

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

**STATE OF MINNESOTA  
BEFORE THE PUBLIC UTILITIES COMMISSION**

Katie Sieben	Chair
Joseph K. Sullivan	Vice Chair
Hwikwon Ham	Commissioner
Valerie Means	Commissioner
John Tuma	Commissioner

In the Matter of Efforts to Advance  
Workforce Diversity, Inclusive Participation,  
and Equitable Access to Utility Services for  
Xcel Energy;

DOCKET NO. E-002/M-22-266;  
DOCKET NO. E-002/M-24-173

In the Matter of Northern States Power  
Company d/b/a Xcel Energy's Petition for an  
Automatic Bill Credit Pilot Program.

**COMMENTS OF THE OFFICE OF  
THE ATTORNEY GENERAL**

**INTRODUCTION.**

The Office of the Attorney General—Residential Utilities Division (OAG) respectfully submits the following Comments in response to the Automatic Bill Credit Pilot Program (Bill Credit Pilot) proposed by Northern States Power d/b/a/ Xcel Energy (Xcel). The OAG appreciates the work of the Equity Stakeholder Advisory Group (ESAG) in engaging in the almost two-year process and in developing the pilot concept. The OAG particularly appreciates the dedication of many ESAG participants who do not routinely participate in Commission proceedings, but devoted significant time to engage in ESAG and provide necessary and valuable perspectives. The Bill Credit Pilot is certainly stronger, having been developed by the many community leaders—who themselves have, and whose organizations represent those with, the lived experience the Bill Credit Pilot is designed to account for and improve—than any alternative proposal would have been without such community contribution. The OAG recommends that the Commission approve the Bill Credit Pilot with specific modifications to ensure the Bill Credit Pilot operates as intended.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

**BACKGROUND**

**I. THE EQUITY STAKEHOLDER ADVISORY GROUP (ESAG)**

The Bill Credit Pilot originated from the Commission ordering Xcel to engage in community outreach and stakeholder engagement with historically disadvantaged populations in Xcel’s last integrated resource plan.<sup>1</sup> At that time, the Commission ordered Xcel to “[d]esign for the equitable delivery of electricity services and programs for energy-burdened customers”<sup>2</sup> and to create procedural justice by strengthening engagement with BIPOC and low-income communities, including through provision of financial support for individuals to engage in the utility decision-making process.<sup>3</sup> The pilot meets these objectives because it is a novel design for the delivery of affordable electricity, to be accomplished by reducing energy burden, and because the pilot was developed by members and leaders of BIPOC and low-income community organizations in cooperation with Xcel, which will hopefully strengthen future communication with and encourage further participation from these individuals and organizations.

After sixteen ESAG meetings, and with overwhelming support from ESAG members,<sup>4</sup> Xcel’s Bill Credit Pilot aims to address the problem of household energy burden while imposing no additional labor on the household receiving assistance.

---

<sup>1</sup> *In the Matter of the 2020-2034 Upper Midwest Integrated Resource Plan of Northern States Power Company d/b/a Xcel Energy*, Docket No. E-002/RP-19-368, ORDER APPROVING PLAN WITH MODIFICATIONS AND ESTABLISHING REQUIREMENTS FOR FUTURE FILINGS at 30 (Apr. 15, 2022).

<sup>2</sup> *Id.* at 39, Order Paragraph 25(A).

<sup>3</sup> *Id.* at 39, Order Paragraph 25(E).

<sup>4</sup> Xcel Petition at 4, fig. 1 (illustrating the fact that the automatic discount idea received more than twice as many votes as even the second most popular strategy conceived within ESAG to reduce energy burden.).

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

**II. LIMITATIONS OF CURRENTLY AVAILABLE ENERGY ASSISTANCE:**

Throughout the ESAG process, participants voiced concern with the difficulty community members face in paying their rising energy bills. ESAG members discussed the limited funding currently available from other energy assistance programs, and the difficulties imposed by the application processes for those programs. Put differently, even those households that are able to apply for energy assistance may not receive the full amount of assistance needed, if they receive assistance at all.

The primary source of funding for utility bill assistance in Minnesota comes from the Low-Income Home Energy Assistance Program (LIHEAP), administered by the United States Department of Health and Human Services.<sup>5</sup> Receiving LIHEAP assistance requires a household to overcome many barriers just to apply. For example, applicants must provide documentation proving one month's income for all members of the household, as well as each household member's Social Security or other identification number.<sup>6</sup> Requiring applicants to provide their Social Security or other identification numbers can create a prohibitive fear that the applicant's immigration status will be threatened.<sup>7</sup> In addition, required provision of income verifying documentation for an entire household may prove especially challenging when members of the household are working multiple jobs, temporary or seasonal jobs, "gig" jobs, or any combination

---

<sup>5</sup> See generally United States Department of Health and Human Services, Low-Income Home Energy Assistance Program (LIHEAP), <https://www.acf.hhs.gov/ocs/programs/liheap> (last visited July 1, 2024).

<sup>6</sup> Minnesota Department of Commerce, *Frequently asked questions about Minnesota's Energy Assistance Program*, <https://mn.gov/commerce/energy/consumer-assistance/energy-assistance-program/questions.jsp> (last visited July 6, 2024).

