

May 29, 2025

PUBLIC DOCUMENT

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

RE: **PUBLIC** Comments of the Minnesota Department of Commerce
Docket No. E002/M-25-184

Dear Mr. Seuffert:

Attached are the **PUBLIC** comments of the Minnesota Department of Commerce (Department) in the following matter:

*In the Matter of Northern States Power Company d/b/a Xcel Energy's
Annual Report on its Renewable*Connect Pilot, Flex and Long-Term
Programs.*

The Annual Report was filed by Xcel on April 1, 2025.

The Department requests further information from Xcel Energy in Reply Comments. The Department is available to answer any questions that the Commission may have in this matter.

Sincerely,

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

AB/RW/ar
Attachment

Before the Minnesota Public Utilities Commission

PUBLIC Comments of the Minnesota Department of Commerce

Docket No. E002/M-25-184

I. INTRODUCTION

Minn. Stat. § 216B.169 permits a utility to offer green pricing options, also referred to as green tariffs. A green tariff allows customers to “determine that a certain amount of the electricity generated or purchased on behalf of the customer is renewable energy or energy generated by high-efficiency, low-emissions, distributed generation [...]”¹ The statute requires that rates charged under a green tariff must: “be calculated using the utility’s cost of acquiring the energy for the customer,” “reflect the difference between the cost of generating or purchasing the additional renewable energy and the cost that would otherwise be attributed to the customer for the same amount of energy based on the utility’s mix of renewable and nonrenewable energy sources,” and “be distributed on a per kilowatt-hour basis among all customers who choose to participate in the program.”² A utility may acquire energy for a green tariff program “in whole or in part, through procuring or generating the renewable energy directly, or through the purchase of credits [...]” Xcel’s first green tariff program was the Windsource program, which was followed later by the Renewable*Connect (R*C) pilot program. Both programs were approved by the Commission under Minn. Stat. § 216B.169.³

The R*C Pilot program offered customers the option to source their energy from dedicated renewable sources that were previously approved by the Commission. Xcel dedicated up to 50 MW of wind from the Odell Wind Farm and 25 MW of solar from the North Star Solar Project to the R*C Pilot. Program enrollment was limited by the amount of generation capacity dedicated to the program. The R*C Pilot program was available to all new and existing customers, and similar to the Windsource program, customers could subscribe to 100 kWh blocks or 100 percent of their annual load, but subscriptions were not to exceed 100 percent of customer’s annual load, and customers could not subscribe to a portion that exceeded 10 percent of the energy of the resources dedicated to Pilot program.⁴ Also, similar to the Windsource program, participating customers paid a per-kWh rate for energy in lieu of the fuel clause adjustment (FCA or Fuel Charge) those customers would ordinarily pay. The per-kWh rate was fixed for the length of a participant’s term, and the same per-kWh rate is made available to all customers enrolling for the same term length in the same year. The R*C Pilot program offered month-

¹ [Minn. Stat. § 216B.169](#)

² *Ibid.*

³ See *In the Matter of Northern States Power Company d/b/a Xcel Energy Renewable Energy Rate Implementation Plan*, Docket No. E-002/M-01-1479 (Windsource program approval and modifications); *In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy, for Approval of a Renewable*Connect Pilot Programs*, Docket No. E-002/M-15-985 (R*C pilot program approval and modifications).

⁴ *In the Matter of Petition for Approval of a Renewable*Connect Pilot Program*, Initial Filing/Petition, November 12, 2015, Docket No. E002/M-15-985, (eDockets) [201511-115703-01](#), at 13.

to-month, five-year, and ten-year term lengths, as well as a special-event-duration option. The rate paid by participating customers comprises the following cost (and cost-offsetting) components:

- **Resource cost:** the cost incurred to acquire the dedicated resource (in the case of the proposed resources, determined by an existing power purchase agreement);
- **Administrative cost:** costs for initial program setup and ongoing program administration;
- **“Neutrality Adjustment” charge:** intended to account for line losses, curtailment costs, renewable energy integration, system balancing costs, and the potential for stranded resources or other adverse economic impacts arising from dedicating the resources to program participants; and
- **Capacity credit:** intended to reflect the value of additional capacity attributable to participation in the program.

