice Rider.[30] The CCR credits customers using their own capacity on a $/kWh monthly basis, and the Clean Energy Choice Rider provides "large customers with the ability to support the procurement of clean energy

[29] *See* Johns Hopkins, Ralph O'Connor Sustainable Energy Institute. "A state playbook for managing data center-driven load growth". (June 20, 2025). Accessed at: https://energyinstitute.jhu.edu/a-state-playbook-for-managing-data-center-driven-load-growth/.
[30] *See* MO PSC, Docket No. EO-2025-0154. *In the matter of the application of Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West for approval of new and modified tariffs for service to large load customers.* (Filed February 14, 2025).

resources in lieu of or in addition to" Evergy's preferred course of action under its most recently approved IRP. Similar to NV Energy's CTT, a large customer under this construct is "financially responsible for the incremental cost difference".[31]

- **Ameren Missouri's proposed Clean Capacity Advancement Program and Clean Energy Choice riders.** Ameren Missouri similarly applied for approval of a new tariff for large customers that includes four optional clean energy riders, two of which are most applicable to this discussion.[32] The Clean Capacity Advancement Program allows eligible customers to specifically "support energy storage systems", while the Clean Energy Choice rider allows eligible customers to propose and subsidize new supply-side resources not otherwise being pursued by the utility or above what is already being pursued, per the utility's preferred course of action under its most recently approved IRP.

Minnesota Statute § 216B.1623 requires that public utilities offer an optional Clean Tariff that would meet some or all of a very large customer's energy or capacity needs, prevent cost-shifting, and require very large customers to pay the proportional cost of bringing clean energy resources onto the system, provisions which BYOG constructs can respond to.

Question 4: Regarding whether Xcel's proposal complies with Minn. Stat. § 216B.1622 ("the Statute") related to Service for Very Large Customers.

The Statute empowers the Commission to approve, modify, or reject ESAs between utilities and data centers based on its evaluation of cost-allocation methods, CFS compliance, stranded cost

[31] MO PSC, Docket No. ET-2025-0154, Direct Testimony of Kevin D. Gunn, "Table One", p. 18.
[32] MO PSC, Docket No. ET-2025-0184. *In the matter of the application of Union Electric Company d/b/a Ameren Missouri for approval of new modified tariffs for service to large load customers.* (Filed May 14, 2025).

protections, and other undefined public interest criteria. The Company's proposal pays tribute to the first three standards but falls short of serving the public interest for reasons related primarily to stranded cost risk, as discussed in response to Questions 1, 2, and 3.

Additional provisions not contemplated under the Statute but that could improve the satisfaction of public interest principles regard resource ownership. A strategy splitting generating facility ownership—and therefore, stranded cost risk—between the Company, the Large Load Customers, and IPPs could better serve all customer classes, as could a strategy requiring Large Load Customers to pay the up-front cost of bringing new generation onto the system per the BYO generation construct.[33] In service to robust, competitive wholesale markets and least-cost planning principles, some jurisdictions have required regulated utilities to split project ownership according to certain percentages of utility-owned versus third-party-owned generating resources (i.e., "ownership splits"), as described below.

- ***Ownership splits in Virginia.*** Under the Virginia Clean Economy Act ("VCEA"), Dominion must procure 16,100 MW of wind and solar capacity and 2,700 MW of storage capacity by 2035, and 35% of that wind, solar, and storage capacity must be owned by a third-party.[34] Though this ownership split is codified in statute, the 2024 IRP provides an economical case for this third-party owned generation: solar PPAs averaged $13/MWh less than company-owned solar, and storage PPAs came in at $138/MWh while Dominion-owned storage was estimated to cost from $191/MWh to $223/MWh.[35] Similarly, the VCEA requires Appalachian Power Company to enter

[33] See the BYO generation discussion under Question 3, pp. 11-14.
[34] *See* Va. Code § 56-585.5. "Generation of electricity from renewable and zero carbon sources".
[35] Virginia SCC. Case No. PUR-2024-00184, *"In the matter of Virginia Electric and Power Company d/b/a Dominion Energy Virginia 2024 Integrated Resource Plan".* Appendix 3K-1, "Comparison of per MWh Costs of Selected Resources". (Filed October 15, 2024). Third-party solar PPAs were estimated by Dominion at $67/MWh, while Dominion-owned solar was estimated at $80/MWh.

