STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Joseph K. Sullivan	Vice-Chair
Audrey Partridge	Commissioner
Hwikwon Ham	Commissioner
John Tuma	Commissioner

In the Matter of Northern States Power Co.'s, d/b/a Xcel Energy's, Petition for Approval of Large General Time of Day Service customers and Large Peak Controlled Time of Day Service Tariffs	MPUC DOCKET NO. E002/M-25-289

INITIAL COMMENTS OF ENVIRONMENTAL LAW & POLICY CENTER AND VOTE SOLAR

I. INTRODUCTION

Data center and other very large customer development has exploded across the country, particularly in the Midwest. Although these customers may bring economic benefits, as Xcel Energy emphasizes in its Petition, they also bring challenges, including related to electricity service. Utilities and regulators, like this Commission, are having to develop tariffs and other policies even as increasing numbers of very large customers continue to seek connection to the power grid. The Environmental Law & Policy Center and Vote Solar (together, ELPC/VS) are currently in four proceedings where Midwest commissions are grappling with similar issues—two before the Illinois Commerce Commission involving Commonwealth Edison (ComEd), one before the Michigan Public Service Commission involving Consumers Energy, and one before the Public Service Commission of Wisconsin involving We Energies—and we are following several more. One of our goals in these comments and in our engagement in other Midwest states

is to share learnings and best practices as we all try to address this new and rapidly expanding customer group. While we have some outstanding concerns, we believe that Xcel Energy has put forward a thoughtful and reasonable initial proposal that begins to address the Commission's and Legislature's directives related to data center electricity service. In these comments, ELPC/VS offer recommendations intended to identify some emerging best practices to better ensure the Company's tariffs achieve the established goals related to ratepayer protection and progress towards the state's carbon-free mandate and other clean energy goals.

Given the environmental and clean energy focus of both of our organizations, ELPC/VS are worried about the environmental impact of this growth in data centers and other very large customers, particularly the impact on clean energy mandates and associated emissions reductions. While we appreciate Xcel Energy's intent to serve these very large customers—and all of its customers—with power meeting Minnesota's carbon-free standard, we remain concerned that the rapid growth in data center development may put adverse pressure on the Company's ability to accomplish that goal. For that reason, we believe it is critical to ensure that the Commission and stakeholders can monitor the growth and connections of these very large customers and, if needed, act swiftly to address any problems that arise, particularly with respect to meeting the carbon-free mandate. As discussed in more detail below, we offer some suggestions related to tracking and reporting, as well as ways to maximize the options for these very large customers to power themselves with clean electricity.

In addition, ELPC/VS are interested in Xcel Energy's proposal to rely on an Incremental Cost Test to ensure that very large customers pay the full suite of costs attributable to them. This is a novel idea based on what we have seen in other state proceedings, and we view it as a

promising one in concept. As we discuss further below, however, the devil is in the details of this approach, and it warrants careful analysis now, and transparency and scrutiny in its application.

II. RESPONSES TO TOPICS OPEN FOR COMMENT

1. **Should the Commission approve the Company's proposed:**
   - **Large General Time of Day Service tariff;**
   - **Large Peak Controlled Time of Day Service tariff;**
   - **Rules for the Application of Peak Controlled Services tariff revisions;**
   - **Tier 1 Energy Controlled Service rider tariff revisions;**
   - **CIP Adjustment rider tariff revisions;**
   - **Administrative revisions to the Company's Tariff Book; and**
   - **Retail Customer Form ESA?**

ELPC/VS believe that Xcel's tariff proposals represent a good start towards achieving the Legislature's and Commission's clean energy and consumer protection goals. ELPC/VS request that the Commission require Xcel to engage with stakeholders to address the concerns and recommendations discussed in the remainder of these comments and, where appropriate, propose further tariff revisions to address any gaps or deficiencies. We may comment further in reply, after reviewing other parties' comments.

2. **Are the following key terms of the Company's Large General Time of Service Tariff reasonable?**
   - **Default initial contract term length;**
   - **Rate design;**
   - **Security and risk mitigation measures; and**
   - **Measures to address changes in contract demand (or any other changes).**

ELPC/VS do not take a position on the above-listed key terms at this time. After reviewing other parties' comments, we may respond further in reply.

