MINNESOTA
PUBLIC UTILITIES COMMISSION

Staff Briefing Papers

Meeting Date	**Thursday, July 30, 2026**	**Agenda Item **1**
Company	Dakota Electric Association, Minnesota Power, Otter Tail Power Company, Northern States Power Company d/b/a Xcel Energy	
Docket No.	E111/M-25-139; E015/M-25-140; E017/M-25-141; E002/M-25-142	

In the Matter of Dakota Electric Association's 2025 Integrated Distribution Plan

In the Matter of Minnesota Power's 2025 Integrated Distribution Plan

In the Matter of Otter Tail Power Company's 2025 Integrated Distribution Plan

In the Matter of Xcel Energy's 2025 Integrated Distribution Plan

Issues

1. Should the Commission require any additional information or adjust any of the IDP filing requirements for Dakota Electric Association, Minnesota Power, Otter Tail Power, and Xcel Energy?
2. Should the Commission take any other action related to Dakota Electric Association, Minnesota Power, Otter Tail Power, and Xcel Energy's IDPs?

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✓ **Relevant Documents**	**Date**
Docket E111/M-25-139 (Dakota Electric IDP)	
Dakota Electric – 2025 Integrated Distribution Plan Report	November 3, 2025
Department of Commerce – Comments	March 24, 2026
Dakota Electric – Reply Comments	April 14, 2026
Department of Commerce – Reply Comments	May 5, 2026

Relevant Documents	**Date**
Docket E015/M-25-140 (Minnesota Power IDP)	
Minnesota Power – 2025 Integrated Distribution Plan	November 3, 2025
Department of Commerce – Initial Comments	March 13, 2026
Minnesota Power – Reply Comments	April 3, 2026
Department of Commerce – Reply Comments	April 24, 2026
Docket E017/M-25-141 (Otter Tail Power IDP)	
Otter Tail Power – 2025 Integrated Distribution Plan	October 31, 2025
Department of Commerce – Initial Comments	April 7, 2026
Otter Tail Power – Reply Comments	May 12, 2026
Department of Commerce – Reply Comments	June 4, 2026
Docket E002/M-25-142 (Xcel Energy IDP)	
Xcel Energy – 2025 Integrated Distribution Plan (Public and Trade Secret)	October 31, 2025
Department of Commerce – Initial Comments (Public and Trade Secret)	February 27, 2026
Xcel Energy – Reply Comments	March 19, 2026
Department of Commerce – Reply Comments (Public and Trade Secret)	April 23, 2026
Xcel Response to PUC IRs 1 through 12	May 18, 2026 May 21, 2026 June 1, 2026
Department Response to PUC IRs 1 through 10	May 18, 2026

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1. Statement of the Issues

1. Should the Commission require any additional information or adjust any of the IDP filing requirements for Dakota Electric Association, Minnesota Power, Otter Tail Power, and Xcel Energy?

2. Should the Commission take any other action related to Dakota Electric Association, Minnesota Power, Otter Tail Power, and Xcel Energy's IDPs?

2. Introduction

On November 1, 2025, Dakota Electric Association, Minnesota Power, Otter Tail Power, and Xcel Energy filed their 2025 Integrated Distribution Plans (IDP). The purpose of this briefing paper is to give an overview of the IDPs and cover common issues and recommendations made by the Department of Commerce across all four utility IDPs. Staff has also prepared individual briefing papers for each utility IDP that summarize the plans and utility-specific recommendations. The briefing paper is divided into several sections:

- A summary of the key points of each utility's IDP and cross utility comparison of budgetary and other trends
- Recommendations to change the timing of some IDP filings
- The creation of a standing IDP Improvement Workgroup
- Holding a reliability technical workshop
- Wildfire Mitigation Plans

As was the case in the 2023 IDPs, Staff provides a list of decision options referenced in the briefing papers for transparency but recommends adopting them in individual utility IDPs.

3. Summary of IDPs

In 2018, the Commission established Integrated Distribution Planning (IDP) requirements for Minnesota's four rate regulated utilities: Dakota Electric Association (Dakota or Dakota

Electric), Minnesota Power, Otter Tail Power (Otter Tail), and Xcel Energy (Xcel). Dakota, Minnesota Power, and Otter Tail are now on their fourth IDPs, while Xcel Energy has filed five. In 2022 the Commission merged Transportation Electrification Plans (TEPs) with IDPs for the three investor-owned utilities. Table 1 indicates docket numbers for the various utility IDPs.