<sup>7</sup> United States Department of Health and Human Services, Office of the Administration for Children & Families, Office of Community Services, *LIHEAP Research Experiences of Selected Federal Social Welfare Programs and State LIHEAP Programs in Targeting Vulnerable Elderly and Young Child Households* (June 27, 2019) <https://www.acf.hhs.gov/ocs/report/liheap-research-experiences-selected-federal-social-welfare-programs-and-state-liheap>.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

of the above. Beyond any actual application requirements, people eligible for Medicare and Medicaid—which, like LIHEAP, are federal assistance programs—do not even attempt to apply because they assume they will not qualify, because they fear they will have to pay back any assistance received, or because they do not want to be seen or known as receiving federal assistance.<sup>8</sup> This last phenomenon is sometimes referred to as “welfare stigma.” The power of such stigmas is immense: one study found that 42 percent of parents of Medicaid-eligible uninsured children would be more likely to enroll if they did not have to visit a welfare office.<sup>9</sup> Put simply, applying for energy assistance imposes significant administrative and social barriers that many eligible households cannot overcome.

But even those who do apply successfully may not receive the assistance they need. One analysis shows that funding for state programs administering LIHEAP “would need to increase 10 to 20 times above 2021 levels in order to cover the energy costs of all eligible low-income families.”<sup>10</sup> Early in 2024, Minnesotans were encouraged to apply for LIHEAP assistance as soon as possible—in part because LIHEAP funding is administered on a first-come, first-served basis and can run out—and because the program has seen record demand and has received less funding than in recent years.<sup>11</sup>

Minnesotans have a clear need for substantially more energy assistance than is currently available. Additional energy assistance for households that does not require additional barriers, either administrative or stigmatic, would be especially helpful. The OAG believes Xcel’s Bill

---

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> RMI, *By the Numbers: Low-Income Energy Assistance* (Aug. 22, 2022) <https://rmi.org/by-the-numbers-low-income-energy-assistance/>

<sup>11</sup> Estelle Timar-Wilcox, *Here’s how to get help paying your heating bill this winter*, Sahan Journal (Jan. 16, 2024), <https://sahanjournal.com/climate-environment/minnesota-energy-assistance-record-demand-how-to-apply/>

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

Credit Pilot, if specific modifications recommended below are made, will provide this assistance while also providing helpful insight into how novel methods of reducing barriers to receive assistance can improve both economic health for pilot participants and potentially provide system-wide benefits from reduced disconnections and arrearages.

**DISCUSSION**

With specific proposed modifications, the Bill Credit Pilot will be just and reasonable, equitable, and not unreasonably preferential.<sup>12</sup> Many Minnesota households have a clear and urgent need for additional methods to reduce their energy costs. The Bill Credit Pilot explores a novel method of meeting this need in a targeted manner, and appropriate analysis of the Bill Credit Pilot's impact may provide insight into the benefits of reduced energy burdens on ratepayers and communities. However, there are limitations inherent in the program's structure regarding both the extent of households needing assistance that the program cannot serve (under-inclusion), and that some ratepayers will receive a bill credit even though they may not be the ratepayers the credit was designed to assist (over-inclusion). While some amount of over- and under-inclusion will be unavoidable, there are minor modifications that Xcel can and should make to reduce the amount of over-inclusion in the Bill Credit Pilot and to make the pilot function as intended. Reducing over-inclusion to the extent practicable is necessary and reasonable because the program's costs will be paid by other Xcel ratepayers, some of whom may also have difficulties affording their electric bill but reside outside of any qualifying Census Block Group (CBG).

Although the Bill Credit Pilot is reasonably structured in theory, to successfully roll-out the pilot, Xcel should be required to take additional steps to ensure that bill credits are sufficiently targeted to residential customers in qualifying CBGs. To this end Xcel should remove a limited

---

<sup>12</sup> Minn. Stat. § 216B.03 (2023); Minn. Stat. § 216B.07 (2023).

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

number of CBGs that appear to include almost exclusively residences that did not appear to be the intended recipients of a bill credit and to apply screens to its customer account data to ensure that business and government entities do not receive a bill credit. To accomplish this, the OAG recommends specific steps for Xcel to take prior to issuing bill credits that create no additional administrative burdens for credit recipients and little administrative burdens for Xcel.

Therefore, the OAG recommends that the Commission approve the Bill Credit Pilot, with modifications, to provide needed and meaningful electric bill assistance to Minnesota households while limiting costs related to over-inclusion as much as practicable. The OAG also recommends the Commission require additional reporting on the pilot's impacts, in addition to authorizing Xcel to retain an independent evaluator, to allow interested stakeholders the opportunity to analyze substantive data on the impact of reduced energy burden on late payments, arrearages, disconnections, and any other data that may show benefits to both recipients and Xcel's electric system as a whole.

**I. THE BILL CREDIT CONCEPT IS REASONABLY STRUCTURED TO FIND NOVEL METHODS TO FILL THE GAP IN ENERGY ASSISTANCE.**

**A. The Bill Credit Addresses a Stark Shortage of, and Need for, Additional Utility Ratepayer Bill Assistance**

While there are numerous factors contributing to ratepayer need for additional electric bill assistance—e.g., rapidly rising electric service rates and increasing electricity use—one intractable reason many electric ratepayers lack assistance is because limited available funding cannot be provided to all who qualify.

