

April 19, 2021

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
Saint Paul, Minnesota 55101-2147

RE: **Reply Comments of the Minnesota Commerce Department, Division of Energy Resources**  
Docket No. E111/M-21-127

Dear Mr. Seuffert:

Attached are the Reply Comments of the Minnesota Commerce Department, Division of Energy Resources (Department) in the following matter:

In the Matter of a Dakota Electric Association Petition to Implement Pilot Electric Vehicle Services

The Department **recommends approval of Dakota Electric Association's EV Pilot Programs with modifications**. The Department is available to answer any questions that the Minnesota Public Utilities Commission may have in this matter.

Sincerely,

/s/ MATTHEW LANDI  
Rates Analyst

ML/ja  
Attachment



## Before the Minnesota Public Utilities Commission

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### Reply Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E111/M-21-127

#### I. BACKGROUND

On February 12, 2021, Dakota Electric Association (Dakota) filed a proposal (Petition) to implement two new pilot services related to electric vehicles (EVs):

1. Pilot Non-Residential Electric Vehicle Service (Non-Residential EV Service)
2. Pilot Multi-Family Residential Electric Vehicle Service (Multi-Family EV Service)

The Non-Residential EV Service pilot would be available to non-residential customers who receive their main electric service through Dakota's existing Schedules 41 (Small General Service), 46 (General Service), and 54 (General Service, Optional Time-of-Day Rate). The Multi-Family EV Service pilot would be available for customers who live in multi-family homes as a separately installed service. Both pilots require participants to be on Dakota's Residential EV Service rate (Schedule EV-1)<sup>1</sup>.

On February 17, 2021, the Minnesota Public Utilities Commission (Commission) issued a Notice of Comment Period (Notice) and opened the following topics for comments:

- Should the Commission approve, modify, or reject Dakota Electric's proposed Pilot Non-Residential Electric Vehicle Service?
- Should the Commission approve, modify, or reject Dakota Electric's proposed Pilot Multi-Family Residential Electric Vehicle Service?
- Are there other issues or concerns to this matter?

On or before March 15, 2021, Fresh Energy, Minnesota Center for Environmental Advocacy, Natural Resources Defense Council, Sierra Club, Union of Concerned Scientists, and Plug in America (collectively, Clean Energy Groups or CEGs) as well as the Department of Commerce, Division of Energy Resources (Department) submitted comments responsive to the Commission's Notice.

On March 24, 2021, Dakota requested additional time to file its reply comments, which the Commission subsequently granted. Dakota filed utility reply comments on April 2, 2021.

The Department provides the following party reply comments in response to Dakota's reply comments and CEGs' comments.

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<sup>1</sup> Dakota Electric Association *Residential Electric Rates*, Schedule EV-1; Section V, Sheet 4.0, Revision 2, effective 10/1/20. Accessed at: <https://bit.ly/308ALkr>.

## II. DEPARTMENT ANALYSIS

### A. RESPONSE TO DAKOTA'S REPLY COMMENTS

The Department's initial comments had five requests for additional information and one recommendation for Dakota's proposed EV pilot programs.

Dakota responded to each request and to the Department's recommendation. The Department reviews Dakota's responses below.

#### 1. Department Request No. 1

The Department requested that Dakota clarify in utility reply comments whether participants in the Non-Residential EV Service pilot would be able to offer EV charging services to third parties and, if so, how Dakota plans to track whether participants are offering the default rate design as proposed or are offering an alternative pricing paradigm.

Dakota responded that participants in the Non-Residential EV Service pilot would likely offer EV charging services to third parties and that it "does not plan to track or monitor whether participants are offering the default rate design as proposed or are offering an alternative pricing paradigm."<sup>2</sup>

The Department notes that the Commission has required other utilities to track whether participants in other EV pilot programs are using the default rate design as proposed or are offering an alternative pricing paradigm, and to report that information to the Commission.<sup>3</sup> The Department shares Dakota's interest in participants' EV charging behavior and notes that a requirement to track what rate design is being offered to third parties does not mandate that participants use a specific pricing paradigm; it

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<sup>2</sup> Dakota Reply Comments, Docket No. E111/M-21-127, dated April 2, 2021, at 2.