Table 1: IDP Docket Numbers

	Dakota Electric	Minnesota Power	Otter Tail Power	Xcel Energy
Initial Filing Requirements	18-255	18-254	18-253	18-251
2019 IDP	19-674	19-684	19-693	19-666
2021 IDP	21-728	21-390	21-612	21-694
2023 IDP	23-420	23-258	23-380	23-452
2025 IDP	25-139	25-140	25-141	25-142

Dakota Electric Association highlighted the following key items from its five-year plan:

- Identification and mitigation of areas of poor reliability
- Development of a wildfire mitigation plan
- Continued use of the complete Advanced Grid Infrastructure (AGi) technologies to perform in-depth analysis and optimization of the distribution system.
- Increasing cost of distribution equipment due to inflation
- Long transmission interconnection timelines for distribution substation interconnections.

Minnesota Power's IDP emphasized the priorities for its 2025 IDP:

- Meeting Customer Energy needs: ensuring the grid can accommodate fuel switching and DERs.
- Investing in Optimized Asset Renewal: replacement of end of life equipment with equipment to meet changing system conditions and needs.
- Integrated Distribution System Planning: co-planning asset renewal with anticipated growth from ECO programing.
- Supporting the Energy Transition: how DERs and customer programs can help MP meet the Carbon Free Standard.

Minnesota Power also filed its 2025 Transportation Electrification Plan, which highlighted new initiatives in its ECO portfolio and the implementation of its Commission approved make-ready infrastructure program.

Otter Tail's 2025 IDP built on the Company's prior filing. In this year's plan, Otter Tail detailed following:

- Continued flat and declining load growth throughout its service territory.
- The development of the Company's first Wildfire Mitigation Plan
- An update on reliability initiatives, including the installation of a new Outage Management System and the System Infrastructure and Reliability and Improvement (SIRI) initiative
- Progress on the installation of Advanced Metering Infrastructure.

Otter Tail also filed its 2025 Transportation Electrification Plan (TEP) which highlighted the Company's implementation of approved programs and ECO rebates for EVs.

Xcel's 2025 IDP outlines the Company's strategic priorities for its $4.8 billion distribution system budget and plans over the next five years. Stakeholders focused on the Company's increasing distribution budget and recommended numerous actions to address the spending, including:

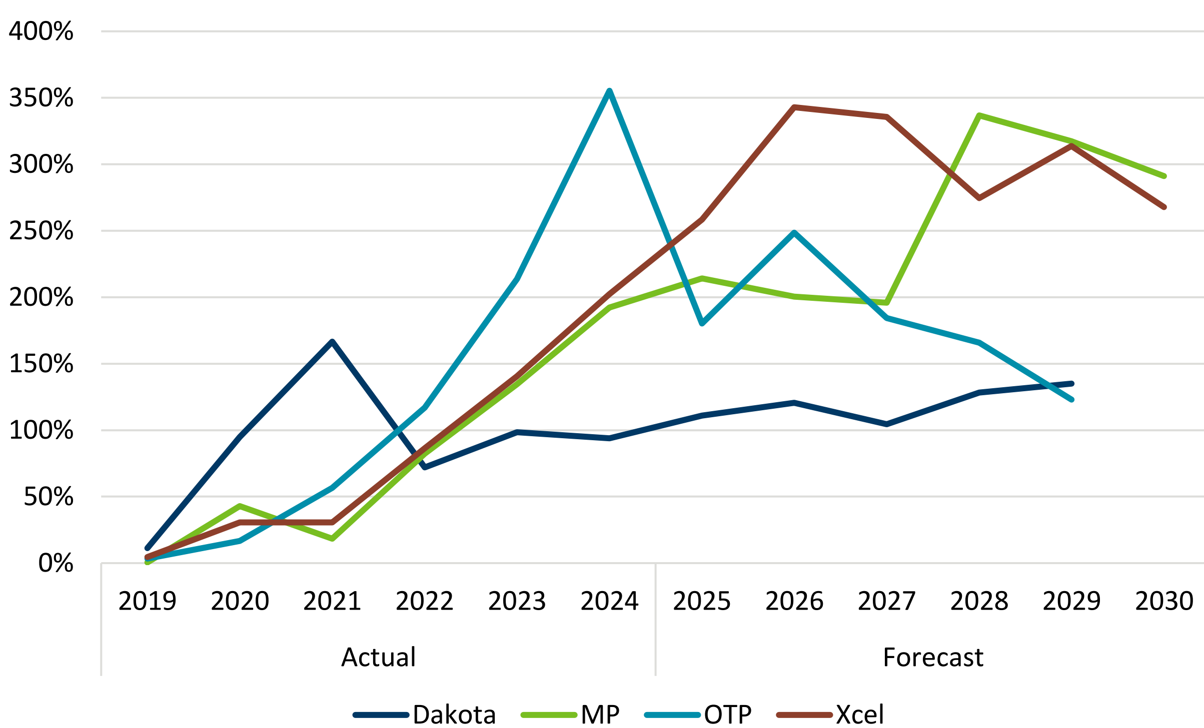
- Requiring additional cost benefit analysis for various distribution programs.
- Establishing a new "Planning Standard Review Process" to scrutinize Xcel's engineering and planning standards.
- Creating a new proceeding to determine how reliability is valued in distribution spending decisions.
- Greater scrutiny of Xcel's proposed Targeted Undergrounding Plan
- Establishing a Wildfire Mitigation Plan requirement.

