

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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July 23, 2024

**In the Matter of Xcel Energy’s Petition for an
Automatic Bill Credit Pilot Program**

Docket Nos. E002/M-24-173
E002/M-22-266
E002/RP-19-368

REPLY COMMENTS OF FRESH ENERGY

Fresh Energy is pleased to submit these brief Reply Comments in support of Xcel Energy’s Automatic Bill Credit Pilot Petition. Fresh Energy notes that there appears to be strong support for the Pilot Petition by state agencies, consumer advocates, and other stakeholders. The OAG stated that the Pilot Petition sought to address “a pernicious social problem” and that the “crafting of the pilot benefitted greatly from the presence and contribution of community leaders.”¹ The Department of Commerce said the proposal was a “creative and new approach.”² The Center for the Energy and Environment and Energy CENTS Coalition recognized that “when some customers pay significantly more as a percent of household income than others, that constitutes inequity” and called the Pilot Petition an “innovative program model, which may inform future utility programs.”³

These Reply Comments are limited to parties’ suggestions or recommendations included in their Initial Comments.

The OAG recommended certain modifications to ensure the Pilot Petition operates as intended. Fresh Energy appreciates the OAG’s efforts to ensure that customers receiving the bill credit are low-income customers with high energy burdens. In particular, the OAG recommends the Pilot Program screen out: (1) census block groups with 15 or fewer premises; (2) premises where the customer name indicates a corporate entity, government entity, or not a natural person pays the electric bill; and (3) premises where the customer billing address is outside of Minnesota.⁴ Fresh Energy agrees that the screens recommended by the OAG will mitigate the likelihood that the bill credit will go to an unintended beneficiary.

¹ Office of the Attorney General Comments at 8, Docket No. 24-173.

² Department of Commerce Comments at 5, Docket No. 24-173.

³ Center for Energy and Environment and Energy CENTS Coalition Comments at 2, 4, Docket No. 24-173.

⁴ Office of the Attorney General Comments *passim*, Docket No. 24-173.

CEE and ECC noted the importance of targeting those customers that receive the bill credit for “investments in energy efficiency . . . as well as ongoing workforce development programming that serve the communities included in the Proposed Pilot Program.”⁵ Fresh Energy agrees with these recommendations. As stated in Fresh Energy’s Initial Comments, this Pilot Petition is an excellent first step in better serving under-served communities. What members of these under-served communities want and deserve is better access to energy efficiency and for economic opportunities to meaningfully participate in the clean energy transition. Accomplishing these measures must be done in concert with members of the community. As ESAG members repeatedly stated, “anything without us is not for us.” Fresh Energy encourages Xcel Energy to work directly with members of the community to develop a plan for how to target energy efficiency investments and increase access to workforce opportunities.

Roger Colton submitted Comments on behalf of Sandra Pyles and the Community Action Partnership Ramsey & Washington Counties Energy Assistance Program and provided “kudos” to Xcel Energy for its new approach to delivering benefits.⁶ Mr. Colton offered potential alternatives to using median income as the basis for delivering the bill credits. Specifically, Mr. Colton suggested that a different indicator could be a more precise measure of need: (1) the percentage of households at or below 200% of federal poverty level; or (2) the percentage of households with income below \$35,000.⁷ However, Mr. Colton continues to support the structure of the bill credit for the two-year pilot.⁸

Fresh Energy appreciates Mr. Colton’s suggestions. Which indicator to use that would capture need most precisely was a topic the ESAG discussed at length. Fresh Energy believes that the structure should remain as developed by the ESAG, but as the Pilot Petition begins to be evaluated, we encourage Xcel Energy to work with the ESAG to consider the indicators recommended by Mr. Colton to determine whether other indicators are better suited to reach the population the Pilot is designed to reach. If, after consultation with members of the ESAG, a different indicator is determined to be appropriate, the Company should consider a modification alongside potential plans to make the Pilot permanent.

The Commission also received one public comment that expresses opposition to the proposal. James Siegel critiqued the proposal stating that, if the Pilot Petition is approved, “all someone would need to do is move into that designated”⁹ census block group to benefit from this program. However, moving is a serious decision that involves significant logistical, financial and personal costs. People consider a variety of factors when choosing where to live including schools, job opportunities, and community amenities. A bill credit on energy bills is unlikely to be a determining factor in such a consequential decision. On the other hand, providing bill credits to a specific low-income census block group can be considered an investment which can strengthen that entire low-income community.

Fresh Energy appreciates the opportunity to submit these brief Reply Comments and looks forward to participating at the hearing before the Minnesota Public Utilities Commission on the Pilot Petition.

⁵ Center for Energy and Environment and Energy CENTS Coalition Comments at 3, Docket No. 24-173.

⁶ Comments by Roger Colton on Behalf of Sandra Pyles and the Community Action Partnership Ramsey & Washington Counties Energy Assistance Program at 2, Docket No. 24-173.

⁷ *Id.* at 2-3.

⁸ *Id.* at 3.

⁹ James Siegel, Public Comment, Docket No. 24-173.

Respectfully submitted,

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