<sup>3</sup> See *Order Approving Pilots with Modifications, Authorizing Deferred Accounting, and Setting Reporting Requirements*, July 17, 2019, Docket No. E002/M-18-643, Order Point No. 6: "The Commission hereby modifies the Public Charging tariff to condition participation in the pilot program on agreement by site hosts to have a default time-differentiated rate structure that reflects the on-peak and off-peak time periods of Xcel's Pilot tariff and an energy rate differential ratio of at least 2:1. **However, site hosts may opt out of the default arrangement at their discretion to set pricing that reflects other considerations or needs, provided that such prices are reported to the utility for purposes of Xcel's annual reporting.**" (Emphasis added). See *Order Approving Pilot with Modifications, and Setting Reporting Requirements*, December 12, 2019, Docket No. E015/M-19-337, Order Point No. 4(B)(6) (in relevant part): "Minnesota Power shall report the following information to the best of its ability after making commercially reasonable efforts to acquire the relevant information... **6. If the customer is providing public charging, rates and fees charged to end user customers, and if those rates changed during the year, what period they were in effect.**" (Emphasis added). See *Order Approving Pilot Program, Granting Deferred Accounting, and Setting Additional Requirements*, October 27, 2020, Docket No. E017/M-20-181, Order Point No. 14(b)(ii) (in relevant part): "Otter Tail must file reports that include the following information and data to the greatest extent practicable...b. Third Party DCFC Tariff offering...ii. **Publicly accessible information on site host characteristics, including rates and fees charged to end-user customers.**" (Emphasis added)

merely asks that whatever rate design is used by a participant offering EV charging to third parties, that Dakota collects that information and reports it to the Commission.

The Commission has interest in knowing how responsive participants' EV charging behavior is to the rate design. Without knowing what rate design a participant is offering, the value of EV charging behavior data is limited. The Commission and other stakeholders would have a difficult time assessing the efficacy of the proposed rate design in affecting EV charging behavior. Collecting this data will help in this assessment, since EV charging behavior can be affected by a rate design such as the one proposed in the Non-Residential EV Service pilot. Collecting this information is consistent with other utility EV pilot program reporting requirements.

**The Department recommends that Dakota track the rate design offered to third parties by participants in the Non-Residential EV Service pilot and report how many participants are offering the default rate design in Dakota's annual EV filing. (Department Recommendation 1)**

## *2. Department Request No. 2*

The Department requested that Dakota provide in utility reply comments an expanded rationale for its Load Factor and Coincidence Factor assumptions and to explain whether Dakota used data from its Schedule EV-1 or other tariffs to inform these assumptions.

Dakota explained that the analysis for the proposed Non-Residential EV Service pilot and the Multi-Family EV Service pilot relied on the same analytical approach that Dakota used to develop its EV-1 residential service. Dakota explained that the coincidence is "fairly well reflected in the cost analysis assumptions but will be confirmed and refined based on actual usage under each schedule."<sup>4</sup>

Dakota also stated that the assumed load factor for the Multi-Family EV Service pilot is generally reasonable and consistent with the load factor observed for the residential EV-1 schedule. Dakota stated that "for residential EV charging, we anticipate that a single vehicle is being charged and the average load factor is about 5.7 percent. For the non-residential EV rate, we are assuming that depending on the setting/scenario, there could potentially be twice as much charging per connected EV charger. That is, we are assuming a load factor of 10 percent."<sup>5</sup>

The Department concludes that both assumptions are generally reasonable and plans to review the information Dakota submits in its process of refining the rates of each proposed pilot based on actual usage.

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<sup>4</sup> Dakota Reply Comments, at 2.

<sup>5</sup> Dakota Reply Comments, at 2.

### *3. Department Request No. 3*

The Department requested that Dakota provide in utility reply comments a discussion of whether the separate metered circuit requirement will serve as a barrier to EV charging and determine whether this potential barrier can be addressed through mechanisms such as rebates or other measures aimed at incentivizing multi-family building owner participation.

Dakota acknowledged that while a separate metered service for multi-family locations may cost more than a sub-metered installation, “the service and meter configurations can vary...and [Dakota does] not anticipate the cost differential would be significant.”<sup>6</sup> Dakota also committed to providing incentives if they are available from Greater River Energy.

The Department remains concerned that building owners, concerned about the costs of installing a separate metered service for EVs, may not wish to participate in the pilot program despite their residents being interested in owning an EV and installing an EV charger at the residence. However, the Department expects that Dakota’s education and outreach efforts can help inform residents and multi-family residence owners alike about the benefits of EVs and participating in the pilot program. The Department also appreciates Dakota’s commitment to provide incentives for such installations.