In its Order Approving the R*C pilot, the Commission required Xcel to file annual reports each April 1 after the first full year of operation containing the following information:⁵

- 1) Total number of participants broken down by customer class, and by length of contract (including “special events”);
- 2) Total wind production;
- 3) Total solar production;
- 4) Total R*C expenses;
- 5) Total R*C Government expenses;
- 6) Total Amount collected in R*C charges;
- 7) Total Amount collected in R*C Government charges;
- 8) The Tracker balances as shown in Attachment H of Xcel’s filing;
- 9) Monthly comparisons of R*C Pricing for participants with the Fuel Charge for nonparticipant customers;
- 10) Impact of R*C pilots on all nonparticipant customers;
- 11) Impact on all Xcel Ratepayers through updates in base rates; and
- 12) Information on the number of terminations and an accounting of termination fees.

In addition, the Commission required that Xcel to provide in its Annual Automatic Adjustment reports a separate section discussing the R*C Pilot programs’ impact on non-participants and the effectiveness of the neutrality charge to address any cost shift between participants and nonparticipants.⁶

The Commission approved Xcel’s January 7, 2019 Petition requested approval to expand its R*C Pilot into a full-time, permanent product offering on August 12, 2019.⁷ Xcel’s Petition proposed to expand the R*C program to two new offerings.⁸ Xcel stated that the first offering was designed as a standing offer for a month-to-month subscription and would represent the migration of Windsource subscriptions and remaining resources into the expanded R*C program, along with the addition of new

⁵ *Id.*, Order Approving Pilot Programs and Requiring Filings, February 27, 2017, Ordering ¶15, p. 8-9. (eDocket) [20172-129437-02](#).

⁶ *Id.*, Ordering ¶17, p. 9.

⁷ *In the Matter of Northern States Power Company’s, d/b/a Xcel Energy, Petition to Expand its Renewable*Connect Program, Order Approving Petition with Modifications*, August 12, 2019, Docket No. E-002/M-19-33, (eDockets) [20198-155110-01](#)

⁸ *In the Matter of Northern States Power Company’s, d/b/a Xcel Energy, Petition to Expand its Renewable*Connect Program*, Xcel Petition, Xcel Energy, January 7, 2019, Docket No. E-002/M-19-33, (eDockets) [20191-148949-01](#).

solar resources. Xcel referred to this offering as the “Ongoing Month-to-Month” offer. The second new offering proposed by Xcel would be supplied by a mix of new wind and solar resources. Xcel stated this offering was tailored to the needs of large Commercial and Industrial (C&I) customers. Xcel referred to the second new option as the “Long Term” offer. The Commission’s January 7, 2019, Order required Xcel to also include in annual compliance reports for the Renewable*Connect program:

- 1) A discussion of the rate relative to the fuel clause adjustment for each of the Renewable*Connect program offerings;
- 2) An assessment and discussion of Xcel’s actual experience of the high off-peak program customer resource usage compared to resource availability.⁹

II. PROCEDURAL BACKGROUND

| | |
|-------------------|---|
| February 27, 2017 | The Commission filed its <i>Order Approving Pilot Programs and Requiring Filings</i> in Docket No. E002/M-15-985 approving the Renewable*Connect (R*C) Pilot Program requiring Xcel to file annual compliance filings “each April 1 after the first full year of operation” of the pilot program. ¹⁰ |
| August 12, 2019 | The Commission issued its <i>Order Approving Petition with Modifications</i> in Docket No. E002/M-19-33 approving Xcel’s petition to transition the R*C pilot program into a full program. ¹¹ |
| April 1, 2021 | Xcel filed the R*C Program pricing and tariff modifications required in the compliance portion of the August 12, 2019, Order in Docket Nos. E002/M-21-222 and E002/M-19-33, as well as a petition for approval of modifications to the R*C Program launch plan and tariffs |
| December 22, 2022 | Xcel submitted a R*C Program Modification in Docket No. E002/M-21-222 providing an update on the Company’s efforts to resolve the program’s resource challenges identified in previous filings, and providing final program pricing, corresponding proposed tariff sheets, and program modification requests. Xcel corrected calculation in its attachments through an Errata filing filed December 23, 2022. |