Stakeholders also made recommendations around the Company's Distributed Energy Resource Management System (DERMS) rollout plan, implementation of Flexible Interconnection, changes to the Planned Net Load (PNL) Methodology and Non-Wires Alternatives Analysis.

Cross Utility Budget Comparison

Staff created Figure 1 to compare the percent increase in utility distribution budgets compared to a 2018 baseline, the first year in which IDPs were filed. This allows for a more direct comparison of utility budgets across the vastly different sizes of Minnesota's regulated utilities.

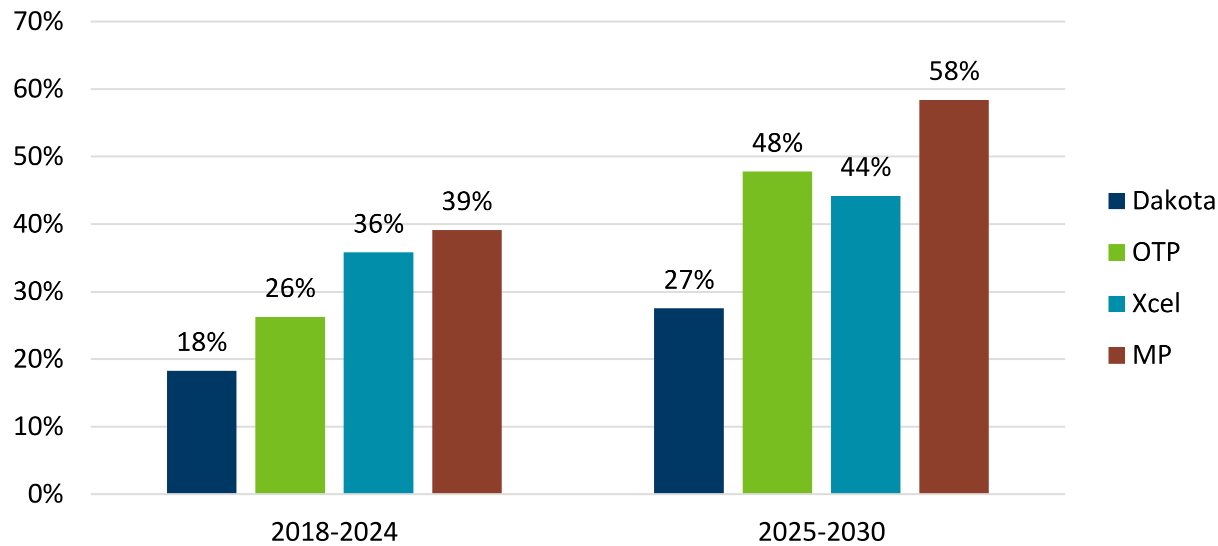
Figure 1: Percent Change in Regulated Utility Distribution Budget from 2018 Baseline



Staff notes the 2021 spike in spending for Dakota Electric Association and the 2024 spike in spending for Otter Tail Power are driven by their advanced metering infrastructure installations.

