

July 28, 2023

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

RE: Center for Energy and Environment and Fresh Energy's Comments in the Matter of the Commission Investigation to Identify and Develop Performance Metrics and Potentially, Incentives for Xcel Energy's Electric Utility Operations

Docket Number E002/CI-17-401

Dear Mr. Seuffert,

Center for Energy and Environment and Fresh Energy (jointly, "Joint Commenters") respectfully submit these Comments to the Minnesota Public Utilities Commission ("Commission") in response to the May 26, 2023 Notice of Comment Period In the Matter of the Commission Investigation to Identify and Develop Performance Metrics and Potentially, Incentives for Xcel Energy's Electric Utility Operations in this docket.

The Joint Commenters recommend that the Commission accept Xcel Energy's 2021 and 2022 Annual Performance Metrics Reports. We believe that these reports provide valuable information about Xcel Energy's (or "the Company") performance across the key areas of regulatory oversight and the public interest. We expect that parties may have comments and questions related to some of the individual reported metrics and expect a constructive discussion of how the Company is performing on the metrics included in the report.

We do not recommend that the Commission take any action to set targets or establish baselines or benchmarks for metrics at this time. The effects of the COVID-19 pandemic, including related policies and economic conditions that resulted from the pandemic, have been broad and significant, affecting everything from utility disconnection rates to carbon emissions. The Joint Commenters believe that the last three years of data associated with many of the metrics included in the Company's Performance Metrics Reports may not be an appropriate or predictive measure of current or future performance.

Moreover, several new policies have been enacted or proposed that may affect and inform many of the performance metrics and associated baselines, targets, and benchmarks. Those policies include the following.

- In May 2021, Minnesota Governor Tim Walz signed into law the Minnesota Energy Conservation and Optimization Act (“ECO”).¹
- In June 2021, Minnesota Governor Tim Walz signed into law the Natural Gas Innovation Act (“NGIA”).²
- On November 6, 2021, the U.S. Congress passed the Bipartisan Infrastructure Deal (Infrastructure Investment and Jobs Act).³
- On August 16, 2022, the federal Inflation Reduction Act (“IRA”) was signed into law.
- In February 2023, Minnesota enacted the 100 Percent Clean Energy Law,⁴ creating a carbon-free standard for electric utilities in the state.
- In 2023, the U.S. Environmental Protection Agency (“EPA”) proposed new carbon dioxide pollution standards for new and existing coal and natural gas-fired power plants under Section 111 of the Clean Air Act.⁵
- Several additional laws were passed in 2023 related to transportation electrification, air source heat pumps, weatherization services, low-income energy efficiency services through ECO, commercial building energy benchmarking, and commercial building codes.
- In 2023, Energy CENTs Coalition proposed and received approval for a “Low-Income, Low-Usage Discount” pilot program aimed at reducing the energy bills of “low-income” (i.e. those at or below 50% of State Median Income) customers who have a monthly average electricity usage of 300 kWh or less.⁶

Most of these new policies are in the early stages of implementation, while the U.S. EPA’s new carbon dioxide pollution standards are still under review.

Given these numerous and far-reaching policy changes, as well as the impact of the COVID-19 pandemic on nearly all aspects of utility operations and performance data, the Joint Commenters recommend that the Commission take no action to establish baselines, targets, and benchmarks at this time. After the Company’s next Annual Performance Metrics Report has been filed, we recommend that the Commission consider whether it would be an appropriate time to establish baselines or targets. At that time, we also recommend that the Commission ask stakeholders and

¹ Minnesota Laws 2021, Chapter 29

² Minnesota Laws 2021 1st Special Session, Chapter 4, Article 8, Sections 20, 21, and 27.

³ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/11/06/fact-sheet-the-bipartisan-infrastructure-deal/>

⁴ Minnesota Session Laws 2023, Chapter 7

⁵ <https://www.epa.gov/stationary-sources-air-pollution/greenhouse-gas-standards-and-guidelines-fossil-fuel-fired-power#:~:text=Announcement,standards%20to%20August%208%2C%202023>

⁶ Docket No. E002/GR-21-630, Public Utilities Commission, Findings of Facts, Conclusions, and Order, published July 17, 2023. (Page 121) <[Link](#)>

the utility to do a full review of the current metrics to determine if any changes are needed to align with the recent policy changes noted above.

The Joint Commenters thank the Commission for considering our Comments. Please contact me at apartridge@mncee.org with any questions.

Sincerely,

Audrey Partridge
Director of Policy
Center for Energy and Environment

Anjali Bains
Lead Director, Energy Access and Equity
Fresh Energy

AFFIDAVIT OF SERVICE

DOCKET NUMBER E002/CI-17-401

I, Audrey Partridge, hereby certify that on this 28th day of July 2023, I served *Center for Energy and Environment and Fresh Energy's Comments in the Matter of the Commission Investigation to Identify and Develop Performance Metrics and Potentially, Incentives for Xcel Energy's Electric Utility Operations* in Docket Numbers E002/CI-17-401 on the following persons on the attached Service Lists by:

X placing such filing in envelopes, properly addressed, and depositing the same in the Post Office at the City of Minneapolis, for delivery by the United States Post Office as directed by said envelopes.

X electronic filing

/s/ Audrey Partridge

Audrey Partridge

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