⁹ *In the Matter of Northern States Power Company’s, d/b/a Xcel Energy, Petition to Expand its Renewable*Connect Program, Order Approving Petition with Modifications*, August 12, 2019, Docket No. E-002/M-19-33, (eDockets) [20198-155110-01](#), Ordering ¶4 at 14.

¹⁰ *In the Matter of Northern States Power Company d/b/a Xcel Energy’s Request for Approval of its Renewable*Connect Pilot Program, Order Approving Pilot Programs and Requiring Filings*, February 27, 2017, Docket No. E002/M-15-985, (eDockets) [20172-129437-02](#).

¹¹ *In the Matter of Northern States Power Company’s, d/b/a Xcel Energy, Petition to Expand its Renewable*Connect Program, Order Approving Petition with Modifications*, August 12, 2019, Docket No. E002/M-19-33, (eDockets) [20198-155110-01](#).

| | |
|--------------------|---|
| May 18, 2023 | The Commission issued an Order in Docket No. E002/M-21-222 and Docket No. E002/M-19-33 approving several compliance items and the corresponding tariff modifications, approving modifications (e.g. modifications to the customer enrollment process, shifts to the transition timeline, and a program name change from Month-to-Month to R8C Flex). The Commission also require Xcel to address new compliance items in its annual report. |
| April 1, 2024 | Xcel submitted its annual compliance filing for pilot program year 2023 and proposed updated to its 2025 R*C Tariff. |
| June 4, 2024 | The Department filed comments in E002/M-24-147. |
| September 27, 2024 | The Commission issued its Order accepting the compliance filing, and approving Xcel's proposed R*C tariff modification as filed on April 1, 2024. |
| April 1, 2025 | Xcel filed its Renewable*Connect Pilot, Flex, and Long-Term Programs compliance filing and tracker account report in Docket No. E002/M-25-184. Additionally, Xcel requests tariff revisions reflecting the 2026 Neutrality Charge in the Pilot Program and updates to the Flex rate. |
| April 25, 2025 | The Commission issued a Notice of Comment Period in the instant docket. |

Topic(s) open for comment:

- Should the Commission approve, deny, or modify the Company's request to update the 5- Year and 10-Year Neutrality Charges?
- Should the Commission approve, deny, or modify the Company's request to update the 2026 Renewable*Connect Flex Program Month-to-Month rate and Neutrality Charge?
- Should the Commission approve, deny, or modify the Company's revised tariff sheets in any way?
- Should the Commission accept the Company's compliance filing and tracker account report?
- Are there other issues or concerns related to this matter?

III. DEPARTMENT ANALYSIS

A. UPDATE THE 5- AND 10-YEAR NEUTRALITY CHARGES

The Department responds to the following notice topic:

Should the Commission approve, deny, or modify the Company's request to update the 5- Year and 10-Year Neutrality Charges?

In its Annual Report, Xcel proposes to revise Tariff Sheet No. 5-150 to update the 5-year and 10-year neutrality charges as approved by the Commission and originally presented in Attachment A to the September 21, 2017, revision to the R*C Pilot Program in Docket No. E002/M-15-985.¹² Xcel's updated neutrality charge in 2025 for the 5-year and 10-year R*C service types is provided in Attachment E to its filing and is as follows:

Department Table 1: Xcel's proposed 2025 Neutrality Charge for 5-year and 10-year service types

| Service | 2025 (\$/kWh) | 2026 (\$/kWh) | Increase/decrease | Percent Change |
|---------|---------------|------------------|-------------------|----------------|
| 5-year | \$0.00516 | \$0.00522 | \$0.00006 | 1.15% |
| 10-year | \$0.00466 | \$0.00460 | -\$0.00006 | -1.29% |

The Department notes the small increase in the neutrality charge for the 5-year R*C service type and the small decrease in the neutrality charge for the 10-year R*C service type. Based on the information the Company included in its petition, the Department was unable to confirm the calculation of the rate. Information requests to secure a detailed explanation of the calculation of the rate have been issued to the Company. The Department encourages the Company to provide the same information in its Reply Comments for the record.

B. 2026 RENEWABLE CONNECT FLEX PROGRAM MONTH-TO-MONTH RATE AND NEUTRALITY CHARGE

The Department responds to the following notice topic:

*Should the Commission approve, deny, or modify the Company's request to update the 2026 Renewable*Connect Flex Program Month-to-Month rate and Neutrality Charge?*

In its R*C annual report, Xcel proposes to revise Tariff Sheet No. 5-161 to update the 2026 R*C Flex MTM and special event rate and Neutrality charge over the 2025 tariff rates as approved by the Commission. Xcel's updated neutrality charge and R*C Flex rate in 2026 is provided in Attachment E to its filing and is as follows:

¹² In the Matter of Northern States Power Company d/b/a Xcel Energy's Request for Approval of its Renewable*Connect Pilot Program, Xcel Petition for Approval of Revisions to the Renewable*Connect Pilot Program, September 21, 2017, Docket No. E002/M-15-985, (eDockets) [20179-135719-01](#), at attachment A.

*Department Table 2: 2025 R*C Flex Rate and Neutrality Charge*

| | 2025 (\$/kWh) | 2026 (\$/kWh) | Increase/decrease | Percent Change |
|---|---------------|------------------|-------------------|----------------|
| Neutrality Charge | \$0.00678 | \$0.00561 | -\$0.00117 | -17.26% |
| R*C Price: MTM and Special Event Service Types | \$0.03993 | \$0.03436 | -\$0.00557 | -13.95% |

Based on the information the Company included in its petition, the Department was unable to confirm the calculation of the rate. Information requests to secure a detailed explanation of the calculation of the rate been issued to the Company. The Department encourages the Company to provide the same information in its Reply Comments for the record.

C. REVISED TARIFF SHEETS

The Department responds to the following notice topic:

Should the Commission approve, deny, or modify the Company's revised tariff sheets in any way?

The Department will address this notice topic in Reply Comments after receiving and reviewing the Information Request responses from the Company.

D. COMPLIANCE FILING AND TRACKER ACCOUNT REPORT

The Department responds to the following notice topic:

Should the Commission accept the Company's compliance filing and tracker account report?

The Commission's February 27, 2017, Order in Docket No. E002/M-15-985 set out the following annual reporting requirements for the R*C program:

- Total number of participants by customer class and contract length
- Total wind production
- Total solar production
- Total R*C expenses
- Total R*C Government expenses
- Total Amount collected in R*C charges
- Total Amount collected in R*C Government charges
- Tracker balances
- Monthly comparisons of R*C Pricing for participants with the Fuel Charge for nonparticipant customers
- Impact of R*C pilots on all nonparticipant customers
- Impact on all Xcel Ratepayers through updates in base rates
- Information on the number of terminations and an accounting of termination fees

*D.1. Number of R*C Participants by customer class and contract length*

The below are Department-created summary tables detailing information provided by Xcel regarding its R*C customer participation from 2017-2023.

