

May 12, 2025

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket Nos. E015/M-23-258

Dear Mr. Seuffert:

On May 7, 2025, the Commission issued briefing papers *in the Matter of Minnesota Power's 2023 Integrated Distribution Plan*, regarding Minnesota Power's Multi-Dwelling Unit EV Charging Pilot Program. Below, the Department presents two decision option packages: its preferred package, and an alternative package to amend the current pilot to address the Department's concerns should the Commission prefer to modify the proposed pilot.

A. Department Preferred Package

The Department supports Decision option 2 as presented in Staff's briefing papers:

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

B. Department Alternative Package

The Department outlines its alternative preferred decision options in the attached table.

Sincerely,

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

| Department's Alternative Decision Options | | |
|---|---|----------------------------|
| Decision Option | Language | Oppose/Support/No Position |
| 1 | Approve Minnesota Power's Multi-Dwelling Unit Electric Vehicle Pilot Proposal with the modifications identified below. (MP, CEG, OAG, DOC alternative) | Support |
| OR | | |
| 2 | Deny Minnesota Power's Multi-Dwelling Unit Electric Vehicle Pilot Proposal and require the Company to propose a pilot that tests the effects of MDU-sited EV charging on EV adoption in MDU residents in the Company's next TEP due November 1, 2025. (DOC) | No Position |
| Program Modification | | |
| 3 | Modify the program to exclude the "public," "workplace," and "fleet" segments. (DOC) | No Position |
| Modified 3 | Modify the program to exclude the "fleet" segment. (DOC) | Support |
| 4 | Modify the program to include just level two charging stations and not DCFC. (DOC) | Support |
| 5 | Require MP to implement time of use rates requirements for end use customers as a condition of any incentive-make-ready infrastructure investments in this program with an option to opt out. If the site host opts not to pass through the variable rate to end users, require MP to collect information on the site host's alternative pricing structure to include in its annual report. (OAG, CEG, DOC, MP) | Support |
| 6 | Require MP to bill MDU site hosts under the rider for residential time-of-day service or the residential electric vehicle service tariff. (OAG) | Support |
| 7 | Require that MDU chargers be capable of active load management. (OAG, DOC) | Support |
| Application and Site Evaluation | | |
| 8 | Add "requested incentive as a percent of project costs" criterion to the "financial and timeline" section of the project evaluation framework, assigning the maximum value to projects requesting the lowest percentage of incentives. (OAG) | Support |
| 9 | Increase the weight of the "financial and timeline" criteria to 40% and correspondingly reduce the weight of the "site and utilization" criteria to 40%. (OAG) | Support |
| 10 | Require MP to include a statement on the application form indicating priority will be given to projects that leverage the most nonutility funding at the lowest cost to Minnesota Power. (OAG if Decision Option 8 is adopted) | Support if DO 8 is adopted |
| 11 | Require MP to file within 60 days a compliance filing with a separate application evaluation category that applies specific weight to the site location being within low- and moderate- | Support |

| | | |
|---|--|---------|
| | income communities, disadvantaged communities, tribal lands, environmental justice areas, or communities most impacted by emissions. (DOC, MP) | |
| Budget | | |
| 12 | Require MP to adjust service connection and site supply infrastructure incentive caps such that: A. If one or more applications for a particular project type were unable to be funded under the prior year's budget, MP will reduce the incentive caps for that project type by 10% for the current year. (OAG) B. Prior-year applications that were not funded due to budget constraints but otherwise meet all minimum pilot requirements may be considered for funding in the current year under the reduced incentive caps. (OAG) | Support |
| 13 | Require MP to reserve funds for a minimum of 4 MDUs and 12 ports per year at the MDUs. (CEG) | Support |
| 14 | Require MP to reserve funds for at least one MDU that is 'income qualified' per year. If MP is unable to fulfill this requirement, the Company must explain why in its annual report. (CEG, DOC, MP) | Support |
| 15 | Require MP to work with MDUs without sufficient initial capital to finance the investments before rebate disbursement. (CEGs) | Oppose |
| 16 | In a compliance filing within 60 days, require MP to file the approved budget that will be subject to deferred accounting treatment. (DOC) | Support |
| Cost Recovery | | |
| 17 | Approve MP's request to waive Contribution in Aid of Construction (CIAC) charges for eligible participants in the MDU Pilot. (MP, CEG, DOC) | Support |
| <i>Decision Options 18 to 22 pertain to recovery of O&M costs (EVSI and MDU charger rebates, education and outreach budget)</i> | | |
| 18 | Approve Minnesota Power's request to establish a rider to recover Site Supply Infrastructure Incentive Rebates, MDU Charger Rebates, and Education and Outreach costs as O&M expenses. (MP) | Oppose |
| OR | | |
| 19 | Deny Minnesota Power's request to establish a rider to recover pilot costs. (OAG, CEG, DOC) | Support |
| AND | | |
| 20 | Authorize MP to use deferred accounting to track and request future recovery of O&M costs of the pilot. (MP alternative) | Support |
| AND | | |
| 21 | Allow the Company to record a return on O&M expenses at the Company's authorized rate of return in the deferred account. (MP alternative, if 20 adopted) | Oppose |