into PPAs for 35% of generating capacity purchased for compliance with the act. In its 2024 Renewable Portfolio Standard Plan, the utility noted its **"computer modeling identified only PPA resources as … economic"**—roughly 5% less than company-owned resources (emphasis added).[36]

- ***Ownership splits in Michigan.*** In the 2021 IRP proceedings of Consumers Energy and DTE Energy, the Michigan Public Service Commission ordered the utilities to adhere to ownership splits of 50/50 and 70/30 (utility-owned versus PPA) for resources acquired under the terms of those proceedings, respectively.[37] More recently, intervenors in Consumers Energy's large load tariff filing now before the Michigan commission are advocating for the continuation of an ownership split requirement to resources procured to serve new large loads.[38]
- ***Ownership splits in Colorado.*** Public Service Company of Colorado—a subsidiary of Xcel—is seeking a 50/50 generating project ownership split in its most recently issued near-term request for proposals ("RFP"), per a target set by the 2019 Colorado Sunset Bill.[39]

According to its Petition, the Company would procure resources under existing competitive acquisition processes (i.e., Track 1 and Modified Track 2), providing some comfort related to least-cost procurement, but again, resources acquired competitively but ultimately

[36] Virginia SCC. Case No. PUR-2024-00020. *"Petition of Appalachian Power Company for approval of its 2024 RPS Plan"*. (Filed April 25, 2024). See Section 6, "VCEA Compliant Portfolios and Results", p. 29.
[37] MPSC. Case No. U-21193, *"In the matter of the application of DTE Electric Company for approval of its integrated resource plan",* Order approving the settlement agreement (July 10, 2023); and Case No. U-21090, *"In the matter of the application of Consumers Energy for approval of its integrated resource plan"*, Order approving the settlement agreement (April 19, 2022).
[38] MPSC. Case No. U-21859. Direct testimony of John D. Albers on behalf of Michigan Energy Innovation Business Council. (Filed June 12, 2025).
[39] Public Service Company of Colorado. "2025 Near-Term Procurement RFP". (Issued August 29, 2025). Accessed at: https://www.xcelenergy.com/company/rates_and_regulations/resource_plans/psco_2025_all_source_rfp. *Also see* SB 19-236, 2019.

owned by the Company carry stranded cost risk insofar as they are acquired to serve the highly speculative, mobile, and venturesome data center industry.[40] Ownership splits for resources intended to serve Large Load Customers, and creative financial partnerships between data center developers, qualified IPPs, and utilities, are another way to drive a portion of such risks from the Company's rate base and to diversify the overall risks related to serving large loads (notwithstanding cost allocation and financial security matters).

Question 6: Other issues or concerns.

Regarding treatment of behind the meter generation. According to the Company's Petition, behind the meter generation ("BTMG") assets are prohibited from accessing the Company's transmission system under this provision of the IA (emphasis added):

> *"This Interconnection Agreement provides no rights to Customer with respect to any backup generation located at the premises used to support the Data Center.* ***Under no circumstance, whatsoever, including without limitation during an Emergency*** *(except as may be necessary to prevent damage to the Company Facilities and the Company System),* ***will Customer's backup generation at the Data Center be allowed to feed any energy over the Point(s) of Interconnection onto the Company System****."*[41]

This prohibition does not maximize the potential of any Large Load Customer-owned BTMG assets that could otherwise benefit the Company's system more broadly, such as through peak load shaving and emergency response. MISO permits BTMG to act as Load Modifying

[40] Petition, Section V(E)(1), "Resources to serve Large General Time of Day Service customers", p. 22.
[41] Petition, Attachment H, "IA, Section 1.03(e)", p. 4.

Resources ("LMR") under instances of capacity and transmission emergencies and further, would allow the Company to use LMRs to comply with resource adequacy requirements.[42]

However, regardless of whether the Company permits BTMG to access its system, it is widely apparent that data center developers will pursue on-site backup resources as a hedge against wider system outages. Despite the stated clean energy goals of many of the world's largest tech companies, backup generation is widely fossil-fuel based. Parties to this proceeding will no doubt recall Amazon's recent attempt to bypass the Commission's permitting process for 250 diesel generators—which could produce nearly 600 MW of power annually—at a proposed data center site in Becker, Minnesota. Opponents of Amazon's proposal argued that providing an exemption from the standard approval process could facilitate more fossil-fuel BTMG and stifle innovative clean energy solutions, a contention with which we wholeheartedly agree.[43] We encourage the Company to get ahead of this trend by bringing its Large Load Customers along as partners in the clean energy transition. The Company should incentivize clean BTMG (e.g., wind, solar, and battery storage) through access to its transmission system for such resources, as MISO allows, and also prioritize interconnection requests from Large Load Customers committed to developing clean on-site BTMG.

