

## In the Matter of Xcel Energy's 2023 Integrated Distribution Plan

Docket No. E002/M-23-452

Commissioner Tuma proposes the following amended decision option:

### Revised Tuma 34

34. ~~Require Xcel to host~~ ~~Delegate authority to the Executive Secretary to establish~~ a stakeholder process facilitated by a respected independent third-party facilitator to develop a framework on cost allocation and proactive upgrades for Xcel Energy. ~~The stakeholder workgroup may also include Dakota Electric Association, Minnesota Power, and Otter Tail Power if they wish to participate.~~ The Commission sets the following guidelines for the process:
- a. The goal of the workgroup is to develop ~~proposals~~ a framework for proactive upgrades and cost allocation for Commission consideration and possible adoption.
  - b. The process does not need to reach consensus but should aim to clearly identify areas of agreement and disagreement to facilitate a Commission decision.
  - c. Xcel will submit their framework on cost allocation and proactive upgrades to commission for approval ~~The Commission establishes a goal of completing the stakeholder process~~ by **[insert date]**. At the conclusion of the stakeholder process there will be a notice and comment period on Xcel's framework ~~any proposals~~ followed by a Commission decision.
  - d. ~~Proposals~~ The framework should address, at minimum, the following topics:
    - i. How to allocate the costs of proactive upgrades
    - ii. How to ensure any proactive upgrades are distributed in an equitable manner throughout a utility's service territory
    - iii. If costs are socialized among ratepayers, whether portions of the upgraded capacity should be reserved for certain customer classes
    - iv. How a proactive upgrade program would integrate with a utility's planned distribution investment programs
    - v. How a utility's other capacity programs and changes to distribution standards impact available hosting capacity
    - vi. How to determine where and when there is a need for proactive upgrades using forecasted DER and load adoption
    - vii. Whether there should be changes to any of a utility's service policy provisions such as Contributions In Aid of Construction (CIAC).
  - e. This framework development is separate from the requirements under 2024 Minnesota Laws Chapter 126, Article 6, sec. 53, but may be done contiguous with these statutory requirements if it will help expedite the development of the framework.

## Revised Tuma 41

41. ~~Direct~~ Xcel ~~not to include~~ may only recover funds for proactive grid upgrades for electrification or hosting capacity, such as the Grid Reinforcement Program or the Proactive System Upgrades to Increase Hosting Capacity, in its next rate case after its framework on cost allocation and proactive upgrades is approved by the Commission and will provide sufficient time to inform parties and the Commission in making determinations on whether they are necessary and prudent for recovery in the rate case until the Commission has adopted a framework on cost allocation and proactive upgrades.