STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION

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April 23, 2026

In the Matter of Xcel Energy's 2025 Integrated Distribution Plan **Docket No. E-002/M-25-142**

COMMENTS OF FRESH ENERGY

Fresh Energy submits these Reply Comments in response to the Commission's November 13, 2025, *Notice of Comment Period* ("Notice") regarding Northern States Power Company dba Xcel Energy's ("Xcel") 2025 Integrated Distribution Plan ("IDP"). These comments focus on the Company's 2025 IDP (Notice topics 14 – 17).

I. Introduction

On February 26, 2026, parties filed initial comments in Xcel's 2025 IDP. On March 19, 2026, Xcel filed its reply comments in response to parties' initial comments. These reply comments clarify areas of agreement with Xcel, reaffirm priority recommendations, and highlight additional recommendations from other parties that Fresh Energy supports.

II. Reply to Xcel

A. Cost Benefit Analysis ("CBA")

Forward-looking CBAs

Fresh Energy recommended Xcel adopt a forward-looking CBA to show customer benefits exceed costs prior to making investments. In its reply comments, Xcel states such an analysis would rely on several capabilities that are "advancing but are still maturing within our planning tool chain." We appreciate the Company specifying the modeling barriers and limitations within its planning tool chain preventing forward-looking CBAs. However, as noted in our initial comments, several utilities are currently using forward-looking CBAs in their planning process. Fresh Energy believes it is entirely feasible for Xcel to develop forward-looking CBAs for at least some of its discretionary programs before the next IDP. Given the increasing importance of demonstrating customer benefits exceed costs *before* investments are made, we continue to view this as a priority and maintain our recommendations related to forward-looking CBAs.

Expanding CBAs to Additional AH&R programs.

Xcel responded to Fresh Energy's recommendation for expanding CBAs to Asset Health and Reliability ("AH&R") programs by specifying several reasons it does not support expansion of CBAs to AH&R at this time. These reasons include the mandatory nature of AH&R investment, the differing risk horizon, and dynamic program budgets.

While we continue to believe CBAs could be a valuable tool for analyzing AH&R investments, we understand the Company's concerns at this time. We appreciate the Company's commitment to "measured, stepwise expansion of CBA use in future IDPs," and will continue to engage Xcel and stakeholders in advancing CBAs within the distribution planning process. As discussed in Section III, Fresh Energy supports the Department's recommended planning standards review, which proposes review of AH&R standards in 2029, and believes this could be a venue for further advancing the conversation around cost-benefit analysis in this area.

CBA for at least three discretionary programs

Fresh Energy is supportive of the criteria laid out by Xcel for identifying discretionary programs for future CBAs.[1] However, we do not believe it needs to be limited to three programs. While three is a reasonable starting point, if the Company identifies additional programs that meet these criteria, it should pursue additional CBAs as appropriate.

CBA assumptions and inputs

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[1] Xcel's 2025 IDP Reply Comments, Attachment A, pg. 13.

Xcel responded to several of Fresh Energy's recommendations for changing assumptions and inputs to CBAs to improve their usefulness.[2] We appreciate the Company's agreement to reflect present value costs and benefits over the life of assets in CBAs. As discussed above, Fresh Energy continues to view the development of forward-looking CBAs as a priority and believes Xcel should develop the capacity necessary to conduct these in future IDPs. Regarding the issues of average age of substation breakers and overload-related CMO, we appreciate the Company's response and plan to continue discussing how Xcel can further refine its CBAs in future IDP stakeholder workshops. These are not priority recommendations for Fresh Energy in this IDP.

B. Asset Health and Reliability Planning

AH&R transparency

We appreciate Xcel's clarification around the use of "placeholders" in its AH&R budget. We clarify that our recommendation was not to eliminate the use of "placeholders" in its AH&R budgeting, but to improve the transparency of its AH&R investment process as a whole.