### *4. Department Request No. 4*

The Department requested that Dakota provide in reply comments a broader discussion of the capabilities of Dakota’s AGi effort as it relates to enabling submetering and the potential to use such capabilities to defray the costs of installing EV chargers at multifamily residences.

Dakota stated that its AMI metering does not solve the challenges with submetering EV loads rather than requiring a new service. Dakota explained that “the challenge with submetering either the proposed multi-family or non-residential EV services is in the administrative/billing process of matching time-stamped meter data for the EV and main service, isolating respective EV demand impacts, and then adjusting demand billing units to the base rate schedule.”<sup>7</sup>

The Department notes that advanced distribution system functions that advanced metering technology can enable includes being able to isolate EV charging and being able to meter it separately, which ultimately reduces costs for ratepayers by allowing them to avoid installing a separately metered service.

The Department expects that as Dakota further deploys its AMI meters and other aspects of its AGi effort, a solution can be found that would enable its members to install an EV charger through their main service and participate in Dakota’s EV programs without having to incur additional costs to install a separately metered service. While this solution may not be in scope in this immediate pilot program,

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<sup>6</sup> Dakota Reply Comments, at 3.

<sup>7</sup> Dakota Reply Comments, at 3.

the Department strongly encourages Dakota to find solutions to this administrative/billing process challenge in future EV offerings.

*5. Department Request No. 5*

The Department requested that Dakota explain in utility reply comments why the Revolt program incentive was not proposed to be available for participants in both pilot programs and whether Dakota would consider providing this option to incentivize participation in both pilot programs.

Dakota stated that the Revolt program is designed for individual EV owners to receive renewable energy at no charge with their participation in a Cooperative EV rate. Dakota explained that both proposed pilot programs offer services that are not tied to any particular EV, which make them ineligible for participation in the Revolt program.

*6. Department Recommendation No. 1*

The Department recommended that Dakota propose a clear pilot duration and a reasonable limit on the number of participants allowed to enroll in both pilot programs.

Dakota expressed some concern with this recommendation, explaining that if the duration is not long enough or if it does not have enough participants, it would not have enough data to analyze. Dakota also explained that it did not know the number of EV chargers that could be installed at each participant site.

Dakota proposed as an alternative that the pilot designations for each proposed pilot remain in place until at least its next rate case, which could happen sometime in 2024.

In light of Dakota's concerns, the Department agrees that that this proposal is reasonable and amends its recommendation accordingly:

**The Department recommends that Dakota provide enrollment information for both the Non-Residential EV Service and Multi-Family EV Service pilot program and evaluate whether it has sufficient participants in each pilot program in its annual EV filing. (Department Recommendation 2)**

**The Department recommends that, at the time of its next rate case, Dakota evaluate whether the pilot programs should continue, expand to a full offering, or end the pilot programs and transition its participants to a different rate offering. (Department Recommendation 3)**

*7. Compliance with the Commission's EV Inquiry Order*

The Commission's Order in the Commission's EV Inquiry in Docket No. E999/CI-17-879 has content requirements for proposed EV pilot programs. Order Point Nos. 6b and 16 require utilities to provide certain information when proposing EV pilot programs.

Dakota provided the information in its reply comments and appreciates Dakota's willingness to provide additional information consistent with the Commission's EV Inquiry Order. The information provided by Dakota is sufficient and reasonable, and the Department concludes that Dakota complied with the Commission's EV Inquiry Order.

The Department requests that the Commission clarify whether Order Point Nos. 6b and 16 apply to Dakota so that stakeholders know what information to expect in any future EV pilot programs that Dakota proposes.

#### *B. RESPONSE TO CLEAN ENERGY GROUP'S COMMENTS*

CEGs recommended that "Dakota Electric track participant enrollment in applicable renewable energy rate option(s) and report on number of participants and any electricity cost difference between the groups as part of its voluntary annual EV filing."<sup>8</sup> The Department notes that the Wellspring program is the applicable rate option, as discussed.