The Minnesota Department of Commerce has stated that LIHEAP, which provides federal funding the Department distributes to low-income Minnesotans via its Energy Assistance Program (EAP), cannot assist every low-income household in Minnesota. The Department has estimated

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

that only 20-30% of low-income Minnesota households actually apply for EAP assistance.<sup>13</sup> One national estimate of LIHEAP accessibility asserted that LIHEAP funding levels in 2021 only allowed the program to provide assistance to about 16.7% of eligible households.<sup>14</sup> And while some data shows Minnesota has fared slightly better, with roughly 19% of LIHEAP-eligible households receiving assistance in 2021, this still means that of the 607,000 Minnesota households eligible for LIHEAP assistance in 2021, 81% of them—almost 500,000 households—received no LIHEAP assistance.<sup>15</sup> Assuming Minnesota still has 607,000 income eligible households, and recognizing that EAP has provided an average household assistance benefit of \$733 to 128,548 Minnesota households between October 1, 2023 and June 24, 2024,<sup>16</sup> Minnesota would require an additional \$350 million—beyond the \$94 million already distributed—to provide that same benefit to the remaining 478,452 households.<sup>17</sup> Given that Minnesota has never received more than \$273.6 million total in a given year for LIHEAP—and that record amount included \$167.3 million of supplementary funding from the American Rescue Plan<sup>18</sup>—the odds of Minnesota receiving the amount of funding needed to cover all eligible households seems near zero.

---

<sup>13</sup> Minnesota Department of Commerce, *Minnesota Energy Data Dashboard* at 17 (May 2022), <https://mn.gov/commerce-stat/pdfs/mn-energy-data-dashboard.pdf>.

<sup>14</sup> LIHEAP.Org, *A Light For Those In Need* at 7 (May 2022) [https://cdn.prod.website-files.com/625088a41425d19695c01ba8/62ab684c9babcf8d4da01c0f\\_LIHEAP%202022%20White%20Paper\\_FINAL.pdf](https://cdn.prod.website-files.com/625088a41425d19695c01ba8/62ab684c9babcf8d4da01c0f_LIHEAP%202022%20White%20Paper_FINAL.pdf)

<sup>15</sup> RMI, *By the Numbers: Low-Income Energy Assistance* (Aug. 22, 2022) <https://rmi.org/by-the-numbers-low-income-energy-assistance/>

<sup>16</sup> Minnesota Department of Commerce, *Energy Assistance Dashboard*, <https://mn.gov/commerce/energy/policy-data-reports/energy-assistance-dashboard/> (Last visited June 25, 2024) (page is updated weekly).

<sup>17</sup>  $(607,000 - 128,548) * \$733$ .

<sup>18</sup> The White House, *Minnesota receives historic \$273.6 million for home energy assistance – a record amount thanks to the American Rescue Plan*, <https://www.whitehouse.gov/wp-content/uploads/2022/01/LIHEAP-Minnesota.pdf> (Last visited June 25, 2024); see also The White House, *Biden Administration Announces State-by-State Funding to Address Home Energy Costs* (Jan. 7, 2022) <https://www.whitehouse.gov/briefing-room/statements-releases/2022/01/07/biden-administration-announces-state-by-state-funding-to-address-home-energy-costs/>

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

In short, there is ample room for another energy assistance program, such as Xcel's Bill Credit Pilot, because there is not enough energy assistance available to protect Minnesotans in need.

**B. The Bill Credit Pilot Seeks to Assist the Most Disadvantaged Ratepayers Who May Lack the Resources to Receive Other Electric Bill Assistance.**

Xcel's Bill Credit Pilot has been designed to address a particular hurdle beyond the shortage of available electric bill assistance: the assistance application process itself. This is not a brand-new idea, as Xcel has initiated an automatic enrollment process for its PowerOn and Gas Affordability programs,<sup>19</sup> but there is a critical difference: households must be currently receiving LIHEAP assistance to be eligible for PowerOn.<sup>20</sup> Thus, any of Xcel's ratepayers who are inhibited by the LIHEAP application process are categorically prohibited from receiving PowerOn benefits.

As Xcel notes, ESAG members, speaking on behalf of the communities they represent, consider the application process for energy assistance through LIHEAP/EAP to be unduly burdensome. ESAG members assert that the application process requires those utility ratepayers who are already struggling with poverty and other challenging life circumstances (*e.g.*, working multiple jobs, caring for dependents, etc.) to take on the additional burden of a complex and possibly stigmatizing application process in hopes of receiving ephemeral assistance.<sup>21</sup> This is a pernicious social problem that the Bill Credit Pilot seeks to address, and the crafting of the pilot benefitted greatly from the presence and contribution of community leaders, as described above. The struggle of working multiple jobs while trying to raise a family and pay all necessary expenses,

---

<sup>19</sup> Xcel Petition at 5.

<sup>20</sup> Xcel Energy, *PowerOn and Gas Affordability Program*, <https://mn.my.xcelenergy.com/s/billing-payment/energy-assistance/poweron-gas-affordability> (Last visited July 1, 2024).