We continue to recommend Xcel be required to provide more transparency into its methodology for prioritizing AH&R projects and programs and developing associated budgets. We ask that this additional transparency be included in the 2027 IDP. This could be done through a stakeholder workshop prior to the filing of the 2027 IDP explaining the Company's AH&R process.

Quantification of reliability benefits for AH&R Investments

The Company states that while it supports transparency and continues to enhance its planning tools, "it does not support a requirement to quantify reliability benefits across all AH&R investments using a single standardized methodology."[3] It notes that reliability outcomes vary by asset type, location, operating environment, and weather conditions and "(d)eveloping a universal predictive model under these conditions risks producing results that are inconsistent, misleading, or not useful for decision-making." We respectfully disagree with the Company's conclusion and believe its stated concerns can be addressed through methodologies already in

[2] Xcel's 2025 IDP Reply Comments, Attachment A, pg. 16.
[3] Xcel's 2025 IDP Reply Comments, Attachment A, pg. 20.

use by other utilities. In our initial comments, we directed the Company to two utilities that have done this.[4] In particular, Ameren Illinois Corporation has developed a framework that specifically addresses the issues Xcel raised in its reply comments, accounting for asset type, location, and climate, among other characteristics.[5] We summarized this approach in our Initial Comments but Xcel did not address it in its reply. Further, while Xcel's reply comments characterize "a substantial portion" of AH&R spending as reactive, its original IRP filing notes AH&R programs "proactively maintain and upgrade the system to reduce outages, improve performance, and manage long-term costs."[6] These proactive expenditures are what we are asking Xcel to develop a reliability benefit metric for.

Quantifying expected reliability improvements is an important step for not only creating forward-looking CBAs but for providing the Commission and stakeholders with necessary transparency into the Company's distribution planning process. Fresh Energy maintains its recommendation from initial comments that the Company develop a methodology for quantifying reliability benefits.

C. Flexible interconnection

Fresh Energy did not directly address flexible interconnection in its initial comments. However, in reply comments Xcel seems to have mistakenly attributed the position of several other parties to Fresh Energy. Xcel states:

> *Fresh Energy additionally urges the Company to incorporate technical recommendations for static FI from the DGWG's new FI subgroup, review Ameren and CHARGED program materials when designing a static FI offering, and coordinate FI with cost shared upgrade mechanisms – such as DSRUP – as well as proactive upgrades, allowing DERs to interconnect quickly using FI and later benefit from reduced curtailment once upgrades are complete.*[7]

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[4] Fresh Energy Initial Comments pp. 6-7

[5] Illinois Commerce Commission Docket No. 26-0051, January 20, 2026, Ameren Exhibit 5.0 – Direct Testimony of Brian DeMent, pp. 17-30. https://www.icc.illinois.gov/docket/P2026-0051/documents/375155

[6] Xcel Energy's 2025 IDP, Chapter 2, p. 4.

[7] Xcel Reply Comments, Attachment A, pg. 22.

Fresh Energy did not provide this recommendation in initial comments. However, we have worked with Environmental Law & Policy Center, Cooperative Energy Futures, and Vote Solar ("ELPC/CEF/VS") since initial comments were filed and are supportive of their revised recommendation related to flexible interconnection. We provide additional detail on this in Section II.B, where we respond to other parties' initial comments.

D. DSM and DERMS

In response to Fresh Energy's recommendation that the Company prioritize the integration of demand-side management ("DSM") and distribution planning/operations systems, the Company states it must complete its full DERMS deployment before it can take these steps.[8] While Fresh Energy is generally supportive of the Company's DERMS roadmap, we disagree that full implementation is necessary before it can further integrate DSM into distribution planning systems. At a minimum, we ask that the Company identify any non-DERMS changes it can make in the near term. These steps could improve DSM integration prior to completion of DERMS implementation.