In response, Dakota stated that it could "report the relative percentage of residential members participating in the present EV-1 rate and the storage rate who have enrolled in the Revolt program. We can also report the relative percentage of multi-family and non-residential EV participants that have signed up for [the] Wellspring [program]."<sup>9</sup> Dakota also noted that the cost difference is simply the difference between the free Revolt program and the cost of the Wellspring program rates. The Department agrees.

The Department appreciates Dakota's willingness to report the relative percentage of residential members participating in the present EV-1 rate and storage rate who have enrolled in the Revolt program, as well as the relative percentage of multi-family and non-residential EV participants that have signed up for the Wellspring program.

**The Department recommends that Dakota provide the relative percentage of residential members participating in the present EV-1 rate and storage rate who have enrolled in the Revolt program, as well as the relative percentage of multi-family and non-residential EV participants that have signed up for the Wellspring program in its annual EV filing. (Department Recommendation 4)**

CEGs also recommended that Dakota "share aggregated daily and annual load profiles for the two pilot rates in the annual EV filing so that stakeholders can better understand how participants' charging behaviors align with TOU price signals as well as the degree of seasonal variation in behavior."<sup>10</sup>

In response, Dakota suggested that it "could provide the relative amount of energy that is purchased in each pricing component for both proposed rates in our annual voluntary EV update letter."<sup>11</sup>

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<sup>8</sup> Clean Energy Group's Initial Comments, Docket No. E111/M-21-127, dated March 15, 2021, at 3.

<sup>9</sup> Dakota Reply Comments, at 6.

<sup>10</sup> CEGs' Initial Comments, at 3.

<sup>11</sup> Dakota Reply Comments, at 6.

The Department agrees with CEGs' recommendation and appreciates Dakota's suggestion that it could provide the relative amount of energy that is purchased in each pricing component for both proposed rates in our annual voluntary EV update letter.

However, the Department notes that Dakota stated that its installation of automated metering and its AGi effort can facilitate the collection of detailed consumption information.<sup>12</sup> Toward that end, it seems that Dakota's use of automated metering and its AGi effort can collect daily and annual load profiles for each pilot rate.

Such information will generally be helpful in understanding EV charging behavior, how closely EV charging aligns with the rate design, and provide information related to the seasonal variability of EV charging. This data can help inform the Commission's and stakeholder's interest in transportation electrification and assess the efficacy of the proposed rate design.

**The Department recommends that Dakota provide detailed consumption information in Dakota's annual voluntary EV update letter consistent with CEGs' recommendation if detailed consumption information can be collected by Dakota through Dakota's AGi effort. (Department Recommendation 5)**

### *C. OVERALL RECOMMENDATION*

In review of the information provided by Dakota in response to the Department's and CEG's comments, as well as Dakota's initial filing, the Department concludes that the pilot programs are reasonable and expects that they will be helpful in informing future EV rate offerings.

**The Department recommends that the Commission approve Dakota Electric Association's proposed Non-Residential EV Service pilot and Multi-Family Residential EV Service pilot programs, subject to the Department's recommendations.**

### **III. DEPARTMENT RECOMMENDATIONS**

The Department appreciates the opportunity to comment on these proposed pilot programs. Overall, the Department recommends that the Commission approve Dakota Electric Association's proposed Non-Residential EV Service pilot and Multi-Family Residential EV Service pilot programs, subject to the following recommendations:

- **The Department recommends that Dakota track the rate design offered to third parties by participants in the Non-Residential EV Service pilot and report how many participants are offering the default rate design in Dakota's annual EV filing. (Department Recommendation 1)**

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<sup>12</sup> Dakota Reply Comments, at 3.



- **The Department recommends that Dakota provide enrollment information for both the Non-Residential EV Service and Multi-Family EV Service pilot program and evaluate whether it has sufficient participants in each pilot program in its annual EV filing. (Department Recommendation 2)**
- **The Department recommends that, at the time of its next rate case, Dakota evaluate whether the pilot programs should continue, expand to a full offering, or end the pilot programs and transition its participants to a different rate offering. (Department Recommendation 3)**
- **The Department recommends that Dakota provide the relative percentage of residential members participating in the present EV-1 rate and storage rate who have enrolled in the Revolt program, as well as the relative percentage of multi-family and non-residential EV participants that have signed up for the Wellspring program in its annual EV filing. (Department Recommendation 4)**
- **The Department recommends that Dakota provide detailed consumption information in Dakota's annual EV filing consistent with CEGs' recommendation if detailed consumption information can be collected by Dakota through its AGI effort. (Department Recommendation 5)**