<sup>21</sup> Xcel Petition at 4.



**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

or to decide which expenses to pay and which to forego, is a struggle that can be conveyed academically—*i.e.*, by those who have not lived it—but such presentation lacks the authenticity that is so beneficial to garnering support of any responsive effort. In other words, there is no substitute for hearing the need for aid—in this case, electric bill assistance—and how that aid could best be delivered, directly from those with or speaking on behalf of those with relevant lived experience. The OAG is grateful to have attended the ESAG meetings and to have heard this lived experience directly.

Electric service is undeniably a necessity. In 2022, residential use consumed 38.4% of total nationwide retail sales of electricity—the largest share of any customer class—and totaled 1.51 trillion kWh.<sup>22</sup> Every household needs reliable electric service for many reasons, including but not limited to: keeping the lights on; keeping food and medicine safe; cooking without gas or propane; cooling with fans and air conditioning in hot weather; electric space heating; powering essential communications devices such as cell phones, laptop computers, and tablets; doing laundry, and running water heaters and furnaces. Still, affording electric service is a struggle for many Minnesota households. The Bill Credit Pilot, with the OAG’s proposed modifications, will be just and reasonable because it will reduce energy burden for many Minnesota households without imposing additional administrative and social hurdles, and because it can produce meaningful data on how reduction of late payment fees, arrearages, and disconnections can benefit directly affected recipients of bill credits and Xcel’s electric system as a whole.

---

<sup>22</sup> United States Energy Information Administration, *Electricity Explained*, <https://www.eia.gov/energyexplained/electricity/use-of-electricity.php>, (Last visited July 1, 2024).

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

**II. ALTHOUGH REASONABLY STRUCTURED IN THEORY, XCEL’S DATA SHOWS THAT XCEL MUST TAKE ADDITIONAL STEPS TO REDUCE OVERINCLUSION IN THE PILOT.**

While the OAG supports the idea of and the motivation for the Bill Credit Pilot, additional steps should be taken by Xcel to reduce easily avoidable overinclusion in the pilot and better target the individual residential customers the pilot seeks to assist. Overinclusion—provision of the Bill Credit to premises within a qualified CBG with an individual energy burden below four percent—is a problem inherent in the delivery of an automatic bill credit. Xcel asserts that this problem is essentially unavoidable without imposing the exact burden on recipients the Bill Credit Pilot is designed to avoid.<sup>23</sup> But the fact that some amount of overinclusion is inevitable does not mean that the pilot should not be designed and implemented to limit overinclusion resulting from data anomalies or erroneous account information that can still be meaningfully reduced by certain actions that are not administratively burdensome on Xcel. Moreover, because the Bill Credit Pilot is targeted to residential households, overinclusion of commercial customers in the pilot is not reasonable.

To determine the potential extent of overinclusion from the program, the OAG requested data from Xcel on the potential CBGs to be included in the pilot and the potential bill credit amounts. The results of the OAG’s analysis are provided in more detail below, but in sum, the OAG’s review of the data raised significant concerns that some premises anticipated to be included in the bill credit program were non-residential, and a few CBGs included almost exclusively residences that did not appear to be the intended recipients of a bill credit. The OAG raised these concerns, and how to potentially remedy them, in a few productive discussions with Xcel. Xcel has thus far been responsive and helpful in addressing potential methods to correct these issues,

---

<sup>23</sup> Xcel Petition at 10-11.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

and the OAG appreciates Xcel's willingness to modify its methodologies to reduce any obvious and unjust overinclusion.

While Xcel's Opt-Out provision is well-intentioned and should be approved, it is unlikely to sufficiently reduce overinclusion generally, or the specific risks of overinclusion uncovered in the OAG's investigation. Thus, to limit overinclusion without substantially increasing Xcel's administrative costs for the pilot, and without increasing the burden for bill-credit recipients (i.e., reintroducing income verification requirements the Bill Credit Pilot is designed to avoid), the OAG proposes three data screens: one would screen which CBGs qualify for participation in the program, and two would operate to screen out nonqualifying premises within eligible CBGs. The OAG believes that any administrative costs imposed by use of these screens is justified by the reduction of overinclusion that will result in a more targeted delivery of the bill credits. Additionally, because the OAG believes the data intended to be filtered by these screens should not have been included or associated with any residential customer records in the first place, Xcel should continue to be held to its commitment to absorb the administrative costs of delivering the pilot even if the Commission orders OAG's proposed modifications.<sup>24</sup>

The three screens proposed by the OAG to limit overinclusion are to exclude: any CBG with fewer than 15 qualifying premises; any premise where the customer name includes "Co.," "Corp.," "Ltd.," "LLC," "City," "County," "State," "Federal," or similar language identifying a non-individual owner; and any premise owned by a customer with a billing address outside of Minnesota.

---

<sup>24</sup> See Xcel Petition at 17.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

**A. The Opt-Out Provision Alone Does Not Sufficiently Reduce the Risk of Overinclusion.**

The Opt-Out provision proposed by ESAG members and included in the Bill Credit<sup>25</sup> should be included in the pilot. One viewpoint expressed within ESAG meetings was that no matter how much a household might genuinely need, or stand to benefit from, assistance, the household may view accepting the bill credit as accepting a charity. Especially considering the intense power of social stigmas regarding assistance discussed above, no household should be forced to accept something perceived as unwanted charity. Thus, the Opt-Out provision allows otherwise eligible bill credit recipients the autonomy to reject the bill credit if they choose.