We do offer comments on one key term not included in the list above:

Applicability. The proposed Tariff currently would apply to customers with loads of 100 MW or greater. Xcel Energy indicates that this applicability is consistent with the definition of

"data center" under Minn. Stat. § 216B.02, Subd. 11.[1] It also states that the "Company will exercise reasonable discretion when choosing to aggregate premises for purposes of determining eligibility" under the tariff.[2] ELPC/VS note that, while the statute defines "data center" as having a load of 100 MW or greater, it does not extend this definition to all "very large customers" (or "super-large customers," as the Commission termed them in its IRP Order). On one hand, ELPC/VS appreciate the simplicity of defining these various customer types with the same size threshold (≥ 100 MW). On the other hand, we are concerned that such definition allows and may incentivize these customers to have loads of under 100 MW and avoid application of the tariff requirements, while still being "very large" or "super-large" customers by most people's understanding, and with respect to potential impacts to other ratepayers and the grid. We also have a related concern about the potential for these customers to disaggregate their facilities to avoid the 100 MW size classification. Since Xcel Energy retains full discretion to address aggregation of customer loads under the proposed Tariff, without much detail on how it will apply this discretion, it is difficult to know how well the Company will mitigate this concern. As a point of comparison, in an ongoing proceeding in Illinois, ComEd has proposed a threshold of 50 MW to define "large demand" customers within its retail service application and interconnection processes.[3]

[1] Petition at 10.
[2] *Id.*
[3] *See, e.g.*, ICC Docket No. 25-0677, Direct Testimony of Max Leichtman, Director of Economic and Workforce Development, Commonwealth Edison Company, at 2 (Aug. 21, 2025), *available at* https://www.icc.illinois.gov/docket/P2025-0677/documents/369550/files/647584.pdf ("This proceeding is an investigation of tariff amendments ComEd filed to its General Terms and Conditions ("GT&C") and Rider DE - Distribution System Extensions ("Rider DE") to clarify and improve aspects of the process through which customers with large demands (i.e., 50 MW or above) ("Large Demand Project Applicants and Customers") apply for and receive retail electric delivery services.").

ELPC/VS encourage the Commission to approve a lower applicability threshold in this case, such as 50 MW. We look forward to reviewing comments or proposals on this topic from other parties and potentially commenting further in reply.

3. Does Xcel's proposal reasonably comply with Order Point 32 of the Company's April 21, 2025 Order in Docket Nos. E002/RP- 24-67 and E002/CN-23-212?

ELPC/VS offer comments on the following components of the Commission's Order Point 32 and do not take a position on the remainder of the Order Point at this time.

New rate class or sub-class and tariff for "super-large customers." See response to Question 2 regarding Applicability.

Demand flexibility, demand response, and energy efficiency. ELPC/VS strongly support the inclusion of load flexibility options in Xcel Energy's proposed tariffs. Given the very large demand from these types of customers, enabling and encouraging such load flexibility is especially critical. We note, however, that the Commission's Order Point 32 required Xcel Energy to "detail what combination of existing and new" resources, including demand flexibility, demand response, and energy efficiency, the utility will use to serve super-large customers. Xcel Energy did not include in its Petition a detailed description of the combination of resources it expects to use, beyond indicating that it will rely on its resource planning analysis and process to meet the needs and comply with relevant state mandates. The Company also indicated in response to ELPC Information Request No. 4 (Attachment 1) that it has not modeled how often it expects a customer to choose interruptible service. Although ELPC/VS appreciate that predicting in detail the combination of resources the Company will use could be challenging, we suggest that the Commission require Xcel Energy to track and report this information, including in particular very large load customer participation in the proposed Large Peak Controlled Time of

Day Service and revised Tier 1 Energy Controlled Service rider tariffs. We discuss additional transparency and recommendations further below in response to Question 6.

In addition, we understand that data center customers in other states have partnered with utilities to develop clean energy offerings in which the customer sponsors load flexibility initiatives, such as virtual power plants (VPPs). For example, Voltus's "Bring Your Own VPP" program allows hyperscale data center operators to aggregate and monetize their flexible load capacity through VPP frameworks, enabling these customers to provide grid services while managing their energy costs.[4] Similarly, Google has partnered with Indiana Michigan Power to develop innovative clean energy solutions that leverage the company's data center flexibility to support grid reliability and advance decarbonization goals.[5] In these arrangements, hyperscale customers finance VPP capacity and demand response infrastructure that benefits the broader grid, keeping average system costs low and avoiding imposing incremental unit costs of the system on other customers. ELPC/VS encourage Xcel Energy to explore these innovative load flexibility opportunities with its very large customers and likewise urge the Commission to consider the beneficial potential of these types of arrangements when reviewing future Electric Service Agreements (ESAs).

