April 23, 2026

Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: In the Matter of Xcel Energy's 2025 Integrated Distribution Plan
Docket No. E-002/M-25-142

Executive Secretary Bergman,

Please find enclosed the Reply Comments of the Coalition for Community Solar Access, the Minnesota Solar Energy Industries Association, and the Solar Energy Industries Association, collectively the Joint Solar Parties (JSP).

Sincerely,

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STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION

In the Matter of Xcel Energy's 2025 Integrated Distribution Plan	**REPLY COMMENTS of CCSA, MnSEIA and SEIA, Collectively the Joint Solar Parties (JSP)**
April 23, 2026	**Docket No. E002/M-25-378**

EXECUTIVE SUMMARY

The Joint Solar Parties ("JSP")—the Coalition for Community Solar Access, the Minnesota Solar Energy Industries Association, and the Solar Energy Industries Association—respectfully submit these Reply Comments to the Minnesota Public Utilities Commission ("Commission") in the Matter of Xcel Energy's 2025 Integrated Distribution Plan ("IDP").

The JSP shares the concerns raised by the Department of Commerce ("Commerce") regarding the trajectory of Xcel's distribution spending, which is projected to reach $1.13 billion over the 2026–2030 period, a 425 percent increase over the prior five-year period, without any formal optimization and oversight measures comparable to those required in an Integrated Resource Plan ("IRP") or MISO's transmission planning process. The JSP supports Commerce recommendations C.1 through C.9, which address the information asymmetry issues in the current IDP process and establish a structured planning review process for reviewing and understanding the upstream decisions that drive Xcel's distribution budget before those decisions translate into rate impacts on Minnesota customers.

On Flexible Interconnection ("FI"), the JSP respectfully disagrees with Xcel's assertion that its dynamic-first proposal constitutes compliance with Order Point 19 of the Commission's September 16, 2024 Order, which unambiguously required Xcel to implement static Flexible Interconnection prior to implementing full, dynamic Flexible Interconnection.[1] The JSP worked with ELPC, CEF, and Vote Solar to develop the jointly approved Static Flexible Interconnection recommendations included in the comments below. On FERC Order 2222, the JSP continue to urge the Commission to open a regulatory proceeding to investigate matters squarely within the Commission's jurisdiction that MISO's Distributed Energy Resource Task Force ("DERTF") process cannot resolve.

COMMENTS

I. Mitigating Increasing Capacity Costs

The JSP shares the Department of Commerce's concern about the trajectory of Xcel's distribution spending and its impact on Minnesota ratepayers.[2] As the Department observes, these increases are not expected to be offset by new energy sales in the near term, leading to the Department's conclusion that Xcel's distribution spending may significantly impact rates. Xcel's own data corroborates this conclusion, with distribution revenue requirements forecast to more than double, from $468 million in 2021–2022 to over $1 billion by 2030.[3]

The JSP further share the Department's concern that this escalating spending is occurring without any optimization process comparable to what exists in an Integrated Resource Plan or MISO's transmission planning process. As the Department explains, while an IRP and MISO's transmission planning process both require least-cost analysis, no equivalent optimization mechanism currently exists for distribution investments. The existing IDP and rate case processes have demonstrably been unable to prevent Xcel's distribution budget from doubling in

[1] *In the Matter of Xcel Energy's 2023 Integrated Distribution Plan*, Docket No. E-002/M-23-452, Minnesota Public Utilities Commission, ORDER ACCEPTING 2023 INTEGRATED DISTRIBUTION PLAN AND MODIFYING REPORTING REQUIREMENTS (September 16, 2024), at 26.

[2] *In the Matter of Xcel Energy's 2025 Integrated Distribution Plan*, Docket No. E002/M-25-142 Minnesota Department of Commerce INITIAL COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE (February 26, 2026), at pages 7 and 29.