We recommend the Commission order Xcel to submit a compliance filing in this docket within 6 months of the order. The filing should identify other non-DERMS changes the Company can make in the near term to better integrate DSM into distribution planning.

E. Mobile battery certification reporting

Fresh Energy understands the mobile battery certification comment period has closed and thus we are not evaluating the merits of the proposal. However, in response to the City of Minneapolis' initial comments, Xcel noted reporting on the operation of the mobile battery pilot would be more appropriately considered as future IDP reporting items. Fresh Energy agrees and believes future IDPs should include reporting on the operation of the mobile battery pilot. We recommend, if the Commission certifies the mobile battery pilot, Xcel be required to report on the items raised by the City of Minneapolis in its initial comments. These include:

- Each instance where the mobile battery was deployed
- Number of customers served by the deployment

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[8] Xcel Reply Comments, Attachment A, pp. 30-31.

- Siting characteristics including
- A quantification of the customer benefits provided by the mobile battery

Xcel should engage with stakeholders as part of the next IDP cycle to finalize a list of reporting metrics for the mobile battery program, to be included in future IDPs.

III. Reply to other parties

A. Department of Commerce

Fresh Energy worked with the Department of Commerce and other stakeholder groups to develop proposed joint recommendations. We support all of the joint recommendations stated below. Fresh Energy does not support the ad hoc planning standard review process the Department has proposed. We believe the formal working group and planning standard review cycle provides adequate opportunity for the Commission and stakeholders to review Xcel's planning standards. We are concerned an additional ad hoc process could become burdensome for stakeholders. If initial cycles of the formal workgroup and planning standard review process are effective and efficient for stakeholders, we are open to the creation of an ad hoc process in the future.

1. The Department recommends the Commission create a formal workgroup and planning standard review process that shall:

a. Identify the main system planning standards that Xcel uses for each Commission-approved review topic;
b. Select one or more planning standards, in agreement with intervenors, to review before the next IDP;
c. Set alternative system planning scenarios to analyze, in agreement with intervenors;
d. Perform a quantitative analysis of alternative system planning standards that measure estimated costs and benefits of alternative system planning standards;
e. Require Xcel to present the results of steps A-D in the next IDP cycle; and
f. Request comments to approve, modify, or reject the revised system planning standards for each Commission-approved review topic.

2. The Department recommends the Commission establish the following system planning standard review schedule, with each phase to repeat every eight years:

a. 2027: Capacity
b. 2029: Reliability and Asset Health
c. 2031: Grid Modernization, Distributed Energy Resources, and Operation and Maintenance
d. 2033: Budgeting

3. The Department recommends the Commission order the Distribution Data Reporting work group to identify IDP filing requirements that Xcel and intervenors agree can be removed.

4. The Department recommends that the Commission create a new filing requirement which states:

All new distribution spending projects and programs with an estimated historical or forecasted five-year budget of $25 million or greater shall, at minimum, address the following:

a. Estimated cost or range for the project/program;
b. Consideration of feasible alternatives to the proposed spending;
c. Quantitative estimation of expected outcomes; and
d. Sensitivity analysis of cost and outcome assumptions.

5. The Department recommends the Commission order the creation of a single proceeding to be noticed in each IDP docket to discuss the appropriate value of reliability. The comment period should address:

a. The valuation of the cost of unserved energy;
b. The use of price caps for the cost of unserved energy;
c. Forecasting methodologies for reliability benefits;
d. Appropriate uses cases for the value of reliability; and
e. The potential to employ different values of reliability by customer class.

6. The Department recommends the Commission order either A or B:

a. Xcel file its IDP, TEP, and IDP-Related Ad Hoc filings in odd-numbered years. MP, DEA, and OTP file their IDP and TEP in even-numbered years, with the next filing due in 2028.

b. All IDPs are filed in odd-numbered years. All TEPs and IDP-Related Ad Hoc Filings are filed in even-numbered years, with the next filing due in 2028.

