



March 19, 2025

VIA E-FILING

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

**Re: In the Matter of a Commission Inquiry into
Electric Vehicle Charging and Infrastructure
Docket No. E015/M-23-258
Utility Reply Comments**

Dear Mr. Seuffert:

On March 5, 2025, the Office of the Attorney General (or, "OAG"), Department of Commerce (or, "Department") and Clean Energy Groups (or, "CEGs") filed Initial Comments on Minnesota Power's (or, "the Company") proposed pilot program for expanding electric vehicle charging access to Multi-Dwelling Units. The Company appreciates the feedback provided by parties in this proceeding, and provides in this filing the Company's responses to that feedback.

Customer identifying information included in Attachment A has been redacted.

Please contact me at (218) 355-3178 jmccullough@mnpower.com with any questions related to this matter.

Respectfully submitted,



Jess McCullough
Public Policy Advisor

JAM:kb
Attach.

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

In the Matter of Minnesota Power's
2023 Integrated Distribution Plan

Docket No. E015/M-23-258
UTILITY REPLY COMMENTS

I. INTRODUCTION

On December 20, 2024 Minnesota Power (or, the "Company") submitted its proposal for a pilot program aimed at reducing barriers to EV adoption for customers who live in multi dwelling units in compliance with the Commission's Order of May 17, 2022 in Docket No. E-999/CI-18-879. On March 5, 2025 comments were filed from the Office of the Attorney General (or, "OAG"), Fresh Energy, Union of Concerned Scientists, Sierra Club, and Plug In America, filing jointly as the Clean Energy Groups (or, "CEGs"), and the Minnesota Department of Commerce, (or, "the Department"). The Company appreciates the constructive feedback provided by parties in this proceeding and finds most of the feedback to be constructive and reasonable. The Department's comments indicated that it did not find the Company's proposal to be sufficient to meet the requirements of statute, Commission order, or "gather meaningful learnings". The Company respectfully disagrees with this interpretation by the Department, and addresses it in Section II.F.

II. RESPONSE TO STAKEHOLDER COMMENTS

A. Time-Based Rates

Both the OAG and CEGs recommended that Minnesota Power require site hosts to pass time-of-use rates through to end users by default. Minnesota Power agrees that time-based rates are an important component of EV proposals and recognizes that proper price signals can encourage EV charging at times that are more beneficial to the grid. In its proposal, Minnesota Power specified that all pilot participants, including MDUs, will be required to take service under one of the Company's commercial EV rates to encourage off-peak charging where possible while also recognizing that the billing capabilities between customers may vary. However, Minnesota Power is agreeable to requiring

default time-based rates for end-users, with an opt-out option for site hosts as described by the OAG and CEGs. Additionally, the Company agrees with the CEGs suggestion that rates and fees charged to end-users by site hosts should be tracked and reported to the extent possible.

The OAG also recommends that Minnesota Power require MDU site hosts to take service under Minnesota Power's residential time-of-day rate as opposed to one of the Company's commercial EV rates. The OAG states that "since MDU buildings are residential buildings, it makes sense for the rate to match Minnesota Power's residential-specific time-of-day rate." The OAG also clarifies that the Company's residential EV service rate could be used as an alternative although it only has two time periods. The Company agrees that a residential EV rate with time-based energy charges, as opposed to a commercial EV rate with time-based demand charges, is appropriate for MDU customers. Because this pilot will require a dedicated service specific to EV charging load, the residential EV service rate is the most applicable option. Minnesota Power recognizes that the residential EV service rate currently has two time periods, compared to the residential time-of-day rate that has three time periods. The Company intends to update the residential EV service rate time periods in its next rate case for alignment with the residential time-of-day rate, alleviating the OAGs concern regarding time periods.

The OAG recommends that all chargers installed in MDU projects, whether by the site host or by residents, be capable of active management so they can be enrolled in a future managed-charging program once available. Customers participating in either this make ready pilot program or Minnesota Power's level 2 charger rebate program will be required to install OCPP-compliant chargers. Some MDU facilities may prefer a "bring your own charger" policy in which case, Minnesota Power will not be able to control the equipment specifications (unless incentivized under either program).

