

## **Sullivan Proposed Decision Options**

Xcel Energy Residential Time of Use Rate Design, Docket No. E-002/M-23-524

March 6, 2025 Agenda Meeting

Commissioner Sullivan offers the following set of decision options as a starting point to frame the discussion for the March 6, 2025 agenda meeting:

Decision Options: 3, 4, 8 (all subparts), 12, NEW Sullivan 13, 15, REVISED Sullivan 16, 20, 21, 28, 29 (all subparts), 30 (all subparts with CEE Revised b), 34, Sullivan REVISED 36, 37, 38, 41 OR Xcel Revised 41.

### **Revised Proposal Approval or Denial**

3. Approve Xcel's August 16, 2024 Revised Residential TOU Rate Proposal and updated tariffs as modified below. (CUB, Department, Fresh Energy, OAG, MNSEIA)
4. Require Xcel Energy to make a compliance filing in this docket within 90 days of the Commission's Order (90-day Compliance Plan) that includes the information as detailed in subsequent Decision Options. Delegate authority to the Executive Secretary to issue notices and set comment periods on the 90-day Compliance Plan. Where not otherwise noted require Xcel to file tariff updates consistent with the Commission's Decisions. (Staff modification of Department, CUB, OAG, CEE, Xcel)

### **On-Peak Period**

*No decision option selected – use Xcel's proposed on peak period of 7pm-10pm*

### **Rate Implementation- Opt-In or Opt-Out**

*No decision option selected – rate will be opt-in*

### **Special Customer Circumstances**

#### ***Space Heating Rate***

8. Require Xcel to take the following actions related to implementation of the Space Heating Rate and include information on the proposed outreach in its 90-day Compliance Plan. (CUB, OAG, CEE)
  - A. Require Xcel to develop a process to actively facilitate enrollment in the electric space heating rates for customers that receive an ASHP rebate through ECO. (CEE, CUB, OAG)
  - B. Require Xcel to incorporate customer education and awareness of the residential electric space heating rates into customer communications for heat pump rebates to show the full value proposition of installing an ASHP. (CEE, CUB, OAG)
  - C. Require Xcel to ensure implementers of complementary programs, such as local government campaigns and future state ASHP rebates, receive education about

the new electric space heating rates and materials to promote the new rates.  
(CEE, CUB, OAG)

- D. Require Xcel to provide educational resources to contractors to ensure appropriate sizing and switchover temperatures to optimize customer benefits.  
(CEE, CUB, OAG)
- E. Require Xcel to cross market TOU rates with ECO programs (CEE, CUB, OAG)
- F. Require Xcel to educate heat-pump related staff, contractors, and customers with a broad range of topics, beyond new TOU rates, including electric heating systems that affect operating costs, such as system efficiency, rebate eligibility, proper sizing, and switch-over temperatures. (CEE, CUB, OAG)
- G. A preview of what webpages containing space heating rate information will look like. (Staff offered based on CEE recommendation and Xcel's intent to include such information on its website, CUB, OAG, CEE)

### **Critical Peak Pricing**

*No decision option selected*

### **Net Energy Metered (NEM) Customers**

- 12. Deny Xcel's proposed changes to the Excess Generation – Average Retail Utility Energy Service A50 rate tariff. (MnSEIA, CLEAR, ILSR)

**NEW Sullivan 13.** Require Xcel propose a method a revised methodology for solar customers to participate in the Time-of-Use rate and a compensation rate that complies with Minn. Stat. 216B.164, subd. 3(d) and Minn. R. 7835.0100, Subp. 2a with the 90-day Compliance Plan. The revised option should simplify the netting methodology from Xcel's initial proposal and provide a legal explanation of how the methodology complies with Minn. Stat. 216B.164, subd. 3(d) and Minn. R. 7835.0100, Subp. 2a.

- 15. Approve Xcel's proposed new A57 (Sale to Company After Customer Self-Use), A58 (Monthly Net Metering), and A59 (Annual Net Metering (kWh Banking Option) rates subject to a compliance filing that contains the proposed rate calculations with the 90-day Compliance Plan. (Staff recommended, Department)

**Sullivan REVISED 16.** Require Xcel develop and perform targeted outreach to existing distributed generation rate customers on the existing ~~A50~~ A51 to A56 rate codes to inform them of the new rates and include it in the 90-day Compliance Plan. Require the Company to hold a training for DER developers on the new rate options at a quarterly DER Workgroup meeting prior to rate implementation. (Staff recommended, Department, MNSEIA)

### ***Electric Vehicles***

20. Deny without prejudice the Company's request to update its residential EV rates to align with the TOU rates approved in this docket. (Staff recommended, Fresh Energy, Department)
21. Require the Company to provide an analysis of, and any recommended changes to, its existing residential EV charging rates in order to accommodate longer off-peak time periods that allow for Level 1 charging and the ability to stagger the start time of EV charging in its Transportation Electrification Plan due November 1, 2025. (Staff recommended, Fresh Energy, Department)

### ***Existing TOU Rate Customers***

*No decision option selected – A02 and A04 rates will be cancelled, and customers transitioned to the new rate*

### ***Medical Device Dependent Customers***

*No decision option selected due to rate being opt-in*

### **Bill Protection**

*No decision option selected*

### **Shadow Billing**

28. Require Xcel to explore the feasibility of developing and implementing a shadow billing program and file an update with the 90-Day Compliance Plan. If the Company is unable to implement shadow billing internally, require it to conduct an RFI to identify the feasibility, costs, and estimated timing associated with implementing shadow billing within 6 months from the date of the Commission's Order and file the results in this docket. (Staff modification of Fresh Energy, CUB, Department, ILSR, OAG, MNSEIA)