[3] *Id*, at 8.

just five years.[4] The JSP believe the Department correctly identifies that distribution costs are the product of a sequence of discretionary upstream decisions and that "small changes in assumptions or standards could result in large shifts in utility budgets."[5]

Xcel opposes recommendations for Commission or stakeholder-directed review, modification, or approval of its core planning standards. The Company argues such processes would undermine the application of consistent engineering science and judgment.[6] The JSP interprets the Department's proposed planning standard review as fully consistent with the informational purpose of the IDP—it is designed and intended to ensure that more information is available to stakeholders on the "upstream decision making before budgeting, such as decisions made in forecasting, capacity planning limits, the benefits of reliability, and wildfire mitigations," all of which "involve judgment and choice." [7]

The JSP support Commerce Recommendations C1-C.9. The combined recommendations address the information asymmetry in the current IDP process and introduce a process to transparently optimize planning by assessing the upstream planning decisions that drive Xcel's distribution budget before those decisions translate into rate increases. As the Department observes, "intervenors are forced to ask information requests and make ad hoc recommendations about Xcel's system planning assumptions without a formal presentation of Xcel's system planning. This information asymmetry means that intervenors do not know or understand how Xcel makes decisions, and can therefore not offer alternatives to strategies that are unknown." [8]

II. Xcel's "Dynamic Flexible Interconnection First" Approach Does Not Satisfy Order Point 19.

The JSP appreciate that Xcel agrees that FI is an important tool for enabling DER growth. We respectfully disagree with Xcel's assertion that it is complying with Order Point 19

[4] *Id,* at 9-10.
[5] *Id,* at 2.
[6] *In the Matter of Xcel Energy's 2025 Integrated Distribution Plan*, Docket No. E002/25-142, Northern States Power Company, doing business as Xcel Energy, REPLY COMMENTS, (March 19, 2026), at 5.
[7] *In the Matter of Xcel Energy's 2025 Integrated Distribution Plan*, Docket No. E002/M-25-142 Minnesota Department of Commerce INITIAL COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE (February 26, 2026), at 12.
[8] *Id,* at 22.

by pursuing a staged approach to FI, DERMS, and hosting capacity improvements.[9] That claim cannot be squared with the plain text of the Order. Order Point 19 specifically requires "(a) implementing **static** Flexible Interconnection **prior to** implementing full dynamic Flexible Interconnection; and (b) pursuing a staged approach to Flexible Interconnection, DERMS, and Dynamic Hosting Capacity"(emphasis added).[10] Xcel's proposal disregards the level of detail contemplated in the second requirement while openly refusing to comply with the first. This is selective compliance, which amounts to no compliance at all.

Xcel insists that its dynamic-first proposal constitutes a "staged approach." The Commission's order did not leave the sequencing open to Xcel's discretion. Order Point 19's directive to implement static FI **before** dynamic FI was the Commission's response to Xcel's prior arguments for skipping directly to dynamic FI (arguments that Xcel is now recycling). The Commission has already considered and rejected this position. Xcel's proposal to deploy DERMS on five to ten self-selected feeders beginning in 2026 - with no broader availability until 2029 at the earliest - does not constitute implementation of static FI in the near term. It is a multi-year prolonged deferral dressed up as a phased plan. Xcel acknowledges static FI is technically feasible today. The Commission ordered it be implemented **prior to** dynamic FI. The grid needs it. There is no legitimate basis for continued delay.

Xcel argues that stakeholder recommendations regarding the sequencing and operational parameters of FI "move beyond policy considerations and into engineering and system planning standards" that must remain within the Company's technical discretion. The question of whether static FI should be implemented before dynamic FI is not a question of engineering standards – it is a question of regulatory compliance. The Commission already answered it in Order Point 19. Engineering judgment governs *how* to implement static FI safely and reliably; it does not govern *whether* to implement it or in what order relative to dynamic FI. That sequencing decision was made by the Commission, not delegated to the Company's technical staff.

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9 *In the Matter of Xcel Energy's 2025 Integrated Distribution Plan*, Docket No. E002/25-142, Northern States Power Company, doing business as Xcel Energy, REPLY COMMENTS, (March 19, 2026), at 22-23.