B. Incentive Caps and Budget Reservations

The CEGs recommended that Minnesota Power make modifications to the proposed budget reservation of four MDUs per year. Specifically, they request that the four MDUs include one income-qualified MDU and a minimum of 12 charging ports (3 ports per MDU)

per year. Minnesota Power is supportive of encouraging these minimum specifications if possible and will explain why these requirements are not met, if applicable, in its annual compliance filing.

The CEGs also requested that Minnesota Power explain its rationale for limiting the number of level 2 chargers incentivized for MDUs to two. The limit was imposed to meet the minimum proposed level 2 charger requirement and to manage the budget for this pilot program. Minnesota Power would be willing to increase the maximum number of level 2 chargers incentivized through the pilot proposal to 3, in alignment with the CEG's recommendation of 3 charging ports per MDU. Additionally, MDUs will be encouraged to future-proof by building out infrastructure to support the installation of additional chargers as adoption increases.

In their comments, the OAG points out that one of the main goals of this pilot proposal is to determine what level of funding is needed to incentivize EV charging infrastructure for different customer segments. They recommend that Minnesota Power include a mechanism to decrease the incentive caps by 10 percent if there is more demand than available funds. Minnesota Power is agreeable to this recommendation. If there is more demand than available funds and the minimum requirement of four MDUs (including one income-qualified MDU as suggested by the CEGs) is met, the incentive caps will be reduced by 10 percent the following year. However, if the demand does not continue to exceed the available funds under the reduced caps, the caps will revert to the original amount the following year.

Additionally, the Department asks that Minnesota Power address the feasibility of having contractor estimates performed on MDUs that the Company is already in contact with. The Company has included as an attachment to this filing a quote from Belknap Electric of Superior, Wisconsin for building out EV charging infrastructure for an MDU building engaged by Minnesota Power as part of this project in Fall 2023 (Attachment A). However, the Company notes that the vendor has stated that by Spring 2025 the price quoted is likely to have increased by 15 percent. When installing EV infrastructure in preexisting structures of varying age and design, contractors frequently encounter unanticipated

issues that may increase the timeline and design of the proposed work. The Company intends to fund projects only up to the incentive cap levels discussed above.

C. Evaluation Framework

Minnesota Power proposed to leverage a transparent evaluation framework to select projects that will be funded through the pilot proposal. A point value (from 1 to 5) will be assigned to each criterion in the framework to compare like-applications (for example, MDU applications will be compared against other MDU applications). The evaluation framework will be posted to Minnesota Power's program webpage, so applicants understand their likelihood of being selected as suggested by the CEGs.

The OAG suggested a modification to the evaluation framework to give greater weight to projects that seek the smallest amount of incentives as a percentage of the total project budget. Minnesota Power is concerned that this change could have an unintended consequence of prioritizing projects at larger facilities with the financial capital for bigger, more costly installations over smaller projects. For example, the below scenario compares a \$100,000 market-rate MDU project to a \$50,000 market-rate MDU project where the utility-side incentives are capped at \$10,000 and the customer-side incentives are capped at 75 percent of project costs or \$45,000. The less expensive project has a much higher ratio, making it less appealing under the OAG's suggested modification, even though it may be a better project (more cost-effective, less upgrades required, etc.).

Utility-side Project Cost	Customer-Side Project Cost	Total Project Cost	Total Incentive	Ratio of Incentive to Project Cost
\$ 10,000.00	\$ 90,000.00	\$ 100,000.00	\$55,000	0.55
\$ 10,000.00	\$ 40,000.00	\$ 50,000.00	\$40,000	0.8

Minnesota Power will collect information about the incentives provided as compared to the total project cost during this pilot period and evaluate the data as a part of the pilot evaluation.

In its comments, the Department requested that the Company propose a separate application evaluation category that applies specific weight to site location criteria,

particularly for low- and moderate-income communities, disadvantaged communities, tribal lands, environmental justice areas or communities most impacted by emissions. Table 2 in the Company's initial petition does contain proposed weighting for site location, however the Company finds the Department's request to be reasonable and will establish site location as its own weighted category in the final application.

D. Cost Recovery

The Company recognizes that cost recovery via rider is not the preferred choice among intervenors, as expressed by both the OAG and the Department, and will accept deferred accounting for this project if that is the Commission's preference. However, the Company wishes to express its concerns about the lack of timely cost recovery for mandated programs and projects through deferred accounting, which jeopardizes its ability to fund future programming. If the Commission approves cost recovery through deferred accounting for this project, Minnesota Power respectfully requests that the Commission allow a return on capital at the Company's authorized rate of return so the Company is able to support programming investments into the future.

