

From: [Raagan Wilhelm](#)
To: [Staff, CAO \(PUC\)](#)
Cc: [Christian Koch](#); [Kelly Trombley](#)
Subject: Public Comments Dkt Nos. E-002/CN-23-212, E,G002/CIP-23-92, E002/RP-24-67
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Dear Chair Sieben, Commissioner Ham, Commissioner Partridge, Commissioner Sullivan, Commissioner Tuma, and PUC Staff:

Please find Ceres public comments on the above referenced dockets attached.

Thanks,
-Raagan

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October 3, 2025

Minnesota Public Utilities Commission
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RE: Docket Nos. E-002/CN-23-212, E,G002/CIP-23-92, E002/RP-24-67 - Ceres Public Comment in Response to the Commission's Request for Comment on the Xcel Energy's Distributed Capacity Procurement Initiative

Dear Chair Sieben, Commissioner Ham, Commissioner Partridge, Commissioner Sullivan, Commissioner Tuma, and PUC Staff:

Ceres, Inc. ("Ceres") submits these comments in response to the above referenced docket by the Minnesota Public Utility Commission [*hereinafter* MNPUC or the Commission] for stakeholder feedback on Xcel Energy's [*hereinafter* Xcel] Distributed Capacity Procurement Initiative [*hereinafter* the DCP] pending its October filing.

I. INTRODUCTION

Ceres is a nonprofit advocacy organization working to build a cleaner and more resilient economy. Ceres convenes several networks of businesses and investors, including the [Business for Innovative Climate and Energy Policy Network](#) (BICEP) – a coalition of over 75 major companies that support clean energy policy and a thriving economy. Many of the companies in the BICEP Networks have operations and large customer footprints in Minnesota, such as Amrize, IKEA, Microsoft, Nestlé, Salesforce.

Companies in Minnesota and across the nation are keenly interested in innovative grid solutions to increase capacity while maintaining affordable and reliable energy. One such solution with growing attention is increased, optimized deployment of distributed energy resources that offer a scalable, cost-effective way to enhance grid reliability and resiliency while increasing grid capacity and supporting corporate clean energy goals. Virtual Power Plants (VPPs) provide a framework that enables energy customers to aggregate and optimize distributed energy resources such as on-site solar and battery storage across their facilities.

For corporations with large, geographically distributed operations, VPPs are a critical tool to accelerate access to low-cost clean energy and support a more resilient, affordable grid. VPPs benefit not only large energy consumers but all Minnesota ratepayers, because they reduce reliance on costly peaker plants power plants and avoid expensive grid infrastructure expansion.

II. BACKGROUND

In early September, [Ceres convened a roundtable discussion](#) with nearly 30 stakeholders from across Minnesota to explore the opportunity VPPs pose as a transformative energy solution for the state. The event brought together representatives from the Department of Commerce, the Public Utility Commission, lawmakers, advocacy organizations, labor, and industry to examine how technologies such as distributed solar, battery storage, and smart devices can be integrated into Minnesota's grid planning to boost capacity, enhance reliability, and lower costs.

As the Commission moves to consider Xcel's DCP, Ceres offers the following comments in summary of our roundtable discussion.

III. COMMENT

a. Through strategically paired resources, VPPs can serve as a cost-effective opportunity to meet Minnesota's near-term needs.

Roundtable participants emphasized that VPPs can serve as a fast, scalable, and cost-effective alternative to new centralized generation. By coordinating existing distributed energy resources such as rooftop solar, battery storage, and controllable load, VPPs can be mobilized in months rather than years. This makes them a critical near-term tool as Minnesota faces increasing demand from data centers, electrification of transportation, heating and cooling.

Battery storage was identified as particularly important for unlocking the value of VPPs. When paired with distributed solar and demand response, storage reduces reliance on expensive peaker plants which are typically powered by fossil fuels. It also improves reliability and enables deeper renewable integration. For businesses, storage provides operational benefits such as lowering demand charges, hedging against volatility, and improving resilience during outages.

b. Large energy customers view VPPs as an opportunity to strengthen Minnesota's energy competitiveness.

Large customers underscored that VPP deployment is a competitiveness issue for Minnesota, because states able to integrate distributed resources into reliable, scalable VPP programs are far more attractive locations for new facilities. Modern data centers, manufacturing plants, and logistics hubs all require large amounts of power, and increasingly these facilities are expected to operate with clean energy and high resilience standards. Delays or regulatory uncertainty in Minnesota could drive these investments elsewhere, while strong policy signals and timely VPP deployment could make Minnesota a leader in attracting and retaining next-generation industries.