Additionally, depending on the number of households that do opt out, the cost of the program may be reduced. Learning how many of Xcel's customers elect to opt-out will be helpful in determining novel methods of providing assistance going forward.

While the Opt-Out provision is certainly beneficial, its impact on reducing overinclusion is unknown. Thus, there are additional actions the Commission should consider requiring Xcel to take to proactively limit overinclusion. Limiting overinclusion to the maximum practical extent is important not only because it prevents ratepayer money from flowing to those who believe themselves to not need it, but also because the Bill Credit Pilot design also suffers from under-inclusion. Since many households across Xcel's electric service territory almost certainly have an electric energy burden over the designated four percent threshold, but will not receive a bill credit because they reside in nonqualifying CBGs,<sup>26</sup> limiting the amount of bill credits that are sent to premises that should not qualify, or do not want to qualify, will, to at least some extent, alleviate under-inclusion and make the Bill Credit Pilot more just and reasonable.

---

<sup>25</sup> Xcel Petition at 13.

<sup>26</sup> See Xcel Petition at 10.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

**B. The OAG’s Investigation of Overinclusion in Xcel’s Current Proposal.**

The OAG saw substantial value in, and potential for, the automatic bill credit pilot concept as it was developing within ESAG. However, further investigation into the details of how the Bill Credit pilot would function in practice was still essential to fulfill the OAG’s responsibility to advocate for residential utility customers.<sup>27</sup> Pilot programs provide a learning opportunity, but robust learnings can only be achieved by appropriately tailoring the pilot at the outset to achieve its objectives and provide robust data and learnings.

Accordingly, the OAG sent information requests (IRs) to determine how the selection of qualifying CBGs and premises would work in practice and how learnings from the pilot would be achieved. More specifically, the OAG explored three general categories: (1) Aggregated data specific to each of the 77 CBGs initially identified as eligible; (2) data relating to CBG selection criteria as well as current and future cost concerns; and (3) data specific to individual customers and premises. While there is likely some overlap regarding which category a particular inquiry might best fit into, inquiry into each of these categories yielded valuable insight into the function and cost of the Bill Credit Pilot, as well as the bugs to be worked out, which are found in every pilot program.

The first category of information was data particular to each qualifying CBG. Discovery requests sent by the OAG in this category include: which CBGs would be eligible; how the eligible CBGs are distributed across the state (including digital map files enabling the OAG to view the CBGs); median household income, poverty rate, percentage of People of Color, the estimated bill credit per household in each CBG, and the dramatic variance in bill credits between CBGs.<sup>28</sup>

---

<sup>27</sup> Minn. Stat. § 8.33 (2023).

<sup>28</sup> OAG IR 4.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

The second category of information concerned the overall process of selecting CBGs and associated cost concerns. Specific IRs sought information such as the cost of the Bill Credit Pilot at different energy burden thresholds, as well as current and future cost impacts of the opt-out provision.<sup>29</sup>

Finally, the third—and perhaps most impactful—category of data and data management investigated by the OAG in discovery concerned Xcel’s customer- and premise-specific data. Particular inquiries regarding customer- and premise-specific data included: the customer name, address, and billing address associated with each customer premise in specific CBGs; whether each premise could include more than one customer class, and if so, how Xcel would ensure only residential customers received a bill credit; whether each premise was individually metered or submetered; and how Xcel knew, if it knew, and how Xcel would ensure residents subject to submetering by third-party companies or property owners would receive their appropriate bill credits.<sup>30</sup>

Information obtained by the OAG revealed the unexpected inclusion of nonresidential premises as potential bill credit recipients and the inclusion of several anomalous CBGs with few or no residential households and other anomalies. Before the Bill Credit Pilot is authorized, therefore, the Commission should require Xcel to take several additional steps to remove customer accounts held by non-individuals and avoid including CBGs only fit the program parameters due to overlay anomalies between the Census data and Xcel’s specific circumstances. Accordingly, the OAG has developed the three data screens discussed in further detail below.

---

<sup>29</sup> OAG IRs 5 and 6.

<sup>30</sup> OAG IRs 10, 13, 16, and 22.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

At the outset of this discussion, the OAG recognizes that its proposed screens will likely exclude corporate-landlord account holders for multifamily residential buildings that charge electricity costs to tenants through submetering or by including electricity costs in rent.<sup>31</sup> This means that residents of these buildings will not receive a bill credit. This is unfortunate, and though the OAG would prefer tenants in these situations receive the bill credit, Xcel has no ability to ensure that the credits are not retained by the landlord, and the regulatory authority that would provide some Commission oversight would be in the early stages during the initial pilot years. For these reasons, explained further below, the OAG recommends the removal of accounts billed to non-natural persons, whether on a residential or commercial rate. That said, the OAG welcomes additional ideas from Xcel and stakeholders on how to remedy the above concern, and how to otherwise limit overinclusion in the program while eliminating application barriers for bill credit recipients and maintaining low administrative costs for Xcel.