### **90-Day Compliance Filing**

### ***ME&O***

29. Require Xcel to file a detailed ME&O plan for the approved TOU rate rollout with the 90-day Compliance Plan outlined in Decision Option 4. This plan shall describe, at a minimum, the following: (OAG, CUB, Fresh Energy, and Department, CEE, Xcel, MNSEIA)
  - A. What customer communications will look like and what form they will take (emails, mailers, notices on customer bills, etc.). (CUB, Fresh Energy, OAG, CEE, Department, Xcel)
  - B. More detailed cost estimates for each feature in Xcel's proposed outreach plan. (CUB, Fresh Energy, OAG, Department, Xcel)
  - C. Xcel's consideration of additional customer-support staff training to ensure employees are well prepared to answer questions about the new rate. (CEE, CUB, OAG, Department, Xcel)

- D. The timeline of when each step or communication strategy will be implemented. (CUB, Fresh Energy, OAG, CEE, Department, Xcel)
- E. Xcel's plan to engage and communicate with customers who are traditionally underrepresented in energy-decision making, including communities of color and low-income communities. (CUB, Fresh Energy, OAG, CEE, Department, Xcel)
- F. Any other relevant aspects of Xcel's proposal for customer outreach and education, including those adopted in other decision options. (Staff supported, CUB, OAG, CEE, Department, Xcel)
- G. The potential for automatic enrollment options. (CUB and Fresh Energy only, OAG does not support, Department supports eventual transition to default TOU rate for all customers, Department, Xcel)
- H. Plans or results of a messaging study that goes beyond customers likely to adopt a TOU rate. (Staff recommended, OAG, Department, Xcel)
- I. How digital, non-digital, and paired ME&O approaches will be leveraged and for which customer segments and/or geographies those messages will be deployed. (Staff recommended, CUB, OAG, Department, Xcel)

***Additional Items for Compliance Filing, detailed throughout briefing paper***

30. With the 90-day compliance plan outlined in Decision Options 4 and 29, require Xcel to file the following:

- A. An implementation plan and proposed tariff changes reflecting any modifications approved by the Commission (Xcel, Department, OAG, CEE)

- CEE Revised B.** Clarification of, if applicable, the transition of existing space heating customers to Xcel's revised 1-period and TOU space heating rates, ~~following the discontinuation of the flat rate space heating option.~~ (Xcel)
- C. Clarification on the intersection of the space heating and net metering rates prior to offering these rate options, especially if the Commission were to choose an opt-out rate. (Staff, OAG, Xcel)
- D. The timing of the cancellation of Xcel's existing TOU rate and the timing to transition existing TOU rate customers to Xcel's revised TOU rate from its August 16, 2024 filing (Department, OAG, CEE, Department, Xcel)
- E. The plan to transition existing TOU rate customers to Xcel's revised, as detailed in its August 16, 2024 filing, TOU rate (Department, OAG, CEE, Department, Xcel)
- F. The cost of bill protections and a timeline for preparing its system to offer those protections. (Staff recommendation, if not clarified during Agenda Meeting, OAG, Xcel)
- G. Clarify whether an application could be developed that would use information from the billing system or even directly from the meters itself that could be included as a link in customer bills, rather than having the information appear directly on the bill. Include information from any RFI may issue exploring existence of developers that offer this kind of application. (Staff, drawing on ILSR suggestion, Xcel)

## ME&O Cost Recovery

*No decision option selected*

### TOU Program Evaluation Reporting

#### ***Timing***

34. Require Xcel to make an annual program evaluation filing, beginning 12 months after implementation of the new TOU rate. (OAG, Department, Fresh Energy)

**Sullivan REVISED 36.** Require Xcel to file, after ~~one~~ five years of rate implementation, a detailed report evaluating the current rate design and analyzing the ~~potential for~~ costs and benefits of transitioning to a systemwide default time-of-use rate.

37. Delegate authority to the Executive Secretary to reevaluate whether all ongoing reporting requirements remain valuable after the initial phases of TOU rate implementation are completed. (Xcel, CUB, Fresh Energy)

#### ***Comment Periods on Regular Program Evaluations***

38. A comment period may be requested within 60 days of each program evaluation filing if it appears that changes need to be made to the rate design. (OAG, MNSEIA)

#### ***Content of Regular Program Evaluations***

41. Require Xcel to co-create with a stakeholder group a set of annual reporting metrics, reduced number compared to those listed in staff briefing papers at Attachment A. Require Xcel to provide the group's agreed upon metrics in the 90-day Compliance Filing, with the provision that Xcel retain 15-minute interval data and make those data available upon stakeholder request consistent with existing data privacy standards. (Staff recommendation, CUB if 40 is not adopted, Department, MNSEIA)

**OR**

**Xcel REVISED 41.** Require Xcel to co-create with a stakeholder group a set of annual reporting metrics, reduced number compared to those listed in staff briefing papers at Attachment A. Require Xcel to provide the group's agreed upon metrics in the 90-day Compliance Filing, with the provision that Xcel retain 15-minute interval data and make those data available upon stakeholder request consistent with existing data privacy standards and Xcel's data retention standards.