B. ELPC/CEF/VS

Flexible interconnection

Fresh Energy consulted with ELPC/ CEF/VS on its flexible interconnection recommendations following Xcel's comments. We support the following recommendation developed by ELPC/ CEF/VS in combination with the Joint Solar Parties:

Enforce 2024 IDP Order Point 19 and require Xcel to:

a. Revise its Flexible Interconnection proposal to develop and implement Static FI in the near term, prior to or in parallel with implementing full, Dynamic FI.

b. Order Xcel to file, by December 31, 2026, a report on their FI efforts and plans in this docket, and include a specific update on their progress towards implementing static FI including elements such as technical standards, customer-facing documentation, and enablement timelines;

c. Order Xcel to include updated information on Flexible Interconnection in its 2027 IDP, including the number of new load and DER connections utilizing static FI, the capacity made available as a result, and progress towards dynamic FI rollout;

d. Require Xcel to incorporate and otherwise address discussions and learnings from the DGWG process in its 2026 and 2027 filing; and,

e. Require Xcel to review materials from Ameren and CHARGED, who have worked extensively on Flexible Interconnection and present key considerations. We recommend that Xcel incorporate these considerations into its program design and address these materials in its 2026 report and 2027 IDP.

Equity

We appreciate ELPC/CEF/VS discussing the need to integrate equity considerations into the Company's planning and investments. We agree that Xcel should explicitly and transparently incorporate equity into its planning process and support the following recommendations put forward by ELPC/CEF/VS in its initial comments:

Before filing its next IDP on November 1, 2027, require Xcel to:

1. Establish equity-informed prioritization criteria for distribution investments. The Commission should require Xcel to develop and implement systematic criteria that prioritize investments addressing documented service disparities. The Company should weight these criteria appropriately in its distribution project scoring and prioritization processes.
2. Integrate equity requirements into the IDP process. The Commission should require Xcel to demonstrate in its IDP filings how it will systematically and transparently incorporate equity considerations into distribution planning and investments. We note that this may mean that the Company would prioritize system upgrades in communities, that would bear disproportionately greater impacts from outages, such as spoiled food or medicine, including low-income and otherwise vulnerable communities.
3. Implement transparent reporting on equity outcomes. The Commission should require Xcel to report on reliability improvements and infrastructure investments by environmental justice area, income level, and racial composition in its Safety, Reliability, and Service Quality annual reports, just as the Company reports on reliability or other dimensions of utility performance. This reporting should demonstrate whether rate-funded investments are systematically addressing documented disparities or perpetuating inequitable service patterns.

IV. Summary of recommendations

Fresh Energy's final recommendations are summarized below. These include our revised recommendations and recommendations we jointly support with other parties.

A. Fresh Energy's revised initial recommendations

1. Accept Xcel Energy's 2025 IDP as in compliance with IDP reporting requirements.
2. Require Xcel to provide more transparency into its methodology for prioritizing AH&R projects/programs and establishing associated budgets.
3. Require Xcel to develop a methodology for estimating the expected reliability improvements from its AH&R expenditures.

4. In future IDPs or rate case applications, require Xcel to include a forward-looking CBA demonstrating that the customer benefits exceed the costs of its planned Grid Reinforcement expenditures.
5. Require Xcel to prioritize the integration of its DSM and distribution planning/operations systems and processes to more easily utilize DSM resources to address local capacity constraints.
    a. Order Xcel to submit a compliance filing in this docket within 6 months of the order identifying other non-DERMS changes the Company can make in the near term to better integrate DSM into distribution planning.
6. If Xcel receives no responses to its NWA RFP, require the Company to work with stakeholders and developers to reconsider its approach to NWAs.
7. Require Xcel to make the following changes to its CBAs:
    a. Use ex-ante or forward-looking CBAs and estimate the customer costs and benefits of planned program expenditures.
    b. Reflect the present value of costs (measured as revenue requirements) and benefits over the life of the assets in CBAs.
8. If the Commission certifies the mobile battery pilot, require Xcel to report on the items raised by the City of Minneapolis in its initial comments. These include:
    a. Each instance where the mobile battery was deployed.
    b. Number of customers served by the deployment.
    c. Siting characteristics of where the battery was deployed.
    d. A quantification of the customer benefits provided by the mobile battery.
    e. Xcel should engage with stakeholders as part of the next IDP cycle to finalize a list of reporting metrics for the mobile battery program, to be included in future IDPs.