*Department Table 3a: Residential Class R*C Participation
(Residential Participants by Length of Contract) 2017-2024*

| | Monthly | 5-year | 10-year | Total |
|--------------------------|---------|--------|---------|-------|
| 2017 | 843 | 767 | 494 | 2104 |
| 2018 | 1500 | 1096 | 621 | 3217 |
| 2019 | 1295 | 1090 | 597 | 2982 |
| 2020 | 1187 | 1059 | 594 | 2840 |
| 2021 | 1060 | 1017 | 570 | 2647 |
| 2022 | 1480 | 1057 | 586 | 3123 |
| 2023 | 1584 | 164 | 534 | 2282 |
| 2024¹³ | 0 | 346 | 519 | 865 |

Source: Department Comments (Public) in Docket No. E002/M-24-147

*Department Table 3b: Commercial Class R*C Participation
(Commercial Participants by Length of Contract) 2017-2024*

| | Monthly | 5-year | 10-year | Total |
|--------------------------|---------|--------|---------|-------|
| 2017 | 11 | 11 | 10 | 32 |
| 2018 | 16 | 14 | 39 | 37 |
| 2019 | 15 | 14 | 7 | 36 |
| 2020 | 13 | 16 | 7 | 36 |
| 2021 | 12 | 16 | 7 | 35 |
| 2022 | 11 | 15 | 6 | 32 |
| 2023 | 12 | 4 | 7 | 23 |
| 2024¹⁴ | 0 | 59 | 25 | 84 |

Source: Department Comments (Public) in E002/M-24-147

¹³ In the Matter of Northern States Power Company d/b/a Xcel Energy's Annual Report on its Renewable*Connect Pilot, Flex and Long-Term Programs, Annual Report [Public], Xcel, April 1, 2025, Docket No. E002/M-25-184, (eDockets) [20254-217105-02](#) (hereinafter "Annual Report Public") at table 2A 2024; values come from the "Residential" row.

¹⁴ Annual Report Public, at Table 2A values come from the "Commercial" row.

*Table 3c. Total R*C Participation
(Total Participants by Length of Contract) 2017-2024*

| | Monthly | 5-year | 10-year | Total |
|--------------------------|---------|--------|---------|-------|
| 2017 | 882 | 794 | 534 | 2210 |
| 2018 | 1546 | 1153 | 667 | 3366 |
| 2019 | 1336 | 1145 | 654 | 3135 |
| 2020 | 1227 | 1118 | 651 | 2996 |
| 2021 | 1099 | 1076 | 627 | 2802 |
| 2022 | 1518 | 1116 | 643 | 3277 |
| 2023 | 1621 | 189 | 585 | 2395 |
| 2024¹⁵ | 0 | 405 | 544 | 949 |

Source: Department Comments in Docket No. E002/M-24-147

Xcel states that in October 2023, the 1621 monthly R*C Pilot Program customers were transitioned to the new R*C Flex Program in compliance with the May 18, 2023, Commission *Order* in Docket No. E002/M-21-222 and Docket E002/M-19-33, Order Point 2(e).¹⁶

In its 2025 Report, Xcel also provided information demonstrating the program’s subscription level and number of customers on the waitlist for the year. The below is a Department-created table summarizing subscription level and waitlist totals from each year’s compliance filing (2017-2024).

*Department Table 4. R*C Program Demand 2017-2024*

| Program Year | % of Program Subscribed | # of Customers on Waitlist |
|--------------------------|--|----------------------------|
| 2017 | 64% | 0 |
| 2018 | 100% | 1100 |
| 2019 | 100% | 2350 |
| 2020 | 100% | 3217 |
| 2021 | 100% | 6545 |
| 2022 | 100% | 694 |
| 2023 | 100% | 583 |
| 2024¹⁷ | Under-subscribed due to unforeseen circumstances | Exceeding 1000 customers |

Source: Department Comments in Docket No. E002/M-24-147

Xcel notes that unforeseen circumstances have led to the lack of specificity surrounding its waitlist reporting as evidenced above. The Company states that an internal service policy and billing system constraints created enrollment delays for a number of large customers.¹⁸ Additionally, a large customer unexpectedly declined approximately 91,000 MWh of energy in the R*C Long Term Program,

¹⁵ Annual Report Public, at Table 2A values come from the “Total” row.