For corporate energy buyers, VPPs provide a pathway to achieve cost management and sustainability goals at the same time. By allowing businesses to monetize on-site resources such as solar arrays, backup generators, and storage assets through participation in aggregated grid services, VPPs enable large customers to reduce operational costs while providing measurable system benefits. This is especially valuable

as corporations face shareholder and consumer pressure to both decarbonize and keep operations reliable and competitive.

In this way, VPPs can serve as a bridge between Minnesota's policy goals and corporate energy strategies. They provide a mechanism for businesses to contribute to grid reliability while advancing their own cost and pollution reduction targets. If designed well, Minnesota's VPP program will not only help meet system needs but also strengthen the state's competitiveness by signaling to global companies that Minnesota is ready to provide the clean, affordable, and resilient energy they require.

c. Clear policy direction, Commission action, and phased deployment will be critical to ensure Minnesota does not fall behind.

Participants highlighted that Minnesota must be clear about its goals for VPP programs. Whether the priority is reliability, affordability, decarbonization, or access to program benefits, setting clear policy direction will shape effective program design. A phased approach that starts with pilots and scales over time will allow for learning and refinement while building confidence among customers, utilities, and businesses alike.

Urgency is also critical. While Minnesota has studied VPPs for years, other states are already piloting and scaling programs, including Colorado and California. Falling behind could erode Minnesota's competitiveness and limit its ability to meet near-term reliability needs. Prolonged disputes over ownership or design risk leaving potential capacity on the table at a time when it is most needed.

The settlement agreement's requirement for Xcel to file a Distributed Capacity Procurement proposal by October 2025 represents a pivotal opportunity to move from discussion to deployment. For large customers, the DCP represents an opportunity to demonstrate how VPPs can meet corporate sustainability and energy needs while benefiting the broader grid. For communities, it represents a chance to ensure clean energy investments drive affordability, resilience, and quality job creation across Minnesota.

d. Equity and workforce considerations must be central to the planning process to ensure success of any program proposal.

Roundtable participants cautioned that without intentional policies, the benefits of VPPs may accrue disproportionately to higher-income households who already have access to distributed resources. To ensure all Minnesotans share in the benefits, a VPP program should include upfront incentives for LMI households, simplified enrollment processes, and targeted outreach to environmental justice communities. By prioritizing equitable participation, the Commission can help lower energy burdens, improve resilience, and ensure that access to clean energy is not limited to any customer class.

Labor union LiUNA stressed that VPP deployment should be paired with standards that ensure high-quality local jobs. Transparent labor standards, prevailing wage requirements, and workforce training programs can help position Minnesota as a leader

not just in innovative energy solutions but also in equitable workforce development. Importantly, underscoring that union members are not only workers but are themselves ratepayers whose monthly utility bills will be directly affected by how this program is designed. Working families are likely to participate in a VPP program if enrollment is straightforward, benefits are clear, and the process does not require excessive upfront investment.

Embedding equity and workforce considerations into VPP program design will serve a dual purpose: helping ensure the energy transition creates quality jobs while also giving Minnesotans direct access to the affordability and reliability benefits of VPPs. For companies operating in Minnesota, this alignment is critical: it ensures their clean energy procurement supports community well-being, increases capacity on the grid, and creates economic opportunity while reducing pollution.

IV. CONCLUSION

Achieving Minnesota's ambitious 100% carbon-free resource goal by 2040 will only be possible if we maximize our use of DERs. In 2022, Minnesota renewables outpaced coal and natural gas for the first time in Minnesota's history. We are at a pivotal moment in the clean energy transition to continue forward momentum. The Commission and Xcel are well positioned to develop and implement a nation-leading and ambitious VPP program through the DCP proceeding, with numerous economic and environmental benefits for Xcel customers and the Minnesota electricity grid. A well-designed VPP program will accelerate the deployment of DERs, enhance performance of the distribution system, and reduce peak demand and strain on the grid, all while empowering Xcel customers.

For the DCP initiative to be successful, the Commission should ensure the proposal: (1) includes broad participation from customers; (2) allows both third-party and utility owned resources; (3) include equity-focused provisions for low- and moderate-income (LMI) households; (4) embed strong labor standards; and (5) create scalable models that can inform future resource planning.

We appreciate the opportunity to provide these comments summarizing a robust conversation had by many interested parties both in the private and public sector. Please do not hesitate to be in touch if we can provide additional information.

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