



## Minnesota Solar Energy Industries Association

We Move Minnesota Solar + Storage Forward

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October 6, 2025

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 Petition for Approval of Residential Time-of-Use  
Docket No. E002/M-23-524**

Executive Secretary Bergman,

Please find here the Initial Comments of the Minnesota Solar Energy Industries Association. These comments reflect the views of our organization and interested members on the issue raised and the topics open for discussion in the Minnesota Public Utilities Commission's Notice of Comment Period issued on September 5, 2025, in the above-referenced docket.

Sincerely,

*/s/ Logan O'Grady, Esq.*  
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**STATE OF MINNESOTA  
PUBLIC UTILITIES COMMISSION**

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**In the Matter of Xcel Energy’s Petition  
for Approval of Residential Time-of-Use  
Rates**

**INITIAL COMMENTS of MnSEIA**

**October 6, 2025**

**Docket No. E002/M-23-524**

**INTRODUCTION**

The Minnesota Solar Energy Industries Association (“MnSEIA”) is a nonprofit association of over 160 members that represents Minnesota’s solar and storage industry. Our broad membership ranges from rooftop installers to non-profit organizations, manufacturers, and many others, all of whom collectively employ over 5,000 Minnesotans. MnSEIA submits these Initial Comments in response to the Public Utilities Commission (“Commission”)’s September 5, 2025, Comment Period on Xcel Energy (“Xcel”)’s August 14, 2025, compliance filing on updates to the residential time-of-use (“TOU”) rates approved by the Commission in their May 15, 2025, Order.

MnSEIA appreciates Xcel’s continued engagement on this important issue and its updated proposal for net metered customers on the A50 rate – the Excess Generation Average Retail Utility Service – which is by far the most common tariff choice for Net Metering (“NEM”) customers with <40kW capacity systems.

MnSEIA’s Initial Comments will focus on the following specific topics, from those listed by the Commission in the September 5, 2025, Notice of Comment Period:

- 1) Should the Commission approve, modify, or deny Xcel Energy’s revised methodology for

participation in the Time-of-Use (TOU) rate by Net Metering customers?

2) Does Xcel's August 14, 2025, Compliance filing address all of the requirements listed in the Commission's May 15, 2025, Order, including but not limited to:

- b) Marketing, Education, and Outreach
- c) Proposed Tariff Changes
- e) Proposed Reporting Requirements

### **COMMENTS**

**1) Should the Commission approve, modify, or deny Xcel Energy's revised methodology for participation in the Time-of-Use (TOU) rate by Net Metering customers?**

Yes. MnSEIA respectfully requests that the Commission approve Xcel's revised methodology for calculating the A60 rate, or how NEM customers currently taking service on the A50 rate can participate in the new TOU rate. MnSEIA appreciates the Commission's previous order, and Xcel's work to refine the implementation of NEM with the TOU rate in their August 14th filing. As noted in our October 9, 2024, filing in this docket, Minnesota law requires the Commission to encourage cogeneration and small power production "[t]o the maximum reasonable extent".<sup>1</sup> As stated then, MnSEIA believes a TOU rate structure applied to the residential class can be done in a way that better achieves this consideration than a flat rate design, as it incentivizes NEM customers to install solar power production facilities and, if combined with battery storage, export excess electricity to the grid in a way that better meets peak demand. NEM customers, particularly those with batteries who are able to discharge generated electricity in line with grid

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<sup>1</sup> Minn. Stat. § 216B.03 ("Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers. To the maximum reasonable extent, the commission shall set rates to **encourage energy conservation and renewable energy use and to further the goals of sections 216B.164, 216B.241, and 216C.05.**") (Emphasis added)

signals, can help meet peak demand in the evening on-peak period and provide an essential service to the grid. If properly executed, this TOU rate could act as a market based incentive for more Minnesotans to install solar and, for more solar facility owners to add battery storage, increasing grid benefit in evening peak demand hours if properly set up. Such an outcome would likely take multiple years of implementation and adjustment, but this NEM TOU rate represents an important first step towards achieving it. This proposal would create a time-varying rate that would a) more accurately reflect the time-varying value of the electricity NEM customers can provide than the original proposal b) is relatively easy to understand, and c) seems to comply with the Commission's May 15, 2025, order and, accordingly Minn. Stat. 216B.164, subd. 3(d), and Minn. R. 7835.0100, subp. 2a.