Ensure that all incremental costs attributable to super-large customers are assigned to the super-large class or sub-class. As discussed further below in response to Question 5, ELPC/VS believe that Xcel's proposal to use its Incremental Cost Test to achieve this directive

[4] *See* Maeve Allsup, Latitude Media, *Inside the first 'bring your own' VPP program for data centers* (Sept. 30, 2025), https://www.latitudemedia.com/news/inside-the-first-bring-your-own-vpp-program-for-data-centers.
[5] *See* Indiana Michigan Power, Press Release, *I&M, Google Filing to Support Reliability Through Demand Response Structure* (Aug. 4, 2025), https://www.indianamichiganpower.com/company/news/view?releaseID=10359.

seems reasonable in concept, though we have some outstanding questions related to the details of its implementation.

Provide electricity to the super-large class or sub-class that achieves each benchmark of the state's electricity standards under Minn. Stat. § 216B.1691. Addressing this Commission directive in its Petition, Xcel Energy states that "… acquiring system resources for Large General Time of Day Service customers will be accomplished consistent with our approved IRP which is aligned with the state's electricity standards under Minn. Stat 216B.1691."[6] ELPC/VS support Xcel Energy's intent to rely on its existing planning processes, including forecast, modeling, tracking, and procurement processes, in order to ensure its resources serving very large customers—and all of the Company's customers—meet the state's mandates, including its carbon-free mandate. At the same time, we remain concerned that Xcel Energy may encounter supply bottlenecks and other constraints that put pressure on its ability to serve this substantial new load with clean energy consistent with state policy, especially since this load may only grow given other incentives intended to attract these very large customers. For this reason, ELPC/VS encourage the Commission to ensure that Xcel Energy enables all potential pathways for clean energy for this customer subclass, including both voluntary carbon-free procurement, discussed further below, as well as on-site, behind-the-meter clean generation, discussed in response to Question 6.

Xcel must consult with the Department and consider filing a voluntary carbon-free electricity procurement program that enables more customers to achieve annual CFE goals and increase hourly matching CFE levels. In its Petition, Xcel Energy indicated that it met with the Department on July 8, 2025 to discuss a voluntary carbon-free electricity procurement

[6] Petition at 24.

program as well as the statutory requirement for a Clean Energy and Capacity Tariff.[7] In response to ELPC Information Request No. 5 requesting any updates on discussions with the Department or other steps towards developing a Clean Energy and Capacity Tariff (Attachment 2), the Company stated: "The Company plans to conduct additional modeling of a 24/7 hourly matching program to inform further discussions." ELPC/VS are eager to see further development of this program/Tariff. As indicated above, we view this as an important component to ensure that very large customers meet their resource needs through clean generation, energy storage, and load flexibility. In addition, we view it as another mechanism for consumer protection, in that it would allow very large customers to separately meet their electricity needs and avoid any cost-shifting to other utility customers in a transparent way. Therefore, ELPC/VS request that the Commission require Xcel Energy to: (1) engage with stakeholders, including ELPC/VS, to further design this program; and (2) file a Tariff within 90 days of its final order in this proceeding.

4. Does Xcel's proposal comply with Minn. Stat. § 216B.1622 related to Service for Very Large Customers (Laws 2025, 1st Special Session, Chapter 12)? If not, what additional provisions should be addressed?

ELPC/VS offer comments on the following components of the Minn. Stat. § 216B.1622 and do not take a position on the remainder of the statute at this time.

Very large customer class or subclass (Subd. 1). See response to Question 2 regarding Applicability.

Achieving quantitative benchmarks in state's electricity standards under section 216B.1691 (Subd. 2(2)). See response to Question 3 regarding achievement of these benchmarks.

[7] Petition at 26.

Any other outcome deemed important by the commission (Subd. 2 (4)). ELPC/VS highlight that this provision gives the Commission explicit authority to implement its own directives related to the proposed tariffs, from its prior IRP order or any further directives it deems important. We suggest these directives should include our suggestions in these comments to the extent they are not already expressly contemplated within statute.

5. Should the Commission modify Xcel's proposed design of the Incremental Cost Test?

In concept, ELPC/VS support Xcel Energy's proposed use of its Incremental Cost Test. As we understand it, the Company would use this Test to determine whether or not the revenues from new very large customers taking service under the proposed Tariffs exceed the incremental costs associated with that customer. If projected revenues are lower than projected costs, then the resulting ESA would include some fee or other mechanism to obtain additional revenues to cover any outstanding incremental costs associated with the customer rather than socializing these costs to Xcel's other customers. To the extent the Incremental Cost Test can assign incremental costs to the cost-causing customer in a clear, methodical manner, we view it as a novel, reasonable approach to take with respect to very large customers.