**1. The First Data Screen: Removing CGBs with Less than 15 Premises.**

Xcel should exclude all CGBs with 15 or fewer qualifying residential premises. The CGBs with so few qualifying premises contain significant anomalies that make these CGBs unreasonable to include in the Bill Credit Pilot. These anomalies include CGBs where Xcel's service territory covers only a small portion of the CGB, premises that appear to be entirely non-residential, and other oddities as explained below. The inclusion of these CGBs results in unjust and unreasonable overinclusion of non-residential customers and residential customers that are not likely to be the intended recipients of a bill credit. The OAG believes that the simplest way to avoid providing a

---

<sup>31</sup> Tenants in individually metered multifamily buildings or single-family homes that Xcel bills individually would continue to receive the bill credit.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

bill credit to these or similar anomalies is to screen out CBGs with 15 or fewer premises, which currently would eliminate 15 CBGs and less than 40 premises.<sup>32</sup>

To further explain these anomalies the OAG provides three specific examples:

The first example pertains to a CBG where Xcel's service territory comprises only a small corner of the CBG where two other utilities also operate. Xcel's formula for selecting qualifying CBGs uses data layers from the U.S. Census American Community Survey at the full CBG level, which generally have a population of 600 to 3,000 people.<sup>33</sup> But the fact that Xcel's service territory covers only a small portion of the CBG greatly limits the number of premises within Xcel's service territory that would qualify for a bill credit. **[NOT PUBLIC DATA BEGINS**

**NOT PUBLIC**

**DATA ENDS].** With such a small percentage of the CBG being served by Xcel, there is greater potential for a higher percentage of both over- and under-inclusion in the CBG since a municipal and cooperative utility provide service to the vast majority of the CBG. Put differently, it is likely that the intended recipients of the bill credit live within those utilities' service territories, but would not receive a bill credit because they live outside of Xcel's service territory, while premises within Xcel's territory that are not the intended recipients of the bill credit would receive it.

The second example is a CBG with a total population of **[NOT PUBLIC DATA BEGINS**

---

<sup>32</sup> See OAG Attachment 1, Xcel Response to OAG IR 4 Attachment A Not Public (where the 15 CBGs with 15 or fewer qualifying premises are marked Not Public because the limited number of premises could ostensibly enable customer identification).

<sup>33</sup> Xcel Petition at 6-7.



**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

**NOT PUBLIC DATA ENDS]**. While Xcel provided some explanation for data that was missing from certain CBGs and was not used for calculations or eligibility determinations,<sup>34</sup> the OAG found another explanation for the statistical anomalies of this CBG. **[NOT PUBLIC DATA BEGINS**

**NOT PUBLIC DATA ENDS]**.<sup>35</sup>

The third example pertains to an industrial region. Census data provided by Xcel indicates that this CBG has a total population and a median household income of \$0, but Xcel's data shows this CBG still qualifies for a **[NOT PUBLIC DATA BEGINS**

36

<sup>37</sup> **NOT PUBLIC DATA ENDS]**. That a solitary business within an industrial zone without a single resident appeared to qualify for a bill credit indicates a problem with the selection of CBGs with fewer than 15 premises.

Beyond these three examples, other indicators show problems with including CBGs with very low premises counts in the pilot. First, with one exception, the median household income for CBGs with less than 15 premises was between \$20,000 to \$60,000 higher than the next highest eligible CBG with more than 15 premises.<sup>38</sup> For the majority of low-premises count CBGs, the

---

<sup>34</sup> OAG Attachment 2, Xcel Response to OAG IR 4.

<sup>35</sup> OAG Attachment 1, Xcel Response to OAG IR 4 Attachment A Not Public.

<sup>36</sup> *Id.*

<sup>37</sup> OAG Attachment 3, Xcel Response to OAG IR 13 Attachment A Not Public.

<sup>38</sup> *See Id.*

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

annual average bill credit was [NOT PUBLIC DATA BEGINS

NOT PUBLIC DATA ENDS].<sup>39</sup>

Therefore, including these CBGs would, on average, give the largest bill credits to the CBGs with the largest incomes, which is the opposite of how the calculation should operate under Xcel's proposed framework.

Excluding these low premises-count CBGs will produce the benefits of reducing unreasonable over-inclusion and saving Minnesota ratepayers money. Additionally, excluding CBGs with 15 or fewer premises will preserve and improve the quality of data resulting from the Bill Credit Pilot. Some of the most promising learnings that may emerge from analysis of the Bill Credit Pilot's data would be evidence that the Bill Credit reduced late payments, arrearages, and disconnections—objective measures by which the Commission and stakeholders could tell that the Bill Credit Pilot's reduction in household energy burden had positive impacts. However, the more bill credits that are issued to premises included in the program from data anomalies rather than the program's intended structure will nevertheless be shown in resulting data, and the less reliable any resulting data will be for assessing whether the pilot is providing meaningful benefits.