Related to our earlier comment on the book life of generating assets, it is possible that BTMG resources would also outlast the data center facilities they are developed to support, as estimated useful lives for much of the equipment are just 10-20 years.[44] If the data center were to

[42] MISO. "Resource adequacy business practices manual", BMP-011-r31. (Effective February 21, 2025).
[43] *See* Data Center Frontier. "Minnesota PUC says no to Amazon's bid to fast-track 250 diesel generators for data center". (March 7, 2025). Accessed at: https://www.datacenterfrontier.com/energy/article/55269574/minnesota-puc-says-no-to-amazons-bid-to-fast-track-250-diesel-generators-for-data-center
[44] *See* Data Center Dynamics. "The data center life story". (July 21, 2017). Accessed at: https://www.datacenterdynamics.com/en/analysis/the-data-center-life-story/.

cease operations prior to BTMG resources reaching the limits of their operational lifespans, stranded *clean* BTMG assets could potentially benefit the Company's remaining customers, which should provide a further incentive for Xcel to prioritize interconnection for Large Load Customer bringing clean BTMG.

While there are certainly technical, regulatory, and financial considerations complicating a relationship between BTMG and the Company's system, an outright ban on any interaction between assets located on one side of the meter to transmission access on the other is short-sighted. As with other key tariff provisions the Company reserves the right to negotiate in executing an ESA and IA, we recommend a nuanced approach whereby backup generation *may* be allowed to feed energy across the point of interconnection if certain conditions negotiated between the Company and the Large Load Customer, and approved by the PUC, are met. For example, one such condition could permit BTMG from clean energy resources system access as these would provide some of the benefits previously listed—without undermining a clean energy transition in the State. While we are not making recommendations as to the full slate of particular guardrails in our Initial Comments, CGA encourages relevant stakeholders to use this venue to establish the sorts of standards and protocols that could reasonably govern *clean* BTMG access to the Company's wider system.

Regarding Large Load Customer interconnection costs. The Petition, including the form ESA and IA, does not make clear whether potential Large Load Customers are responsible for the costs of the necessary studies that will be conducted upon their request to interconnect (i.e., the Facility Study and the System Impact Study), only that the Large Load Customers "will be obligated to pay for interconnection cost requirements identified through these studies"—which

are estimated to cost from $200,000 to $350,000 in the aggregate.[45] The Company should clarify how it proposes to allocate these costs, which we recommend should be directly attributed to the Large Load Customer.

Regarding cost allocation. Finally, the Petition notes the ESA will include a protocol for identifying a mechanism to "bridge the gap" should the costs of procuring new generation resources exceed their benefits.[46] Amidst federal policy uncertainty, supply chain constraints, and the high likelihood of price volatility for new generation resources, there should be additional guardrails around the ICT. The Petition articulates that remaining revenues required for any new resources procured would be allocated as part of the exit fees.[47] However, there could be circumstances in which the Company is left on the hook for considerable costs of procuring new generation. To ensure additional customer protections and greater transparency, the tariff should describe how those costs would be allocated (i.e., as a rider or in a true-up), similar to the Commission's current practices regarding cost overruns for generation procurement, and cost prudency tests.

III. CONCLUSION

Clean Grid Alliance appreciates the Company's effort to develop the first large load customer tariff filed with the Minnesota Commission. We acknowledge the many challenges related to consumer protection, economic development, and alignment with Minnesota state policy, particularly as it relates to the clean energy transition, facing Xcel Energy in this matter. Our feedback is intended to stimulate thoughtful discussion and consideration among the multiple

[45] MN PUC. Docket No. M25-289. See the Petition, Section VI(D), "Affordability, reliability, and clean energy goals and standards" on p. 21, and Xcel's response to the Dept. of Commerce IR-007. (Sent September 15, 2025).
[46] Petition, "Introduction", p. 3.
[47] Petition, Section V(B), "Contract term", p. 10-11.

participants in this proceeding, and we look forward to continuing to engage with the Commission, the Company, and the other stakeholders on constructs for serving large loads.