ELPC/VS note, however, that the details around the revenue and cost inputs will determine the effectiveness of the Incremental Cost Test in this application. We look forward to reviewing other parties' comments on this topic. On transmission-related costs in particular, ELPC/VS highlight a September 2025 report from the Union of Concerned Scientists (UCS), *Loophole Costs Customers Over $4 Billion to Connect Data Centers to Power Grid*.[8] In this report, UCS looked at 130 examples of data center-caused transmission projects and found

[8] https://www.ucs.org/sites/default/files/2025-09/PJM%20Data%20Center%20Issue%20Brief%20-%20Sep%202025.pdf.

utilities assigned $4.3 billion of those costs in customer rates. Although UCS looked at projects in seven PJM states, and not any in MISO states or Xcel's service territory specifically, ELPC/VS are nonetheless concerned by this finding. In addition, in our own experience in the ComEd large-load proceeding in Illinois, our witness found that ComEd has proposed to socialize over $200 million in costs that ComEd incurred to construct high-voltage interconnection facilities for two individual retail customers, each with projected loads over 100 MW.[9] We request that Xcel explain how its proposed approach addresses these transmission cost concerns and ensures that all incremental transmission costs are fully assigned to very large load customers.

ELPC/VS also note that Section 3.5 of Xcel Energy's proposed ESA states: "Company has completed an incremental cost analysis of Customer's load cost and benefits under this ESA, including any terms addressed in Exhibit C. The Company has determined that incremental costs do not exceed revenues."[10] ELPC/VS understand this provision to indicate that either: (1) costs did not exceed revenues under the Test and no modifications to the ESA were required; or (2) costs did exceed revenues under the Test and the Company and customer agreed to additional fees or other mechanisms to address this, as captured in Exhibit C to the ESA. If our understanding is not correct, we request that the Company clarify this provision. In addition, we recommend that the Commission require Xcel Energy to file the actual Incremental Cost Test analysis for Commission review in tandem with the ESA and other relevant agreements. ELPC/VS suggest that such transparency is critical. It will allow the Commission to ensure that

[9] ICC Docket Nos. 25-0677 & 25-0679 (consol.), Direct Testimony of Mike Jacobs on Behalf of the Environmental Law & Policy Center, Natural Resources Defense Council, Union of Concerned Scientists, and Vote Solar ("Joint NGOs"), at 6-7 (Sept. 26, 2025), *available at* https://www.icc.illinois.gov/docket/P2025-0677/documents/371138/files/650739.pdf.
[10] Petition, Att. G at 4.

revenues and costs are properly considered, and any resulting accommodations in the ESA are appropriate, all in the interest of meeting the relevant statutory requirements and the Commission's related directives.

Finally, ELPC/VS understand and support Xcel's intention to bring individual ESAs to the Commission for approval. This further review will provide important transparency to the process, including the application of the Incremental Cost Test to each customer. Realistically, however, many stakeholders (including ELPC/VS) will not have the resources and capacity to participate in each individual ESA proceeding. We suggest this underscores the need for aggregate tracking and reporting related to very large load customers, such that the Commission and interested stakeholders can monitor progress and identify and address any problems as promptly as possible. In particular, it is important to be able to review aggregated information to keep track of any impacts on progress towards achievement of the carbon-free mandate. We discuss tracking and reporting further in response to Question 6.

6. Are there other issues or concerns related to this matter?

ELPC/VS raise the following related issues and ideas, with the intent of further advancing the Commission's and Legislature's directives to protect consumers and preserve compliance with the state's clean energy mandates:

Behind-the-Meter Resources

The Petition and proposed Tariffs contain a handful of references to "backup generation," but do not discuss this concept in any detail. For example, in the Petition, Xcel Energy references the statutory definition of "data center" and provides the full citation in a footnote: "'Data center' means a facility that is designed to have a load of 100 megawatts or more and whose primary purpose is the storage, management, and processing of digital data via the interconnection and

operation of information technology and network telecommunications equipment, including all related facilities and infrastructure for **backup electricity generation**, power distribution, environmental control, cooling, and security."[11] In the form interconnection agreement, the Company states: "This Interconnection Agreement provides no rights to Customer with respect to any **backup generation** located at the premises used to support the Data Center. Under no circumstance, whatsoever, including without limitation during an Emergency (except as may be necessary to prevent damage to the Company Facilities and the Company System), will Customer's backup generation at the Data Center be allowed to feed any energy over the Point(s) of Interconnection onto the Company System."[12]