| OR | | |
|---|--|------------------------------|
| 22 | Do not allow the Company to earn a rate of return on the deferred O&M costs. (OAG, if 20 adopted) | Support |
| <i>Decision Options 23 to 25 pertain to recovery of capital costs (service connection).</i> | | |
| 23 | Authorize Minnesota Power to treat utility-owned service connection capital additions and depreciation expenses as Distribution Plant expenditures and recover them in a future general rate case via deferred accounting. (MP) | Support |
| 24 | Allow the Company to record a return on capital expenses at the Company's authorized rate of return in the deferred account. (MP, if 23 adopted) | Oppose |
| 25 | Do not allow the Company to record a rate of return on the deferred capital expenditures. (DOC, if 23 adopted) | Support |
| <i>Decision Options 26 to 29 place limitations on the Company's use of deferred accounting for O&M and/or capital expenses.</i> | | |
| 26 | Limit deferred accounting to the approved budget/costs of the pilot. (DOC) | Support |
| 27 | Limit deferred accounting treatment and potential recovery to only the costs incremental to Minnesota Power's most recent rate case. (DOC) | Support |
| 28 | Limit deferred account treatment to only the cost incurred before the start of the next rate case test year. (DOC) | Support |
| 29 | Limit MP's recovery of MDU Pilot costs to the budget proposed in MP's December 20, 2024 petition, subject to future prudence review, unless the Company shows by clear and convincing evidence that any costs incurred above that amount were reasonable, prudent, and beyond the Company's control. (DOC) | Support |
| Reporting and Compliance Filing | | |
| 30 | Approve Attachment A as the MDU Pilot reporting requirements due June 1 annually. Delegate authority to the Executive Secretary to update the reporting requirements list consistent with the decisions made in this and subsequent EV related dockets. | Support |
| 31 | Require Minnesota Power to track the application and additional costs of the CIAC waiver including information on if rebates have incentivized increased construction and utilization of charging equipment. (DOC) [Staff note: this DO may be selected only if the CIAC waiver in DO 17 is approved.] | Support if DO 17 is approved |
| 32 | Require MP to track rates and fees charged to end-users. (CEG) | Support |
| 33 | Require MP to track rent at participating MDUs. (CEG) | No Position |
| OR | | |
| 34 | Require MP to track rent at participating MDUs and if they cannot, explain why in their annual filing. (Staff interpretation of MP) | Support |

| | | |
|----|---|---------|
| 35 | <p>Require Minnesota Power to make a compliance filing within 60 days of the Commission's Order that includes the following information:</p> <ul style="list-style-type: none"> a. Tariff pages that outline the MDU Pilot as approved herein. Delegate authority to the Executive Secretary to approve the tariff pages via notice if no objections are filed within 30 days of MP's filing. (Staff interpretation of DOC, CEG) b. The budget impact of providing an additional level two charger rebate per MDU. (DOC) c. A clarification of how the make-up of renters vs owners at an MDU would impact project eligibility determinations. (CEG) | Support |
|----|---|---------|

CERTIFICATE OF SERVICE

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

**Minnesota Department of Commerce
Letter – Preferred Decision Option**

Docket No. E015/M-23-258

Dated this **12th** day of **May 2025**

/s/Sharon Ferguson

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

| # | First Name | Last Name | Email | Organization | Agency | Address | Delivery Method | Alternate Delivery Method | View Trade Secret | Service List Name |
|----|------------|-----------|---------------------------|-----------------|-----------------------------|--|--------------------|---------------------------|-------------------|-------------------|
| | | | | | Utilities Division | 55101-2131 United States | | | | |
| 15 | Will | Seuffert | will.seuffert@state.mn.us | | Public Utilities Commission | 121 7th PI E Ste 350 Saint Paul MN, 55101 United States | Electronic Service | | Yes | 23-258Official |
| 16 | Dean | Taylor | dtaylor@pluginamerica.org | Plug In America | | 6380 Wilshire Blvd, Suite 1000 Los Angeles CA, 90048 United States | Electronic Service | | No | 23-258Official |