

June 12, 2025

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

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

Dear Mr. Seuffert:

Attached are the reply 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 Energy on April 1, 2025.

The Department recommends the Minnesota Public Utilities Commission (Commission) **accept** Xcel Energy's 2024 Renewable*Connect Annual Compliance Filing, Tracker Account Report and **approve** Xcel's proposed 2025 Renewable*Connect tariff modifications. The Department is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

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

AB/RW/ar

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce

Docket No. E002/M-25-184

I. INTRODUCTION

The Department filed its initial comments on this matter on May 29, 2025, addressing many of the notice topics and citing the need for additional information from the Company before completing its review of Xcel's filing. On May 30, 2025, the Department issued Information Requests (IR) to the Company to acquire a detailed explanation of the calculation of the company's proposed neutrality charges and the R*C Flex rate. Upon receipt of the IRs from the Company, the Department was able to confirm the calculation of the rate and complete its review. These comments respond to the three outstanding notice topics that were pending responses to the Department's IRs:

- 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?

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. ¹
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. ²

¹ 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](#).

² 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](#).

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.
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.

May 29, 2025 The Department filed initial comments in the instant docket.

May 30, 2025 The Department issued Information Requests to the Company.

III. DEPARTMENT ANALYSIS

A. UPDATE THE 5- 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-15-985.³ 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 types⁴

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. The Department recommends the Commission approve Xcel's proposed 2025 neutrality charge for the 5-year and 10-year service types.

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 Attachment D to its annual report, Xcel provides its proposed 2026 R*C Flex Program rate and Neutrality Charge.⁵

³ *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.

⁴ Department Initial Comments, at 5

⁵ Annual Report, Attachment D.

Renewable*Connect Flex Pricing

Cents per kWh

	2026
Renewable*Connect	
Blended Resource Cost	2.996
(Less) Capacity Credit	0.271
Net Energy Resources Cost	2.725
(Add) Neutrality Charge (Line Losses, Curtailment & Other Costs)	0.561
Delivered Resource Cost	3.286
(Add) Administrative Cost	0.150
Total Cost	3.436

In its R*C annual report, Xcel proposes to revise Tariff Sheet No. 5-161 to update the 2026 R*C Flex Month-to-Month (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:

Department Table 2: 2025 R*C Flex Rate and Neutrality Charge⁶

	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%

After reviewing the IR responses from the Company, the Department finds Xcel's proposed updates to be reasonable and recommends the Commission approve the proposed 2025 R*C Flex rate and neutrality charge.

C. REVISED TARIFF SHEETS

The Department has reviewed Xcel's proposed Tariff Sheet revisions and finds them satisfactory. The Department recommends the Commission approve Xcel's proposed updates to its 2025 R*C Tariff.

⁶ Department Initial Comments, at 6

IV. DEPARTMENT RECOMMENDATIONS

Based on analysis of the 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.

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

- The Department recommends the Commission approve Xcel's proposed 2025 neutrality charge for the 5-year and 10-year service types.

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

- The Department recommends the Commission approve the proposed 2025 R*C Flex rate and neutrality charge.

C. REVISED TARIFF SHEETS

- The Department recommends the Commission approve Xcel's proposed updates to its 2025 R*C Tariff

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
Reply Comments

Docket No. E002/M-25-184

Dated this **12th** day of **June 2025**

/s/Sharon Ferguson

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