It seems that Xcel contemplates these very large load customers having onsite, behind-the-meter generation principally as a backup, e.g., should utility service fail in some way. From ELPC/VS's perspective, the Company and the Commission should more explicitly promote the use of clean, behind-the-meter resources, such as solar and/or energy storage, as a tool to reduce or manage very large customers' load. The inclusion of load flexibility tariffs accomplishes this to some extent, however ELPC/VS encourage the Commission to expressly endorse clean, behind-the-meter resources as a way to encourage clean generation and decrease or mitigate very large customers' demand, including through considering prioritizing customers deploying such resources within the Company's interconnection process, as discussed further below. We believe such clean, behind-the-meter resources should serve as a complement to the Clean Energy and Capacity Tariff discussed above in response to Question 3.

[11] Petition at 10, n.27.
[12] Petition, Att. G at 4 (Section 1.03(e)).

Large Load Interconnection Standards

In addition to raising cost-shifting concerns, the interconnection of very large load customers also raises particular technical risks that utilities' traditional interconnection processes do not typically address. Recent research from the Western Electricity Coordinating Council (WECC) and Elevate Energy Consulting (Elevate) explains these engineering challenges and offers suggestions regarding how to revise utilities' large load interconnection practices to address them.[13, 14] One of the report authors, Kyle Thomas from Elevate, is also serving as our witness in the ComEd large load interconnection proceeding.[15] In his testimony, Mr. Thomas provides the following overview of the types of risk that very large loads may pose: "Among the most significant include: (1) sudden, high-magnitude loss of load, which can destabilize system frequency; (2) sensitivity to voltage and frequency excursions, where large load facilities disconnect during normal protection and control functions during a fault on the bulk power system; (3) high inrush currents and fast-ramping behavior during startup or cycling that can exceed local system capabilities and drive unexpected transmission upgrades; (4) power quality impacts, including harmonic distortions, voltage flicker, and potential adverse interactions with inverter-based resources and other power electronic equipment connected to the grid."[16]

As one way to ensure that the utility is able to properly study the technical challenges presented by very large load customers, Mr. Thomas has presented the idea of a "supplemental

---

[13] Ryan Quint, Jiecheng (Jeff) Zhao & Kyle Thomas, WECC/Elevate, An Assessment of Large Load Interconnection Risks in the Western Interconnection (Technical Report) (Feb. 2025), *available at* https://www.wecc.org/sites/default/files/documents/products/2025/Report_WECC%20Large%20Loads%20Risk%20Assessment%204.pdf.

[14] Ryan Quint, Kyle Thomas, *et. al, Practical Guidance and Considerations for Large Load Interconnections*, Elevate Energy Consulting (May 2025), *available at* https://gridlab.org/large-load-interconnections/.

[15] ICC Docket Nos. 25-0677 & 25-0679 (consol.), Direct Testimony of Kyle Thomas on Behalf of the Environmental Law & Policy Center, Natural Resources Defense Council, Union of Concerned Scientists, and Vote Solar ("Joint NGOs") (Sept. 26, 2025), *available at* https://www.icc.illinois.gov/docket/P2025-0677/documents/371138/files/650729.pdf ("Thomas ComEd Testimony").

[16] *Id.* at 7.

trigger" to the size threshold for these customers (50 MW for ComEd) when they are located in weak, stressed, or congested part of the transmission system under certain, defined conditions.[17] These conditions include, but may not be limited to: "(a) any project whose interconnection point is identified as 'weak' or constrained in ComEd's studies; (b) any project that requests voltage levels or in-service profiles that indicate high ramp rates, both in the MW size of ramps and the speed of the MW (fast switching of load at the second or sub-second level); or (c) any single developer proposing cumulative capacity in a geographic cluster that exceeds a defined MW threshold but within a short timeframe (months, for example)."[18]

In addition, ELPC/VS note that the Energy Systems Integration Group (ESIG) has launched a Large Load Task Force (LLTF) "to unite stakeholders, identify practical solutions, and develop harmonized practices that ensure reliable and efficient grid integration while supporting industry growth."[19] Our understanding is that the LLTF plans to issue a report with recommendations in the near term, which may offer additional insights and best practices for consideration.

