

August 14, 2023

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
Saint Paul, MN 55101-2147

RE: DOCKET NO. E002/CI-17-401 2022 ANNUAL REPORT PERFORMANCE METRICS AND INCENTIVES

Dear Mr. Seuffert:

The City of Minneapolis (“Minneapolis”) thanks the Commission for the opportunity to offer Reply Comments on the 2022 Annual Performance Metrics and Incentives Report filed by Xcel Energy (“Xcel”).¹

1. Should the Commission accept Xcel’s 2021 & 2022 PBR Annual Reports?

Minneapolis appreciates the metrics and corresponding data provided by Xcel within the report and recommends the Commission accept Xcel’s 2021 and 2022 performance based ratemaking reports.

3. For which metrics, if any, should the Commission set targets and why?

Minneapolis generally supports the position of several parties, including, Xcel Energy,² recommending the Commission take no action on setting targets or establishing benchmarks for metrics where federal and state policy and program changes might impact performance target expectations.

However, Minneapolis favors the development and future adoption of a locational reliability metric to ensure the Company is working toward more equitable service across geographies as proposed by ELPC/Vote Solar and CUB.³

While reliability could be supported by federal funding and AMI deployment, it isn’t a mandate that Xcel pursue more equitable locational reliability and service. Having a target for this metric would create an incentive for the Company to start this work right away, which would help protect the health and safety of customers.

Minneapolis notes that while we appreciate and support the locational reliability recommendation from ELPC and Vote Solar, we caution against limiting the analysis to comparison only with “other customers with similar grid topologies” because doing so may not reflect the need for legacy equipment to be updated and maintained to more modern system standards.

4. Where applicable, by what methodology should targets be set? How often should targets be reviewed and potentially updated?

¹ Docket 17-401 Xcel Annual Report. April 28, 2023.

² Docket 17-401. Comments of Xcel Energy. July 28, 2023.

³ Docket 17-401. Comments of Citizens Utility Board. July 31, 2023 and Comments of ELPC/Vote Solar. August 1, 2023.

Minneapolis supports the targets and metrics being based on three-year averages based on Xcel reliability data.

Within Minneapolis Comments in Docket 23-73, we proposed the need for a plan to:

“...close the locational reliability gap so that customers being served by the poorest performing feeders are brought to a similar level of service as those on higher performing feeders experience based on rolling three-year historic data. The standard of ‘higher performing feeders’ could be the statewide average or some other measure that is meaningful and achievable.”¹

We recommend this as a possible approach to establish a target for locational reliability and recommend an annual review to quickly identify possible updates as we learn from experience. An annual review will help protect the public interest and ensure the state is incentivizing the correct performance metrics and targets.

5. Where applicable, what are appropriate targets for the metrics?

For locational reliability, Minneapolis recommends consideration of the lowest-performing 10 percent of feeders in terms of outages as compared to Xcel’s statewide average. The metrics could be drawn from the Xcel Service and Reliability map.²

Minneapolis also supports further development of demand response aggregation above what is already required by Commission Order as proposed by R Street.³

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

We strongly support the position that any performance incentive is not tied to performance requirements that Xcel is already required to meet by law.⁴

Minneapolis also agrees that Xcel’s performance in enabling customer adoption of technologies, such as solar and storage,⁵ should be considered for a successful energy transition since customers are unable to select their service provider and Xcel historically hasn’t performed well with distributed solar or battery storage interconnection.

Thank you for your consideration of our comments in this matter.

Respectfully submitted,



Kim W. Havey (He/Him)
Division Director
Sustainability, Healthy Homes and the Environment

¹ Docket 23-73. City of Minneapolis Comments SRSQ Report. June 16, 2023. p.3.

² Docket 23-73 Xcel Energy 2022 MN Electric Service Quality Interactive Map.

<https://xeago.maps.arcgis.com/apps/webappviewer/index.html?id=6b87f4d407864b939bcea05aad05bdd1>

³ Docket 17-401 Comments of R Street. July 31, 2023.

⁴ *id.* p. 1; 3-4.

⁵ *id.* p. 5.

STATE OF MINNESOTA)

) ss. **CERTIFICATE OF SERVICE**

COUNTY OF HENNEPIN)

I, Stacy A. Miller, of the City of Minneapolis, County of Hennepin, State of Minnesota, affirm that on the 14th day of August 2023, I served a copy of the following via e-mail and/or via U.S. Mail:

CITY OF MINNEAPOLIS REPLY COMMENTS

at the last known mailing addresses and email addresses of said entities/individuals on the attached Service List. If by U.S. Mail, I placed said document in postage prepaid envelope and placed same in the U.S. Post Office in Minneapolis, Minnesota for delivery by the United States Postal Service.



Electronic Service Member(s)

Last Name	First Name	Email	Company Name	Delivery Method	View Trade Secret
Commerce Attorneys	Generic Notice	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	Electronic Service	Yes
Dahlberg	David	davedahlberg@nweco.com	Northwestern Wisconsin Electric Company	Electronic Service	No
Edstrom	Brian	briane@cubminnesota.org	Citizens Utility Board of Minnesota	Electronic Service	No
Farrell	John	jfarrell@ilsr.org	Institute for Local Self-Reliance	Electronic Service	No
Ferguson	Sharon	sharon.ferguson@state.mn.us	Department of Commerce	Electronic Service	No
Hamilton	Katherine	katherine@aem-alliance.org	Advanced Energy Management Alliance	Electronic Service	No
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Klein	Brad	bklein@elpc.org	Environmental Law & Policy Center	Electronic Service	No
Levenson Falk	Annie	annielf@cubminnesota.org	Citizens Utility Board of Minnesota	Electronic Service	No
Munsch	Kristin	kmunsch@citizensutilityboard.org	Citizens Utility Board of Minnesota	Electronic Service	No
Nordstrom	Rolf	rnordstrom@gpsid.net	Great Plains Institute	Electronic Service	No
Partridge	Audrey	apartridge@mncee.org	Center for Energy and Environment	Electronic Service	No
Residential Utilities Division	Generic Notice	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	Yes
Ricker	Isabel	ricker@fresh-energy.org	Fresh Energy	Electronic Service	No
Sathe	Joseph L	jsathe@kennedy-graven.com	Kennedy & Graven, Chartered	Electronic Service	No
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