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

PUC Docket Number: E-002/M-25-142

Comments

LIUNA Minnesota and North Dakota ("LIUNA") appreciates the opportunity to offer comments on the proposed Integrated Distribution Plan ("IDP") filed by Xcel Energy ("Xcel") for the 2026-2035 period. Subject to review of comments from other stakeholders, we recommend that the Minnesota Public Utilities Commission ("Commission") approve the plan, which we believe is responsive to previous Commission Orders.

LIUNA represents roughly 5,000 households that receive retail electric service from Xcel. Thousands of additional LIUNA members are affected by the cost and quality of the service Xcel provides to union employers and end-users of the construction services that our contractors provide. While LIUNA has historically focused on utility-scale generation and transmission, we recognize that distribution planning will play an increasingly important role as the system grows in size and complexity to meet new demands. LIUNA's participation in the Capacity*Connect docket gave us a chance to learn more about the operation of the distribution system, the value it provides to customers, and the challenges and opportunities Xcel faces as a result of electrification and the introduction of new energy generation, storage and management technologies.

The costs and system benefits of investments in utility-scale generation and transmission are spread relatively evenly across a utility's service territory. Decisions to add certain infrastructure assets while retiring others may have concentrated impacts in and around host communities. Most Xcel customers, however, will not see the cost, quality or variety of service offerings change based on their proximity to new or retiring infrastructure - a fact that has frustrated some host community residents who wonder why a local wind or solar farm won't provide any direct electrical benefit.

Distribution system expenditures operate differently. Costs are generally socialized across the distribution system, and some investments deliver system-wide benefits, but other investments may affect customers very differently depending on their location or other characteristics. As a consequence, it seems particularly important in the context of distribution system investments to ensure equitable distribution of costs and benefits.

One of the questions that comes up frequently in discussions about distribution investments and utility operations more generally is how utilities and regulators should treat customer-owned, behind-the-meter Distributed Energy Resources ("DERs"). Some advocates argue that the utility should seek to maximize use of customer-owned DERs both by designing and building the system to accommodate DERs to the greatest extent possible, and by using system resources to incentivize use of DERs through tools such as net metering. Others, including LIUNA have urged utilities and the Commission to focus on cost-effective and uniform delivery of electricity to customers, and to avoid cross-subsidization of customers that wish to adopt DERs by those that simply want their lights to turn on.

In general, the principles LIUNA encourages the Commission to use when evaluating Xcel's IDP are the same as those we bring to other proceedings. First, we want the Commission to help ensure that electric service is affordable, reliable and equitable for the members we represent and others like them – Minnesotans who don't get to choose when they show up to work, have limited time and resources to explore energy options, and often struggle to pay their bills. Second, we want the Commission to ensure that utility system investments and operations advance the public interest in high-quality jobs and career opportunities, local economic development and a healthy environment.

We look forward to seeing the comments of other stakeholders, but based on our preliminary review, we believe that Xcel's proposed IDP is well-suited to advance these objectives. We view maintenance of safe and reliable service as the first priority for the distribution system, and support proposed investment in undergrounding and wildfire protection as sensible strategies to mitigate risks associated with increasingly frequent extreme weather events.[1] We recognize that, while undergrounding is a best practice for utility infrastructure, the cost to ratepayers requires Xcel to be selective and begin with the highest-risk locations. These proposed investments have the potential to benefit all ratepayers by avoiding much more costly damage, and they can also improve reliability for communities that are hit by extreme weather events.

LIUNA also supports proposed investments in capacity expansion which will allow the grid to serve growing demand for electricity as a result of heat pump and electric vehicle adoption, as well as other forms of electrification. The current challenges facing the data center industry are a reminder that electric service is a foundation for economic growth whether at community- or hyper-scale. While we do not want to pay for an overbuilt system long in advance of need, it is also clear that the economic cost of being a year behind the curve is much higher than being a year ahead. We encourage the Commission to approve a plan that positions Minnesota for the future rather than waiting and running to catch up.

Finally, we encourage the Commission to maximize the benefits of distribution system investments that is consistent with the approach taken with generation and transmission projects. Distribution system investments should create high-quality local job and career opportunities, and these opportunities should be accessible to all Minnesotans, including those living in historically underserved communities. Projects like Sherco Solar provide a model for what can be accomplished in the area of workforce development, and the application of the model to Capacity*Connect provides an example for how investment in the distribution system can serve the same ends.

We thank Commissioners for your consideration in this matter.

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[1] The legislatively-mandated Minnesota Climate Adaptation and Resilience Cost Study, which was released in March 2026, finds significant need for electric system upgrades to avoid much more costly damage due to extreme weather and other climate impacts.
https://climate.umn.edu/minnesota-climate-adaptation-and-resilience-cost-study

Sincerely,

Kevin Pranis
Marketing Manager
LIUNA Minnesota and North Dakota