**2. The Second Data Screen: Premises Where the Customer Name Indicates That a Corporate or Government Entity Pays the Electric Bill.**

The second screen proposed by the OAG is to exclude any premise where the customer name indicates ownership by an entity that is not an individual or natural person.<sup>40</sup> Given that bill credits are intended to be provided to residential customers in qualified CBGs,<sup>41</sup> excluding

---

<sup>39</sup> OAG Attachment 1, Xcel Response to OAG IR 4 Attachment A Not Public.

<sup>40</sup> For clarity, the focus of the screen is on the customer name, not the owner of the premises. Therefore, this screen will importantly not exclude premises where a renter takes service from Xcel but does not own their home.

<sup>41</sup> Xcel Petition at 1, 23.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

corporations, associations, government entities, and other entities that are not natural persons will also reduce unreasonable overinclusion, and yield a more just and reasonable pilot.

While reviewing discovery provided by Xcel, the OAG easily identified several businesses that were contemplated to receive a bill credit, including multiple banks, national chain restaurant locations, and a real estate agency office in an industrial park. In these instances, the customer name often included “LLC,” “Associates,” “Assoc” or similar language denoting a nonresidential customer poised to receive a residential bill credit. For example, [NOT PUBLIC DATA BEGINS

**NOT PUBLIC DATA ENDS].<sup>42</sup>**

After identifying the inclusion of the commercial premises discussed above, the OAG sought to establish whether such inclusion was a more pervasive problem, or limited anomalies in Xcel’s customer account data. Subsequent discovery reviewed by the OAG, which specifically asked Xcel to identify “each residential premise that would receive a bill credit,”<sup>43</sup> did not allay concerns of commercial overinclusion. In addition to finding a substantial number of additional commercial customers, the OAG also found a substantial number of customer accounts belonging to various government entities. For example, the OAG found customer names including [NOT PUBLIC DATA BEGINS

**NOT PUBLIC DATA ENDS]**

The OAG also found numerous customer accounts that appear to be related to lighting and traffic

---

<sup>42</sup> OAG Attachment 3, Xcel Response to OAG IR 13 Attachment A Not Public.

<sup>43</sup> OAG Attachment 4, Xcel Response to OAG IR 22.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

management, such as [NOT PUBLIC DATA BEGINS

NOT PUBLIC DATA ENDS].<sup>44</sup>

Throughout the OAG's consideration of the Bill Credit Pilot, from attendance at ESAG meetings to review of the filed petition, over-inclusion has been acknowledged as a largely unavoidable issue. Over-inclusion as contemplated by the OAG, however, had always pertained to households able to pay their electric bills without assistance that would still receive a bill credit in order to ensure that those households in need of assistance also received a bill credit. The OAG never contemplated over-inclusion that extended to businesses and government entities.

One of the primary reasons the Bill Credit Pilot is worth pursuing is that it creates a new source of electric bill assistance at a time when, as discussed previously, there is far from enough assistance available to meet Minnesotans' need. Accordingly, the exclusion of non-residential customers from the pilot is necessary for it to be reasonable. Xcel proposes to fund the pilot by reducing a refund owed to customers,<sup>45</sup> including customers who may be struggling to pay their electric bills. These funds owed to ratepayers should not go to nonresidential customers that are not the intended targets of the pilot.

To this end, the OAG has compiled a list of exclusionary keywords it recommends the Commission require Xcel to search its customer records for before issuing a bill credit to a premises in a qualifying CBG.<sup>46</sup> This is a substantive ratepayer protection that the OAG believes would not impose a substantial administrative burden on Xcel. Any administrative burden that is

---

<sup>44</sup> OAG Attachment 5, Xcel Response to OAG IR 22 Attachment A Trade Secret.

<sup>45</sup> Xcel Petition at 18-19.

<sup>46</sup> OAG Attachment 6, OAG Screening List of Corporate and Government Entity Terms. In addition to standard terms, Attachment 6 also includes Not Public customer names of specific large business entities identified by OAG that do not include another business-entity indicating term. The OAG also recommends Xcel search for forward- and back-slashes, ampersands, and other characters that may indicate a business or government entity account holder.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

imposed on Xcel by such an exercise would be justified by reducing the amount of bill credit dollars flowing to nonqualified recipients.

Accordingly, the Commission should consider requiring Xcel to filter for and exclude from receipt of a bill credit any customer name with an indication that it is a business, a government entity, or otherwise not a natural person.

**3. The Third Data Screen: Premises Where the Customer Has a Billing Address Outside of Minnesota.**

The third screen proposed by the OAG is to exclude any premise owned by a customer with a billing address outside of Minnesota. The vast majority of Xcel's customers that the OAG has identified as having an out of state billing address appear to be businesses or government entities. Thus, many premises where the customer has an out of state billing address may be prevented from receiving a bill credit by the OAG's proposed screen removing corporate and government entities and non-natural persons. Still, it is possible that premises with out-of-state billing addresses in the remaining CBGs might not be. Therefore, the OAG believes that this screen provides an additional level of insulation to prevent either business or government customers from inadvertently receiving the credit, or corporate out-of-state landlords from receiving a credit that cannot be assured to be passed on to their tenants. This screen will also provide the benefit of potentially screening out premises that are vacation homes.<sup>47</sup>

Accordingly, the OAG believes that excluding all customer accounts that bill to a non-Minnesota address is a logical step to limit overinclusion and to ensure the Bill Credit Pilot benefits—and the Minnesota ratepayer dollars that pay for them—only flow to Minnesota

---

<sup>47</sup> The OAG believes that excluding second homes is a reasonable goal to better target bill credits. Unlike some other Minnesota utilities, the OAG understands that Xcel does not have a vacation home rate, which could be an alternative method for this screen.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

households. For these reasons, the Commission should require Xcel to exclude all non-Minnesota customer billing addresses.