For all four utilities, Age Related and Asset Renewal is expected to consume the largest portion of their total distribution budget. Figure 2 compares the proportion of capital expenditures as a percent of the total distribution budget for 2018-2024 compared to 2025-2030.

Figure 2: Percent of Total Distribution Budget Spend on Age Related and Asset Renewal



While all four utilities expect to experience an increase, Minnesota Power and Otter Tail forecasted the largest increases.

4. Acceptance of IDPs

In multiple IDPs this cycle stakeholders recommended the Commission "accept IDPs with modifications" or "approve IDPs." Staff notes that because review of IDPs does not constitute a prudency review, the Commission accepts IDPs instead of approving them. Similarly, because the Commission is accepting the IDPs, it does not make modifications to them, rather the Commission can require additional information either in the current docket, or with the next IDP. If the Commission determines that utilities have complied with the filing requirements and past orders, Staff recommends the Commission adopt the following decision option, which is included in each individual utility briefing paper:

> Accept [utility] 2025 IDP Report as in compliance with IDP reporting requirements. Acceptance of the 2025 IDP has no bearing on prudency nor certification under Minn. Stat. § 216B.2425, subd. 3.

This is listed as **Decision Option 1** in each utility IDP.

If the Commission determines a utility has not complied with the filing requirements and past orders, Staff recommends the Commission accept utility IDPs contingent upon a compliance filing of the required information. In dockets where commenters have determined a utility has not complied with the filing requirements or orders, this is listed as **Decision Option 2** with a list of deficiencies participants want remedied.

The Commission may adopt any other combination of decision options to require modifications to future IDPs, additional information in the interim, or provide policy guidance for utilities.

Additionally, the Commission will consider Minnesota Power's and Otter Tail Power's Transportation Electrification Plans (TEPs). Unlike IDPs, TEPs are approved, modified, or rejected as per Minn Stat. 216B.1615, Subd. 3. For Otter Tail, all commenters recommend approval (**Decision Option 16** in OTP's Briefing Papers). For Minnesota Power, the CEGs and the Department recommend approval with modifications (**Decision Option 15** in MP's briefing papers) while MP recommended approval (**Decision Option 14**).

5. IDP Timing

The Department recommended staggering IDP submission dates due to the increase in the number of issues and volume of the filings, especially for Xcel Energy. The Department suggested two alternatives, with a preference for option A:

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.

Staff concurs that staggering IDP filings is necessary given the expansion of topics considered each year, along with new components like Transportation Electrification Plans and Proactive Grid Upgrade Proposal. Staff recommends that Xcel continue to submit its IDP and related filings November 1 of odd numbered years and Dakota, Minnesota Power, and Otter Tail submit their IDPs and related filings in even numbered years. Under Minn. Stat 216B.2425 any utility operating under a multi-year rate plan is required to make various filing on November 1 of odd numbered years, including certification request. Therefore, Xcel would be unable to move certain of its associated IDP filings to even numbered years.

Staff recommends Dakota, MP, and OTP be required to file baseline financial data (IDP Filing Requirements A.26-A.29) in odd numbered years to enable cross utility budget comparisons. Xcel Energy is required to make a filing in even numbered years with similar, but more extensive data.

If the Commission would like to modify the schedule for Dakota, MP, and OTP's IDPs to even numbered years, it may adopt the following decision options in individual utility IDPs. The decision option also would require the utilities to file baseline financial data in odd numbered years. No decision option is necessary for Xcel, as its schedule would remain the same.