ELPC/VS are interested in learning whether and to what extent Xcel Energy has followed this research and begun to consider and address these risks within its load interconnection procedures. We request that, in its reply comments, the Company provide any reactions to these very large-load interconnection challenges and emerging best practices. In addition, we recommend that the Commission require Xcel to work with stakeholders to develop new large-load interconnection standards appropriately tailored to the specific characteristics of very large customers in a timely manner. Such standards would help accelerate and de-risk the large-load

[17] *Id.* at 5-6.
[18] *Id.* at 6.
[19] ESIG Large Load Task Force, https://www.esig.energy/large-loads-task-force/.

interconnection process and serve the state's overlapping interests in economic development, clean energy, and consumer protection.

In particular, revisiting the Company's load interconnection procedures would offer the opportunity to consider ways to prioritize certain very large customers that present less risk to other customers, such as those that have deployed clean behind-the-meter generation and energy storage, load flexibility, and other demand-side management, and/or customers that are obtaining their own energy supply through the forthcoming Clean Energy and Capacity Tariff. While the Company has historically reviewed retail interconnection requests on a first-come, first-served basis, ELPC/VS suggest that reconsidering the prioritization of very large load customers presents an opportunity to promote these types of beneficial behaviors. ELPC/VS view this as similar in concept to the fast-track process for generator interconnection requests within certain parameters. We understand from Xcel's response to ELPC Information Request No. 6 (Attachment 3) that the Company is already considering the potential for prioritization. ELPC/VS strongly support this effort and would welcome the opportunity to work with the Company on this concept. We are especially interested in the idea of flexible load interconnection,[20] and encourage the Company to explore ways in which it could connect customers more rapidly if they agree to take service under its proposed load flexibility tariffs. ELPC/VS recommend that the Commission specifically require Xcel Energy to consider modified prioritization as part of any consideration of new large-load interconnection standards.

Reporting Related to Large Load Customers

Given the ongoing, rapid growth in the number of data centers and other very large load customers, and the substantial demand they represent, ELPC/VS believe that robust tracking and

[20] *See* Thomas ComEd Testimony at 14 (answering the question: "What does it mean to have a flexible interconnection for a large load facility?").

reporting is especially critical. It will ensure that the Commission and stakeholders can maintain a clear picture of the number and size of these customers, and the resource mix they rely on, including how many customers use the Clean Energy and Capacity Tariff and/or the Company's load flexibility tariffs. Such reporting would help the Commission to take informed action in the future if needed as Xcel continues to connect and serve this new subclass of customers.

ELPC/VS understand that currently Xcel would report information related to the number and size of large load customers through its IRP and its rate cases, at least if the Company deems these customers as "high likely." We suggest that it would benefit the Commission and interested stakeholders to report this and other relevant information on more regular intervals (e.g., every 6 months), whether in this docket or another one. ELPC/VS would suggest the Commission require Xcel to report at least the following information:

- the number of new very large customer requests;
- the total expected capacity of these requests;
- the number of customers that have signed ESAs under its very large customer tariff;
- the total capacity of these signed ESAs;
- the number of customers participating under the load flexibility tariffs;
- the total flexible load subject to the load flexibility tariffs;
- the number of customers participating in the Clean Energy and Capacity Tariff; and
- the total energy and capacity associated with the customers participating in the Clean Energy and Capacity Tariff.

Relationship with Current and Future Rate Cases

ELPC/VS are concerned that the Company's proposed Incremental Cost Test, while useful as an initial tool with respect to ESAs, does not by itself ensure that residential and small commercial customers will be held harmless from cost shifts driven by very large customers. The Test, as described in the Company's Petition and discovery responses, evaluates whether system-average incremental revenues exceed system-average incremental costs attributable to a specific customer. However, the Company has not indicated that it will trace those incremental costs through rate design and class cost-of-service allocations to confirm that none of the residual costs are recovered from other customer classes.

In direct testimony in Xcel Energy's pending rate case, Vote Solar's William Kenworthy emphasized that protecting customers from such cost shifts requires more than a system-wide comparison of average revenues and costs.[21] It also requires ensuring that any incremental generation, transmission, and distribution costs incurred to serve very large loads are directly assigned to that subclass, and that no remaining costs flow through base-rate adjustments borne by residential and small-business customers. Mr. Kenworthy recommended that the Commission establish clear accounting and reporting requirements to track these incremental costs through both the Incremental Cost Test and subsequent rate design proceedings.[22]

ELPC/VS reiterate Mr. Kenworthy's rate case recommendation here and urge the Commission to explicitly state in its order in this proceeding that approval of the proposed very large load customer tariffs does not constitute approval of cost recovery from other rate classes.