E. Other Stakeholder Recommendations

In addition to the recommendations summarized above, stakeholders also had the following suggestions:

- Work with electricians, trade groups, the Minnesota Climate Innovation Finance Authority, (or, "MnCIFA"), or others to find solutions, such as 'floating' EV charging installation costs, to unlock the benefits of this program to building owners that would otherwise struggle to finance the initial investment.
- Track and report on the following information:
 - Charging costs experienced by building owners and installers in MDU, workplace, fleet and public settings.
 - Rent charged to tenants of MDUs participating in the program and compare against rents in similar housing units that did not receive make-ready EV charging funding.

Minnesota Power supports these recommendations with the caveat that information related to rent in comparable multifamily buildings may not be readily available. The Company is committed to reporting public, accessible information in its annual compliance filing.

F. Comments from the Department of Commerce

In the process of designing this proposal the Company has worked closely with customers, electricians, advocates, and regulators to create a low-risk pilot for testing the efficacy of these new programs before presenting them for widespread adoption. On October 24, 2024 the Company hosted a public listening session at the Minnesota Power headquarters building in Duluth. Stakeholders attended both in person and online. Among those who attended the event online were Department staff, who actively participated in Q&A. In addition, the Company initiated an individual follow up call with the Department to further discuss the proposal and seek input from the Department early in the drafting process. Some of the concerns raised by the Department in its Initial Comments were specifically discussed during these meetings, such as the applicability of this Make Ready proposal to commercial and public charging, including the importance of public charging options for MDU residents who do not have off-street parking available.

The Company maintains that it has provided a coherent, versatile proposal with clear goals and methodologies which meets the Commission's direction to develop "a pilot program facilitating access to charging facilities for residents of multi-dwelling units."¹ Minnesota Power aims to test the level of funding needed to support EV infrastructure adoption for residents of MDUs in hopes of informing future products and services for its customers.

III. CONCLUSION

Minnesota Power appreciates the opportunity to respond to parties' comments. The Company maintains that this pilot proposal meets the directives set out by the Commission in its Order of May 17, 2022 and will yield important data that will enable

¹ Order Point 2B, Docket No. E-999/CI-17-879

Minnesota Power to make informed future programming decisions to facilitate EV adoption among residents of MDUs and fleet managers.

Dated: March 19, 2025

Respectfully submitted,

A handwritten signature in black ink, reading "Jess McCullough". The signature is fluid and cursive, with the first name "Jess" and last name "McCullough" clearly distinguishable.

Jess McCullough
Public Policy Advisor
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Belknap Electric

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EV Chargers Infrastructure

July 28, 2023

To:

RE: EV charger infrastructure proposal – work to happen in 2024

Belknap Electric offers the following proposal for the requested project as described within the email request sent along with the site visit. Included is the following:

- Coordination with MN Power to install a new dedicated 400-amp feeder to an exterior CT Cabinet (provided by Belknap). Conduit and cabling routed to existing MN Power transition cabinet currently in place.
 - The existing MN Power transformer has adequate capacity to handle the proposed improvements – confirmed with MN Power engineering.
- 400 amp disconnect located inside the current electrical room, routed from the CT cabinet to disconnect and installation of a 400-amp main panel for distribution capabilities.
- Conduit (EMT) routed from the proposed new panel to (4) different locations throughout the parking space to allow for future connections of Level 2 charging stations.
- Charging stations and final connections to stations are not included, infrastructure will be in place for future connections.
- All inspections/permit fees are included within this proposal.

Proposal total: \$49,164.00

Thank you for the opportunity,

____ – Belknap Electric

MN Class A Electrical # _____ / MN Master # _____
WI Class A Electrical # _____ / WI Master # _____

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STATE OF MINNESOTA)
) ss
COUNTY OF ST. LOUIS)

AFFIDAVIT OF SERVICE VIA
ELECTRONIC FILING

Kristine Bergren of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 19th day of March, 2025 she served Minnesota Power's Utility Reply Comments in **Docket No. E015/M-23-258** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on E-Docket's Official Service List for this Docket were served electronically.



Kristine Bergren