¹⁶ Annual Report Public, at 3.

¹⁷ Annual Report Public at 11

¹⁸ *Ibid.*

which left a large portion of program unsubscribed for all of 2024.¹⁹ To fully subscribe the program with waitlisted customers, the Company worked to build an online enrollment system that could handle a large volume of customers. The Company is currently working to contact waitlisted customers, subscribe them, and fill the unsubscribed capacity. It is the Company’s goal to greatly reduce the waitlist and fill the unsubscribed capacity by mid-2025.²⁰

The Department requests Xcel, in replies, indicate the subscription level of its program (in percentages and MWh) and indicate the specific number of customers on its waitlist. The Department requests Xcel, in replies, update parties on the status of the online enrollment system, and the resolution of the internal service policy and billing system constraints impacting program enrollment.

D.2. Total Wind and Solar Production

Below is a Department-created not-public table summarizing the information provided by Xcel for R*C wind and solar production from 2017-2024.

Department Table 5: Wind and Solar Production 2017-2024

| Program Year | Wind | Solar |
|--------------|--------------------------------------|-------|
| | [TRADE SECRET DATA HAS BEEN EXCISED] | |
| 2017 | | |
| 2018 | | |
| 2019 | | |
| 2020 | | |
| 2021 | | |
| 2022 | | |
| 2023 | | |
| 2024 | | |
| | | |

Source: Department Comments in Docket No. E002/M-24-147

The Department notes a typo in the value provided in Table 3 of Xcel’s Annual Report **[TRADE SECRET DATA HAS BEEN EXCISED]**. It appears to be a small typo, and the Department has updated its table accordingly.

¹⁹ Ibid.

²⁰ Ibid.

*D.3. Total R*C Revenues and Expenses*

Below is a Department-created, not-public table summarizing the information provided by Xcel for R*C revenues and expenses from 2017-2024.

*Department Table 6: R*C Revenue and Expenses 2017-2024*

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| Revenue | | | | | | | | |
| Payments: | [TRADE SECRET DATA HAS BEEN EXCISED] | | | | | | | |
| Mo.-to-Mo. | | | | | | | | |
| 5-Year Contract | | | | | | | | |
| 10-Year Contract | | | | | | | | |
| Other: | | | | | | | | |
| Cap. Credit | | | | | | | | |
| Total Revenue | | | | | | | | |
| Expenses | | | | | | | | |
| Res. Prod. Cost | | | | | | | | |
| Neut. Charges | | | | | | | | |
| Market & Admin. | | | | | | | | |
| Total Expenses | | | | | | | | |
| Balance | -\$335,426 | \$331,674 | \$407,717 | \$272,346 | \$115,025 | \$260,803 | \$100,915 | \$78,531 |

Source: Department Comments in Docket No. E002/M-24-147

In the May 2023 Order filed in Docket No. E002/M-21-222 and Docket No. E002/M-19-33, the Commission required Xcel to address how it will become less dependent on system energy and renewable energy credits (RECs) for its R*C Flex program going forward.²¹ Xcel states that the R*C Flex Program is expressly designed as a flexible customer option, and therefore does not require customer contracts, an enrollment cap, or a penalty to terminate subscriptions.²² Xcel states that the program's flexibility results in a program tranche with variable capacity demand that is sometimes, but not always, met with program resources.²³ Xcel states it is assessing customer demand for the program and determining suitable resource options to reduce the program's use of system resources and REC's. The Company states that as time passes, more data on the program will be corrected and the Company will be able to assess its sales forecast to determine how to best meet customer demand for the Flex program.²⁴

²¹ *In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for the Approval of a Renewable*Connect Program Modification*, Order, May 18, 2023, Docket No. E002/M-21-222 and E002/M-19-33, (eDockets) [20235-195925-02](#).

²² *Id.*

²³ *Id.*

²⁴ *Id.*

*D.4. Total R*C Government Revenues and Expenses*

Below is a Department-created, not-public table summarizing the information provided by Xcel for R*C Government revenues and expenses from 2017-2024.