---

[21] MPUC Docket Nos. E-002/GR-24-320 & E-002/M-24-321, CAH Docket No. 28-2500-40515, *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota*, Direct Testimony of William D. Kenworthy on behalf of the Joint Intervenors, at 30-35 (Aug. 22, 2025), *available at* https://efiling.web.commerce.state.mn.us/documents/%7B30B0D398-0000-CC17-A0F8-2EC87F2770D1%7D/download?contentSequence=0&rowIndex=142.

[22] *Id.* at 34-35.

Further, the Commission should require Xcel, in each filing of an ESA and associated Incremental Cost Test, to demonstrate:

1. that all incremental generation, transmission, and distribution investments required to serve a very-large-load customer are fully assigned to that customer or subclass;
2. that the Company has conducted a class cost-of-service impact analysis showing no cost shift to residential or small-commercial classes; and
3. that these allocations are reconciled in the Company's next general rate case to maintain transparency and ensure ratepayers remain held harmless

These requirements would provide essential continuity between this tariff proceeding and future rate-case reviews, ensuring that the intent of Minn. Stat. § 216B.1622—to protect consumers while enabling economic development—is achieved in practice as well as in principle.

III. CONCLUSION

ELPC/VS appreciate the Commission's and Xcel Energy's efforts to establish tariffs for very large customers that promote both ratepayer protection and achievement of the state's carbon-free mandate and other clean energy goals. To better promote these aims, ELPC/VS make the following recommendations:

- ELPC/VS encourage the Commission to approve a lower applicability threshold in this case, such as 50 MW.
- ELPC/VS encourage Xcel Energy to explore innovative load flexibility opportunities, such as VPPs, with its very large customers and likewise urge the Commission to consider the beneficial potential of these types of arrangements when reviewing future ESAs.

- ELPC/VS encourage the Commission to ensure that Xcel Energy enables all potential pathways for clean energy for this customer subclass, including both voluntary carbon-free procurement, as well as behind-the-meter clean generation.
- ELPC/VS request that the Commission require Xcel Energy to: (1) engage with stakeholders, including ELPC/VS, to further design the Clean Energy and Capacity Tariff; and (2) file a Tariff within 90 days of its final order in this proceeding.
- We request that Xcel explain how its proposed approach addresses transmission cost concerns discussed above and ensures that all incremental transmission costs are fully assigned to very large load customers.
- If our understanding of Xcel's form Interconnection Agreement regarding incorporation of the Incremental Cost Test, described above, is not correct, we request that the Company clarify this provision.
- We recommend that the Commission require Xcel Energy to file the actual Incremental Cost Test analysis for Commission review in tandem with the ESA and other relevant agreements.
- ELPC/VS encourage the Commission to expressly endorse clean, behind-the-meter resources as a way to encourage clean generation and decrease or mitigate very large customers' demand.
- We request that, in its reply comments, the Company provide any reactions to very large-load interconnection challenges and emerging best practices discussed above. We recommend that the Commission require Xcel to work with stakeholders to develop new large-load interconnection standards appropriately tailored to the specific characteristics of very large customers in a timely manner.

- ELPC/VS recommend that the Commission specifically require Xcel Energy to consider modified prioritization as part of any consideration of new large-load interconnection standards.
- ELPC/VS reiterate Mr. Kenworthy's rate case recommendations and urge the Commission to explicitly state in its order in this proceeding that approval of the proposed very large load customer tariffs does not constitute approval of cost recovery from other rate classes. Further, the Commission should require Xcel, in each filing of an ESA and associated Incremental Cost Test, to demonstrate:
    1. that all incremental generation, transmission, and distribution investments required to serve a very-large-load customer are fully assigned to that customer or subclass;
    2. that the Company has conducted a class cost-of-service impact analysis showing no cost shift to residential or small-commercial classes; and
    3. that these allocations are reconciled in the Company's next general rate case to maintain transparency and ensure ratepayers remain held harmless.

Respectfully submitted,

/s/ Erica S. McConnell
Erica S. McConnell
Staff Attorney
Bradley D. Klein
Managing Attorney
Environmental Law & Policy Center
35 E. Wacker Drive, Suite 1600
Chicago, IL 60601
(312) 673-6500
emcconnell@elpc.org
bklein@elpc.org

William D. Kenworthy
William D. Kenworthy
Senior Regulatory Director, Midwest
Vote Solar
1 South Dearborn Street, Suite 2000
Chicago, IL 60603
will@votesolar.org

Date: October 13, 2025

ELPC/VS
Attachment 1

☐ **Not-Public Document – Not For Public Disclosure**
☐ **Public Document – Not-Public Data Has Been Excised**
☒ **Public Document**

Xcel Energy		Information Request No.	4
Docket No.:	E002/M-25-289		
Response To:	Environmental Law & Policy Center		
Requestor:	Erica McConnell, Bradley Klein, Will Kenworthy		
Date Received:	September 10, 2025		

Question:
Please refer to pages 22-23 of Xcel Energy's Petition in the above-captioned proceeding, where Xcel Energy discusses how qualified customers may choose interruptible service. Has Xcel Energy modeled how often it expects a qualified customer to choose interruptible service and the effects this choice may have on that customer's resource needs? If so, please describe the results in detail and attach any relevant workpapers or other supporting documentation.