**2) Does Xcel's August 14, 2025 Compliance filing address all of the requirements listed in the Commission's May 15, 2025 Order, including but not limited to:**

**b) Marketing, Education, and Outreach**

We find Xcel's compliance filing addresses the Marketing, Education, and Outreach on updates as required. Having said that, contingent on this proposed methodology for the A60 tariff being approved by the Commission, MnSEIA respectfully requests that Xcel be required to do initial outreach on the A50 rate to developers and customers. The Commission's order states:

*"Xcel must develop and perform targeted outreach to existing distributed generation rate customers on the existing A51 to A56 rate codes to inform them of the new rates and must include its outreach plan in its 90-day Compliance Plan. Prior to rate implementation, the Company must also hold a training for DER developers on the new rate options at a quarterly DER workgroup meeting."*

At the time of this order, the A60 rate code (TOU for A50 customers) had not been approved. Contingent upon the approval of the A60 calculation and tariff by the Commission, it

stands to reason that existing distributed generation customers on the A50 rate code should be added to the planned outreach. The A50 tariff is far and away the most popular net metering tariff for customers with eligible systems (<40kW capacity), so it would be unreasonable not to include them. Xcel's compliance filing discusses outreach to net metered customers and stakeholders, noting that an informational session for DER developers will be scheduled in a 2026 quarterly workshop<sup>2</sup>. Given that this outreach is still early in development, it should be minimal extra effort to add the A60 rate/outreach to current A50 customers to this outreach plan.

### **c) Proposed Tariff Changes**

Xcel's proposed tariff modifications for the A57, A58, and A59<sup>3</sup> rates reflect the modifications approved in the Commission's order on May 15, 2025. Xcel's proposed modifications for the A60 rate<sup>4</sup> accurately reflect the modifications proposed in their August 14, 2025 filing, which MnSEIA respectfully encourages the Commission to adopt.

### **e) Reporting Metrics**

MnSEIA appreciates Xcel's inclusion of NEM-specific tracking on the topics of opt-in rate, departures from the TOU rate, and energy consumption across three periods (on, off, and mid-peak)<sup>5</sup>. As noted in our initial comments in this docket in October of 2024, NEM customers, particularly those with batteries who are able to discharge generated electricity in line with grid signals, can help meet peak demand and provide an essential service to the grid. Including NEM-specific tracking metrics in the TOU reporting requirements creates an opportunity to analyze the efficacy of Xcel's TOU rates in incentivizing the participation of these customers for the benefit

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<sup>2</sup> Xcel Energy 23-524 Compliance Filing 8/14/25, pg. 20

<sup>3</sup> *Id.*, Attachment E, pg. 12-14

<sup>4</sup> *Id.*, Attachment E, pg. 11

<sup>5</sup> *Id.*, Attachment F, pg. 1-2

of the grid. A low adoption rate may indicate flaws with the marketing, or with the design of the rate itself, and would accordingly be an opportunity to reevaluate the implementation of TOU rates for NEM customers.

If possible, we would respectfully request Xcel track the rate of battery storage paired with solar for NEM customers that participate in the TOU rate. This data will aid the utility, the commission and other stakeholders in understanding whether or not customers with behind-the-meter batteries are interested in using their storage to respond to market rates, or are aware of the TOU rate in the first place. Given the time and weather-varying generation of solar, it may not make sense for some solar customers to opt into the NEM TOU rate, unless their system has exporting battery storage paired with it. If Xcel is unable to track the rate of battery storage paired with solar, the NEM adoption rate may seem deceptively low, as per capita few NEM customers in Minnesota currently have paired storage. Having access to this data then would give the Commission a more effective indicator in the efficacy of the TOU NEM rate, as it would specifically track the customers most likely and able to participate in the new rate.

## **CONCLUSION**

MnSEIA appreciates Xcel's continued engagement on time-of-use rates and the Commission's ongoing leadership in this crucial outreach. We believe that the Commission's approval of Xcel's revised methodology for NEM participation in TOU rates, paired with robust outreach and comprehensive reporting, represents an important step toward aligning customer behavior with grid needs while advancing Minnesota's statutory goal of encouraging small-scale renewable generation. By ensuring thoughtful implementation, tracking, and outreach, the updated TOU framework can enhance grid reliability and affordability by reducing peak demand, support greater adoption of solar plus storage, and deliver long-term benefits to Minnesota ratepayers and

the state's clean energy transition. Approval of this rate structure and the requested updates to the reporting metrics would represent a critical step in the development of next-generation rates in Minnesota, as our grid evolves to make better use of the distribution system in its entirety.

Sincerely,

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