- Dakota Electric Association – **Decision Option 2**
- Minnesota Power – **Decision Option 2**
- Otter Tail Power – **Decision Option 2**

6. Standing IDP Improvement Workgroup

The Department recommended that the Commission order the Executive Secretary to convene a work group to identify IDP filing requirements that the Company and stakeholders agreed could be removed. Xcel stated that it was open to participating with stakeholders to address unnecessary IDP filing requirements.[1] (**Decision Option 2**)

Staff supports a modified recommendation of the Department's recommendation. After the 2023 IDP, Staff stood up a number of "IDP Improvement Workgroups" to implement suggested changes to IDP filing requirements that had high level agreement but needed further technical development. This resulted in updates to include the impacts of electrification throughout the filing requirements and modifications to budget reporting to better align with internal utility processes. Staff also convened a Distribution Data Workgroup, but as noted by the Department, there were less fruitful results from that process. While the workgroup did come to consensus on some clarifications and updates to the existing IDP filing requirements, overall, there was a lack of agreement between the Department and utilities about what additional information to require as part of future IDPs.

Staff recommends establishing a standing "IDP Improvement Workgroup" for all utilities that can meet on an ad hoc basis to implement changes from IDP Orders and discuss potential changes to the IDP before the formal comment process. This would encompass the Department's recommendation but make it more flexible and applicable to all utilities. Utilities have expressed support of the informal workgroup process to Staff, noting that it is far less time consuming and reaches a larger degree of consensus than a notice-and-comment period. From Staff's perspective, it also reduced the amount of back and forth in the record leading to less work for briefing papers and at the agenda meeting. (**Decision Option 3**)

Staff anticipates that the workgroup would be informal and convened by PUC Staff, as was the case with the 2023 IDP workgroups. Most communication would be via email with occasional virtual meetings when necessary. Additional details could be worked out amongst potential participants. One of the first steps for the workgroup could be to affirm the consensus clarifications on IDP filing requirements that came out of the Distribution Data Workgroup that were developed last fall. The workgroup could also address requests from Xcel and Dakota to update or clarify filing requirements 3.C.4[2] and 3.A.28.[3]

If the Commission would like to adopt the Department's recommendation, it may do so by adopting **Decision Option 3** in Xcel Energy's IDP.

If the Commission would like to adopt Staff's recommendation, it may adopt the following decision options in individual utility IDPs:

- Dakota Electric Association – **Decision Option 3**

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[1] Xcel 3-19-26 Reply Comments, Attachment A, p. 32.
[2] See July 15, 2026 Staff Briefing Papers, Docket E002/M-25-142, p. 97.
[3] See July 20, 2026 Staff Briefing Papers, Docket E111/M-25-139, pp. 7-8.

- Minnesota Power – **Decision Option 3**
- Otter Tail Power – **Decision Option 3**
- Xcel Energy – **Decision Option 4**

7. Reliability Proceeding

The Department of Commerce focused on the valuation of reliability across all four utility IDPs, and made a number of recommendations for utilities to develop methodologies to help quantify it in their investment and planning decisions. One of the Department's recommendations was to establish a new proceeding for all utilities to discuss this in depth (**Decision Option 4**). The Department made this recommendation in Minnesota Power's and Xcel Energy's IDPs but not in Otter Tail or Dakota's proceedings. Staff has replicated the decision option across all four dockets for consistency:

- Dakota Electric Association – **Decision Option 7**
- Minnesota Power – **Decision Option 7**
- Otter Tail Power – **Decision Option 10**
- Xcel Energy – **Decision Option 21**

In Xcel Energy's IDP, Staff discusses an alternative to the Department's proceeding: holding a technical workshop with experts from Lawrence Berkley National Lab to learn more on national best practices and the Interruption Cost Estimate (ICE) calculator (**Decision Option 5**). Staff offers this as an alternative in the other utility proceedings as well:

- Dakota Electric Association – **Decision Option 8**
- Minnesota Power – **Decision Option 8**
- Otter Tail Power – **Decision Option 11**
- Xcel Energy – **Decision Option 22**

8. Wildfire Mitigation Plans

While not currently an IDP filing requirement, all four utilities discussed wildfire mitigation in their 2025 IDPs. The individual IDP briefing papers summarize the specifics of the utility's plans, here Staff summarizes the Department's recommendation for utilities to file formal Wildfire Mitigation Plans (WMPs).

In each utility IDP the Department recommended development of a Wildfire Mitigation Plan. The recommended contents vary by utility. From a process perspective, the Commission will need to decide whether Wildfire Mitigation Plans are filed as part of the IDPs or in a separate proceeding.