Response:
No, the Company has not modeled how often it expects a qualified customer to choose interruptible service. However, customers that choose interruptible service require less firm service than customers who do not choose interruptible service, and that impact is incorporated into the Company's planning processes by reducing the firm demand requirements of the customer.

Preparer:	Ryan L. Bruers
Title:	Manager, C&I Distributed Energy
Department:	Demand Management
Telephone:	612-321-3186
Date:	September 22, 2025

ELPC/VS
Attachment 2

☐ **Not-Public Document – Not For Public Disclosure**
☐ **Public Document – Not-Public Data Has Been Excised**
☒ **Public Document**

Xcel Energy		Information Request No.	5
Docket No.:	E002/M-25-289		
Response To:	Environmental Law & Policy Center		
Requestor:	Erica McConnell, Bradley Klein, Will Kenworthy		
Date Received:	September 10, 2025		

Question:

Please refer to page 25 of Xcel Energy's Petition in the above-captioned proceeding, where Xcel Energy states: "The Company met with the Department of Commerce on July 8, 2025 and discussed the potential of a voluntary carbon-free electricity procurement program as well as the recently passed legislation requiring public utilities to offer a Clean Energy and Capacity Tariff. The Company will continue to work with the Department as we consider the potential for such as program."

a. Does the "recently passed legislation requiring public utilities to offer a Clean Energy and Capacity Tariff" refer to Minnesota Session Laws - 2025, 1st Special Session, Ch.12 (H.F. No. 16), Sec. 10 [216B.1623]? If not, please provide the correct reference.
b. Please provide any updates on discussions with the Department or others regarding the Clean Energy and Capacity Tariff, as well as any next steps that the Company has identified in developing this Tariff.

Response:

a. Yes.
b. The Company plans to conduct additional modeling of a 24/7 hourly matching program to inform further discussions.

Preparer:	Christopher J. Shaw
Title:	Manager, Regulatory Policy
Department:	NSPM Regulatory
Telephone:	612-330-7974
Date:	September 22, 2025

ELPC/VS
Attachment 3

☐ **Not-Public Document – Not For Public Disclosure**
☐ **Public Document – Not-Public Data Has Been Excised**
☒ **Public Document**

Xcel Energy		Information Request No.	6
Docket No.:	E002/M-25-289		
Response To:	Environmental Law & Policy Center		
Requestor:	Erica McConnell, Bradley Klein, Will Kenworthy		
Date Received:	September 10, 2025		

Question:
When Xcel Energy receives requests for service from large-load customers under its tariffs proposed in the above-captioned proceeding, does the Company anticipate addressing these requests on a first-come, first-served basis, or does it expect to manage these requests in a different way? Please describe the Company's expected process in detail.

a. Specifically, when determining its prioritization of such service requests, does the Company plan to take into account a customer's demand-side management plans, including any on-site generation, on-site storage, load flexibility, or other similar measures? If so, please explain in detail how the Company plans to take these customer attributes into account.

Response:
Historically, retail interconnection requests have been handled on a first-come, first-serve basis but we are actively reviewing the potential for prioritization. We may look to compare things like: new technical solution partnerships, on-site generation, DSM, timing to energization, or a line of sight to an end user vs. a prospective request submitted by a developer.

At any given time, the Company may be in negotiations with one or more large-load customers. Each customer has unique project milestones and timing considerations to progress through. Customers that have an approved Electric Service Agreement (ESA) and Interconnection Agreement (IA) are provided service in due course upon such approval. Requests submitted directly by or that have an end user/procurer of power will naturally progress through ESA and IA negotiations sooner than prospective developer driven requests.

Preparer:	Jacob N. Andre	Christopher J. Shaw
Title:	Manager, Economic	Manager, Regulatory Policy
Department:	Economic Development	NSPM Regulatory
Telephone:	612-265-7051	612-330-7974
Date:	September 22, 2025	