10 *In the Matter of Xcel Energy's 2023 Integrated Distribution Plan*, Docket No. E-002/M-23-452, Minnesota Public Utilities Commission, ORDER ACCEPTING 2023 INTEGRATED DISTRIBUTION PLAN AND MODIFYING REPORTING REQUIREMENTS (September 16, 2024), at 26.

If Xcel's argument were accepted, it would effectively allow the Company to override a Commission directive on implementation sequencing simply by characterizing it as an engineering matter. That logic would render Order Point 19, and future Commission orders with operational specificity, unenforceable. The Commission has both the authority and the responsibility to direct the sequencing of utility programs that affect distribution system access, interconnection costs, and ratepayer outcomes. Stakeholders urging enforcement of that sequencing are not intruding on engineering prerogatives; they are asking the Commission to hold Xcel to its existing obligations.

Xcel's proposal disregarded the level of detail contemplated in the second requirement of Order Point 19, which asked it to develop a staged approach to "Flexible Interconnection, DERMS, and Dynamic Hosting Capacity." Xcel's staged approach to dynamic flexible interconnection provides little specificity, beyond the utility's intention to procure the DERMS required for eventually enabling dynamic FI. A limited six feeder DERMS deployment begins Q3 2026, site selection stretches through 2027, and the pilot doesn't conclude until the end of 2028. 2029–2030 are vaguely labeled as "Scale, Adjust, or Sunset." No systemwide rollout of Dynamic Hosting Capacity is committed to anywhere in the five-year window. This does not demonstrate Xcel's ability to "integrate DERs with the tools available to it today and in the near term" as contemplated by Order Point 19.[11]

Xcel itself has recently engaged in a DGWG process to develop standards required for the implementation of static FI. The process resulted in proposed changes to the MN DIP and TIIR incorporating explicit treatment of distributed energy resources (DER) using Power Control Systems for maximum capacity and export controls necessary to implement static FI.[12] Xcel is already engaged in using its engineering judgment to implement static FI safely and reliably, and it simply needs to comply with Order Point 19 to operationalize this judgment.

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[11] *Id.*

[12] *In the Matter of Updating the Generic Standards for the Interconnection and Operation of Distributed Generation Facilities Established under Minn. Stat. §216B.1611,* Docket Number: E999/CI-16-521, Minnesota Public Utilities Commission, NOTICE OF COMMENT PERIOD, (April 10, 2026).

The JSP appreciate that ELPC, CEF and Vote Solar share our perspective that Xcel did not adequately address Order Point 19.[13] Xcel's dismissal of static FI and prolonged timeline for implementing dynamic FI show a concerning lack of progress in developing a tool that even the utility agrees is important for enabling DER growth. We echo the coalition's perspective that Grid DERMS should not be used as a reason to sideline static FI.[14] Finally, we believe the coalition's suggestion that the Commission require Xcel to review external materials dynamic FI from Ameren and CHARGED to be reasonable in light of the challenges Xcel faced in adequately addressing Order Point 19.[15] To this end, the JSP worked with ELPC, CEF and Vote Solar to develop the following Static Flexible Interconnection recommendations. We respectfully ask the Commission to:

- Enforce Order Point 19 and require Xcel to revise its Flexible Interconnection proposal to develop and implement Static FI in the near term, prior to or in parallel with implementing full Dynamic FI.
- Require Xcel to file a report by December 31, 2026 on its FI efforts and plans in this docket, including a specific update on progress toward implementing Static FI, covering technical standards, customer-facing documentation, and enablement timelines.
- Require Xcel to include updated FI information in its 2027 IDP, including the number of new load and DER connections utilizing Static FI, the capacity made available as a result, and progress toward Dynamic FI rollout.
- Require Xcel to incorporate and address discussions and learnings from the DGWG process in its 2026 report and 2027 IDP filing.
- Require Xcel to review materials from Ameren and CHARGED, both of whom have worked extensively on Flexible Interconnection and offer directly applicable design considerations.

Xcel should incorporate those considerations into its program design and address them specifically in its 2026 report and 2027 IDP.