Department Table 7: Government Revenues and Expenses

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 ²⁵ |
|-----------------------|---|-----------------|----------------|-----------------|------------------|-----------------|-------------------|--------------------|
| Revenue | | | | | | | | |
| Payments: | [TRADE SECRET DATA HAS BEEN EXCISED] | | | | | | | |
| Mo.-to-Mo | | | | | | | | |
| Other: | | | | | | | | |
| Cap. Credit | | | | | | | | |
| Total Revenue | | | | | | | | |
| | | | | | | | | |
| Expenses | | | | | | | | |
| Res. Prod. Cost | | | | | | | | |
| Neut. Charges | | | | | | | | |
| Market & Admin. | | | | | | | | |
| Total Expenses | | | | | | | | |
| | | | | | | | | |
| Balance | \$11,273 | \$57,701 | \$9,835 | \$12,390 | (\$2,423) | \$23,892 | \$(16,994) | (\$68,327) |

Source: Department Comments in Docket No. M-24-147

D.5. Tracker Account Report

As in previous years, Xcel includes a Tracker Account Report as several attachments to its Annual Report documenting necessary program details. Xcel includes tracker account reports for its R*C Pilot Program, its R*C Flex Program, and its R*C Long-Term Program as attachments A, B, and C, respectively. The Department has reviewed the Attachments and concludes that Xcel has provided the tracker balances required by the Commission's Order.²⁶

*D.6. Monthly Comparisons of R*C Pricing for Participants with the Fuel Charge for Nonparticipant customers*

Xcel states that the R*C Pilot Program pricing was higher than all non-on-peak fuel clause rates in January and August through December and higher than only C&I Demand Off-Peak rates for the rest of

²⁵ Annual Report Trade Secret, at Table 4B

²⁶ *In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of a Renewable*Connect Pilot Programs*, Order, February 27, 2017, Docket No. E002/M-15-985, (eDockets) [20172-129437-02](#), at Order point 5.h.

the year. The R*C Flex and Long-Term Programs pricing, states Xcel, for all subscription classes was higher than all non-on-peak fuel clause rates in all months except April and June.²⁷

*D.7. Impact of R*C pilots on all nonparticipant customers*

Xcel Provided the following year-over-year public summary of various components related to non-participant impacts from 2017-2024.

Xcel Table 5. Non-Participant Impact²⁸

| (in \$000s) | Total | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-----------|-----------|-----------|---------|---------|-----------|-----------|---------|---------|
| Line Losses | \$4,117 | \$498 | \$606 | \$712 | \$677 | \$641 | \$532 | \$359 | \$92 |
| Solar Curtailments | \$200 | \$37 | \$0 | \$43 | \$29 | \$66 | \$17 | \$4 | \$3 |
| Wind Curtailments | \$944 | \$302 | \$143 | \$148 | \$302 | \$35 | \$11 | \$4 | \$0 |
| Economic/Balancing | \$1,570 | \$178 | \$232 | \$240 | \$228 | \$230 | \$227 | \$185 | \$50 |
| Total | \$6,831 | \$1,015 | \$980 | \$1,143 | \$1,236 | \$973 | \$787 | \$552 | \$145 |
| | | | | | | | | | |
| Neutrality Payments | \$5,935 | \$636 | \$844 | \$900 | \$876 | \$891 | \$884 | \$717 | \$187 |
| | | | | | | | | | |
| Non-Participant Cost/(Benefit) | \$896 | \$379 | \$136 | \$243 | \$360 | \$82 | (\$97) | (\$165) | (\$42) |
| | | | | | | | | | |
| Net Economic Cost/(Benefit)⁴ | (\$5,331) | (\$1,228) | (\$1,225) | \$2,168 | \$566 | (\$2,889) | (\$1,792) | (\$688) | (\$244) |
| | | | | | | | | | |
| Total Cost/(Benefit) | (\$4,436) | (\$850) | (\$1,088) | \$2,411 | \$926 | (\$2,807) | (\$1,889) | (\$853) | (\$286) |

Xcel states that overall, neutrality payments fell short of participant costs by approximately \$379,000 in 2024. However, because the Company moved the higher-priced Odell Wind and North Star Solar out of the Fuel Clause and into the R*C Pilot Program, the net result is that non-participants have Received roughly a \$4.4-million benefit.²⁹

D.8. Impact on all Xcel Ratepayers through updates in base rates

The Company states that the R*C Programs had no impact on base rates in 2024.