B. Joint Department recommendations

1. The Department recommends the Commission create a formal workgroup and planning standard review process that shall:
    a. Identify the main system planning standards that Xcel uses for each Commission-approved review topic;
    b. Select one or more planning standards, in agreement with intervenors, to review before the next IDP;
    c. Set alternative system planning scenarios to analyze, in agreement with intervenors;

   d. Perform a quantitative analysis of alternative system planning standards that measure estimated costs and benefits of alternative system planning standards;
   e. Require Xcel to present the results of steps A-D in the next IDP cycle; and
   f. Request comments to approve, modify, or reject the revised system planning standards for each Commission-approved review topic.
2. The Department recommends the Commission establish the following system planning standard review schedule, with each phase to repeat every eight years:
   a. 2027: Capacity
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3. The Department recommends the Commission order the Distribution Data Reporting work group to identify IDP filing requirements that Xcel and intervenors agree can be removed.
4. The Department recommends that the Commission create a new filing requirement which states:
   a. All new distribution spending projects and programs with an estimated historical or forecasted five-year budget of $25 million or greater shall, at minimum, address the following:
   b. Estimated cost or range for the project/program;
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   a. The valuation of the cost of unserved energy;
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C. ELPC/CEF/VS recommendations

1. Enforce 2024 IDP Order Point 19 and require Xcel to:
    a. Revise its Flexible Interconnection proposal to develop and implement Static FI in the near term, prior to or in parallel with implementing full, Dynamic FI.
    b. Order Xcel to file, by December 31, 2026, a report on their FI efforts and plans in this docket, and include a specific update on their progress towards implementing static FI including elements such as technical standards, customer-facing documentation, and enablement timelines;
    c. Order Xcel to include updated information on Flexible Interconnection in its 2027 IDP, including the number of new load and DER connections utilizing static FI, the capacity made available as a result, and progress towards dynamic FI rollout;
    d. Require Xcel to incorporate and otherwise address discussions and learnings from the DGWG process in its 2026 and 2027 filing; and,
    e. Require Xcel to review materials from Ameren and CHARGED, who have worked extensively on Flexible Interconnection and present key considerations. We recommend that Xcel incorporate these considerations into its program design and address these materials in its 2026 report and 2027 IDP.
2. Before filing its next IDP on November 1, 2027, require Xcel to:
    a. Establish equity-informed prioritization criteria for distribution investments. The Commission should require Xcel to develop and implement systematic criteria that prioritize investments addressing documented service disparities. The Company should

weight these criteria appropriately in its distribution project scoring and prioritization processes.

b. Integrate equity requirements into the IDP process. The Commission should require Xcel to demonstrate in its IDP filings how it will systematically and transparently incorporate equity considerations into distribution planning and investments. We note that this may mean that the Company would prioritize system upgrades in communities, that would bear disproportionately greater impacts from outages, such as spoiled food or medicine, including low-income and otherwise vulnerable communities.
c. Implement transparent reporting on equity outcomes. The Commission should require Xcel to report on reliability improvements and infrastructure investments by environmental justice area, income level, and racial composition in its Safety, Reliability, and Service Quality annual reports, just as the Company reports on reliability or other dimensions of utility performance. This reporting should demonstrate whether rate-funded investments are systematically addressing documented disparities or perpetuating inequitable service patterns.

Respectfully submitted,

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