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[13] *In the Matter of Xcel Energy's 2025 Integrated Distribution Plan,* Docket No. E-002/M-25-142, Environmental Law & Policy Center, Cooperative Energy Futures, and Vote Solar (ELPC/CEF/VS), INITIAL COMMENTS (February 26, 2026), at 17.
[14] *Id*, at 38.
[15] *Id*, at 21.

III. Xcel's Claim That Additional Commission Action to Implement Order 2222 Is Unnecessary Is Unsupported.

In its comments on FERC Order 2222, Xcel agreed that "Order 2222 presents significant operational, regulatory, and technological coordination challenges for distribution utilities." The utility then concluded its discussion of Order 2222 by asserting that additional Commission action is not necessary to address these operational, regulatory, and technological coordination challenges at this time. JSP agree with Xcel that "state‑level coordination may help avoid duplicative investments, unclear cost allocation, and data‑management challenges that could affect Minnesota customers." We respectfully disagree that Commission action taken now would be premature in addressing implementation issues.

The JSP has not suggested the Commission engage in actions that would preempt or duplicate MISO's tariff development. Rather, we suggested that the Commission exercise its existing jurisdiction over distribution interconnection, retail rate design, distribution system planning, and data access - all matters Order 2222 explicitly preserved for state regulators - to coordinate on these matters. The Commission does not need to wait for MISO to finalize its tariff before acting on issues squarely within its own jurisdiction. As a regional stakeholder body operating within FERC's wholesale jurisdiction, the DERTF cannot harmonize Minnesota's MN DIP with DERA registration requirements, clarify how retail and wholesale services may be stacked under Minnesota's retail tariff regime, establish state data-sharing protocols between Xcel and Minnesota aggregators, or determine whether Xcel's existing grid modernization investments are being fully utilized.

Indiana, Michigan, Iowa, and Wisconsin have each already opened regulatory proceedings to address Order 2222 coordination. These states are not waiting for MISO to complete its tariff work. With MISO's Phase 1 implementation expected by June 1, 2027, Minnesota's continued inaction leaves its distribution interconnection processes, data-sharing rules, and dual-participation policies unaddressed at a time when delay may make these issues more complex and more costly to resolve.

CONCLUSION

The Joint Solar Parties respectfully submit that the issues raised in these reply comments are central to whether Minnesota's distributed energy future is built on a foundation that is functional, fair, and cost-effective for ratepayers. The JSP respectfully urge the Commission to adopt the following recommendations:

- **Mitigating Capacity Costs and Planning Standard Review**
  - Support Commerce Recommendations C.1 through C.9, establishing a cyclical planning standard review process beginning with Capacity and Wildfire standards in 2027, an ad hoc review process available to intervenors, mandatory disclosure of all planning standard changes in each IDP filing, and a work group to identify and remove outdated IDP filing requirements.
- **Static Flexible Interconnection**
  - Enforce Order Point 19 and require Xcel to revise its Flexible Interconnection proposal to develop and implement Static FI in the near term, prior to or in parallel with implementing full Dynamic FI.
  - Require Xcel to file a report by December 31, 2026 on its FI efforts and plans, including a specific update on progress toward implementing Static FI covering technical standards, customer-facing documentation, and enablement timelines.
  - Require Xcel to include updated FI information in its 2027 IDP, including the number of new load and DER connections utilizing Static FI, the capacity made available as a result, and progress toward Dynamic FI rollout.
  - Require Xcel to incorporate and address discussions and learnings from the DGWG process in its 2026 report and 2027 IDP filing.
  - Require Xcel to review materials from Ameren and CHARGED and incorporate key considerations into its program design, addressed specifically in its 2026 report and 2027 IDP.
- **FERC Order 2222**
  - Open a regulatory proceeding to address Order 2222 coordination issues within the Commission's jurisdiction, including harmonization of the MN DIP with DERA registration requirements, streamlining of the 60-day aggregation review

window, clarification of dual participation rules, establishment of data-sharing protocols, and a review of whether Xcel's existing grid modernization investments are being fully utilized before additional spending is authorized.

Respectfully submitted,

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