²⁷ Annual Report Public, at 7.

²⁸ Annual Report Public, at 10

²⁹ Annual Report Public, at 9

D.9. Information on the number of terminations and accounting of termination fees

The Company states that there were five residential customer terminations in 2024, largely due to the customer moving out of Xcel's service territory. There were no business customer terminations of a 5- or 10-year contract in 2024.³⁰ Xcel States it eliminated the termination fee in quarter three of 2024.³¹

D.10. Line Losses

In its September 12, 2022, Order, the Commission ordered at Order Point 3:

Required Xcel to provide additional information on the Company's efforts to reduce line loss expenses in the 2023 Renewable*Connect Annual Compliance Filing and Tracker Account Report.³²

In its annual report, Xcel stated that line losses as a percentage of sales increased from 2023 but were lower than 2020-2022.³³ The Company states that line loss expenses decreased because overall production expenses decreased.³⁴ As stated in previous years, Xcel notes "line losses calculated for the purposes of the Renewable*Connect programs are calculated based on sales, which results in a slightly higher value than losses generally calculated based on energy."³⁵

Xcel also very briefly cites to its rate case in Docket No. E002/GR-21-630 and its Integrated Distribution Plan in Docket No. E002/M-23-452 (Appendix A4) referencing that the Company is "installing and implementing new systems to improve our capabilities to measure actual losses on the distribution system."³⁶

D.11. High Off-Peak Program

The Commission's May 18, 2023, Order in Docket No. E002/M-21-222 at Order Point 3.c. further requires Xcel to provide an assessment and discussion of the Company's actual experience of the high off-peak program customer resource usage compared to resource availability.³⁷ Xcel stated that the available production exceeded the production requirements for High-Off-Peak customers, for 2024.³⁸ Xcel provided the below not-public table for detail.³⁹

³⁰ Annual Report Public, at 10.

³¹ *Ibid.*

³² *In the Matter of Xcel Energy's Renewable Connect (R*C) Pilot Program Compliance Filing*, Order, September 12, 2022, Docket No. E002/M-22-161, (eDockets) [20229-188972-01](#), at Order Point 3.

³³ Annual Report Public, at 12.

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ *In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for the Approval of a Renewable*Connect Program Modification*, Order, May 18, 2023, Docket No. E002/M-21-222, (eDocket) [20235-195925-02](#), at order point 3.c.

³⁸ Annual Report Public, at 12

³⁹ *Id.*

| | |
|---|---|
| | MWH |
| | [TRADE SECRET DATA HAS BEEN EXCISED] |
| Production Requirement | |
| Production | |
| Production in Excess (Deficit) of Requirement | |
| | |

IV. DEPARTMENT RECOMMENDATIONS

Based on analysis of Xcel's R*C Annual Report and the information in the record, the Department has prepared recommendations, which are provided below. The recommendations correspond to the subheadings of Section III above.

D. COMPLIANCE FILING AND TRACKER ACCOUNT REPORT

D.1. The Department requests Xcel, in replies, indicate the subscription level of its program (in percentages and MWh) and indicate the specific number of customers on its waitlist. The Department requests Xcel, in replies, update parties on the status of the online enrollment system, and the resolution of the internal service policy and billing system constraints impacting program enrollment.

Attachments

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
Public Comments**

Docket No. E002/M-25-284

Dated this **29th** day of **May 2025**

/s/Sharon Ferguson

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