On the one hand, the IDPs already have an established process, and many wildfire mitigations are distribution focused. On the other hand, IDPs already contain a large amount of information and WMPs also contain non-distribution related spending and initiatives. Additionally, IDPs are accepted, not approved, so depending on the eventual direction of WMPs, having a different review standard may not be advisable.

Weighing these factors, Staff believes having WMPs filed separately from IDPs make the most sense procedurally, especially at the outset of this endeavor. Staff has no strong feelings on the due dates for WMPs as long as they fall somewhere in the March to September window to avoid overlapping with the existing IDP cycle.

The Commission may wish to give guidance on what weight it expects to give WMPs in other regulatory proceedings. Historically IDPs have been regarded as informational filings and Commission acceptance has had no weight in future cost recovery proceedings. However, in Xcel's 2024 Rate Case, some intervenors suggested using the plan as the basis to inform future cost recovery of wildfire related investments. If the Commission intends for approval of WMPs to be any kind of pre-approval for cost recovery, it may wish to consider whether establishing evaluation criteria for the plans is worthwhile. Alternatively, the Commission could treat WMP filings as an opportunity to provide feedback ahead of formal approval of the plan for s cost recovery proceedings.

The Department also made a request for the Commission to authorize it to procure specialized technical services under Minn. Stat. 216B.62, subd. 8. This request was not made until reply comments for Xcel Energy, Dakota Electric, and Otter Tail Power, and was absent from the Department's recommendations in Minnesota Power's IDP, leaving utilities without a chance to respond. In response to Staff IR 4 Xcel indicated that it believed the more appropriate time to consider such a request is when the initial WMPs are filed.

Staff notes that the procurement process for specialized technical services can be lengthy due to state requirements. Therefore, if the Commission is inclined to grant the Department's request, Staff recommends doing it now rather than with the first WMP filings, so the Department has sufficient time to procure technical assistance without delaying consideration of the initial plans. Alternatively, since WMP filings and plan review will likely be a recurring endeavor, it may be worthwhile for the Department to seek funding for permanent staff.

Table 2: WMP Decision Options in Individual Utility IDPs.

	Staff Timing and Process	Department Timing and Process	WMP Contents	Department Funding
Dakota	DO 11	DO 10	DO 12	DO 13
Minnesota Power	DO 11	DO 10	DO 12	DO 13
Otter Tail	DO 13	DO 12	DO 14 a-j	DO 15
Xcel	DO 31	DO 32	DO 33 a-o	DO 34

9. Decision Options

Staff provides a list of decision options referenced in the briefing papers above for transparency, but as noted at the outset of this briefing paper recommends adopting them in individual utility IDPs.

1. Require [utility] to file its next Integrated Distribution Plan on November 1, 2028 and every 2 years thereafter. Require [utility] to file an interim update on November 1 of odd numbered years consisting of Baseline Financial Data (IDP Filing Requirements A.26-A.29).
   (Staff modification of Department)

2. Delegate authority to the Executive Secretary to Direct the Distribution Data Reporting Work Group to identify IDP filing requirements that Xcel and intervenors agree can be removed.
   (Department)

OR

3. Delegate authority to the Executive Secretary to establish standing IDP Improvement Workgroup for [utility]. Delegate authority to the Executive Secretary to approve via notice amended IDP filing requirements if agreement among stakeholders is reached.
   (Staff)

4. Delegate authority to the Executive Secretary to initiate a new proceeding to discuss the appropriate value of reliability. The initial 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.

   (Department)

OR

5. Delegate authority to the Executive Secretary to hold one or more technical workshops facilitated by Commission Staff on how to value reliability in distribution proceedings.
   (Staff)

6. Require [utility] to file a Wildfire Mitigation Plan in a new docket by [insert date].
   (Staff)

7. Pursuant to Minn. Stat. § 216B.62, subd. 8, request that the Commissioner of the Department of Commerce seek authority from the Commissioner of Management and Budget to incur costs up to $300,000 for specialized services to assist with any proceedings related to the review of wildfire mitigation plans for Xcel Energy, Minnesota Power, Otter Tail Power, and Dakota Electric Association.
   (Department)