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## **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. E111/M-21-127**

**Dated this 19<sup>th</sup> day of April 2021**

**/s/Sharon Ferguson**

| First Name     | Last Name          | Email                             | Company Name                                | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|----------------|--------------------|-----------------------------------|---|---|--------------------|-------------------|------------------------|
| Anjali         | Bains              | bains@fresh-energy.org            | Fresh Energy                                | 408 Saint Peter Ste 220<br><br>Saint Paul,<br>MN<br>55102       | Electronic Service | No                | OFF_SL_21-127_M-21-127 |
| Max            | Baumhefner         | MBAUMHEFNER@NRDC.ORG              | Natural Resources Defense Council           | 111 Sutter St 21st Fl<br><br>San Francisco,<br>CA<br>94104      | Electronic Service | No                | OFF_SL_21-127_M-21-127 |
| Carolyn        | Berninger          | cberninger@mncenter.org           | Minnesota Center for Environmental Advocacy | 26 E Exchange St Ste 206<br><br>Saint Paul,<br>MN<br>55101      | Electronic Service | No                | OFF_SL_21-127_M-21-127 |
| Generic Notice | Commerce Attorneys | commerce.attorneys@ag.state.mn.us | Office of the Attorney General-DOC          | 445 Minnesota Street Suite 1400<br><br>St. Paul,<br>MN<br>55101 | Electronic Service | Yes               | OFF_SL_21-127_M-21-127 |
| Eric           | Fehlhaber          | efehlhaber@dakotaelectric.com     | Dakota Electric Association                 | 4300 220th St W<br><br>Farmington,<br>MN<br>55024               | Electronic Service | No                | OFF_SL_21-127_M-21-127 |
| Sharon         | Ferguson           | sharon.ferguson@state.mn.us       | Department of Commerce                      | 85 7th Place E Ste 280<br><br>Saint Paul,<br>MN<br>551012198    | Electronic Service | No                | OFF_SL_21-127_M-21-127 |
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| Corey          | Hintz              | chintz@dakotaelectric.com         | Dakota Electric Association                 | 4300 220th Street<br><br>Farmington,<br>MN<br>550249583         | Electronic Service | No                | OFF_SL_21-127_M-21-127 |
| Samantha       | Houston            | shouston@ucsusa.org               | Union of Concerned Scientists               | 1825 K St. NW Ste 800<br><br>Washington,<br>DC<br>20006         | Electronic Service | No                | OFF_SL_21-127_M-21-127 |
| Douglas        | Larson             | dlarson@dakotaelectric.com        | Dakota Electric Association                 | 4300 220th St W<br><br>Farmington,<br>MN<br>55024               | Electronic Service | No                | OFF_SL_21-127_M-21-127 |

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| David          | Moeller                        | dmoeller@allete.com                  | Minnesota Power                    | 30 W Superior St<br>Duluth,<br>MN<br>558022093                            | Electronic Service | No                | OFF_SL_21-127_M-21-127 |
| Miles          | Muller                         | mmuller@nrdc.org                     | Natural Resources Defense Council  | 111 Sutter St FL 21<br>San Francisco,<br>CA<br>94104                      | Electronic Service | No                | OFF_SL_21-127_M-21-127 |
| Generic Notice | Residential Utilities Division | residential.utilities@ag.state.mn.us | Office of the Attorney General-RUD | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012131        | Electronic Service | Yes               | OFF_SL_21-127_M-21-127 |
| Will           | Seuffert                       | Will.Seuffert@state.mn.us            | Public Utilities Commission        | 121 7th Pl E Ste 350<br>Saint Paul,<br>MN<br>55101                        | Electronic Service | Yes               | OFF_SL_21-127_M-21-127 |
| Eric           | Swanson                        | eswanson@winthrop.com                | Winthrop & Weinstine               | 225 S 6th St Ste 3500<br>Capella Tower<br>Minneapolis,<br>MN<br>554024629 | Electronic Service | No                | OFF_SL_21-127_M-21-127 |
| Dean           | Taylor                         | dtaylor@pluginamerica.org            | Plug In America                    | 6380 Wilshire Blvd, Suite 1000<br>Los Angeles,<br>CA<br>90048             | Electronic Service | No                | OFF_SL_21-127_M-21-127 |