**C. Multifamily Housing, Metering, and Submetering Concerns.**

While the OAG believes it is necessary to screen business accounts from receiving the bill credit to ensure that non-residential customers are not included in the pilot, this screen will also likely include business accounts for non-individually metered multi-family residential properties where the account holder is a corporate landlord. At a very general level, multi-family premises may have units that are individually metered by the utility, submetered by the landlord or a submetering company,<sup>48</sup> or where electricity costs are included in the unit's rent.<sup>49</sup> While previously, electricity service could be apportioned to tenants via an equitable method described in the lease, this practice will cease to be lawful on January 1, 2025.<sup>50</sup> Within these methods, the only method where the tenant can be assured to receive the bill credit is where Xcel separately meters the units and they are billed to the tenant as the account holder. In these cases, the OAG's recommended screens would not interfere with the tenants receiving a bill credit. Where the landlord either submeters electricity or apportions the bill to tenants, it is not clear that the bill credit will reach the tenant rather than be retained, perhaps unintentionally, by the landlord. In these cases, the premises may be screened out by the OAG's recommended screens for customer accounts with corporate entity names or out-of-state billing addresses. While the OAG understands that some amount of overinclusion is inevitable in the pilot, corporate and out-of-state account holders should be screened out despite the potential of excluding some single-metered

---

<sup>48</sup> See 2024 Minn. Laws Ch. 107 (Amending Minn. Stat. § 216B.022).

<sup>49</sup> See 2024 Minn. Laws Ch. 107, sec. 2. While beginning in 2025, landlord's may not apportion electricity service, this is limited to landlords who "bill[] a tenant separately from rent." *Id.*

<sup>50</sup> Minn. Stat. § 504B.215, subd. 2a(2). This provision will be replaced by 2024 Minn. Laws Ch.107, sec. 8, beginning on January 1, 2025, to be codified as Minn. Stat. § 504B.216.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

multi-family residential buildings. Further discussion of the types of account arrangements for multi-family housing is below.

**1. Types of Billing Arrangements and Change in Minnesota Law.**

At a very general level, multi-family premises may have units that are individually metered by the utility, submetered by the landlord or a submetering company,<sup>51</sup> or where electricity costs are included in the unit’s rent. While previously, electricity service could be apportioned to tenants via an equitable method described in the lease, this practice will cease to be lawful on January 1, 2025 under a new provision of Minnesota law.<sup>52</sup> Beginning in January 2025, a new law provides consumer protections to tenants in shared-metered residential buildings and the Commission will have authority over a landlord<sup>53</sup> of a shared-meter residential building who installs submeters.<sup>54</sup> The Commission will have authority to resolve customer complaints against landlords of shared-metered residential buildings and levy penalties for violations of the provisions if brought through a complaint by a tenant.<sup>55</sup> The landlord must also “deduct from a tenant's total bill the tenant’s pro rata share of any bill credits or adjustments received by the landlord on the bill from the utility provider by dividing the credit or adjustment equally among the number of units in the building.”<sup>56</sup>

**2. The Operation of Shared-Meter Residential Buildings and the Bill Credit.**

Xcel initially stated in response to discovery, “[m]ultiple customers at the same physical location – e.g., apartments or condominiums – do not share the same premise numbers, so each

---

<sup>51</sup> See 2024 Minn. Laws Ch. 107 (Amending Minn. Stat. § 216B.022).

<sup>52</sup> Minn. Stat. § 504B.215, subd. 2a(2). This provision will be replaced by 2024 Minn. Laws Ch. 107, sec. 8, beginning on January 1, 2025, to be codified as Minn. Stat. § 504B.216.

<sup>53</sup> “Landlord” is defined to include a third-party billing agent. See 2024 Minn. Laws Ch. 107, sec. 1.

<sup>54</sup> 2024 Minn. Laws Ch. 107, sec. 1.

<sup>55</sup> 2024 Minn. Laws Ch. 107, sec. 4.

<sup>56</sup> 2024 Minn. Laws Ch. 107, sec. 2.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

customer would receive a bill credit as intended.”<sup>57</sup> Xcel also stated that generally “In multifamily buildings, individual units are generally individually metered (not submetered) for electricity, and have unique premises numbers, so the recipient of the bill credit would be the tenant, not the building owner.”<sup>58</sup> However, Xcel acknowledged in a follow-up information request that “The Company does not bill behind the meter, nor have information regarding the use of submeters that are not for Xcel Energy’s use.”<sup>59</sup> Xcel has also stated that “if the resident of a premise in an eligible CBG does not pay their own electricity bill...the Company would have no way of providing a bill credit to that resident.”<sup>60</sup> Although under current law and the new provisions, landlords of “single metered residential buildings” must advise Xcel that the utility services apply to a single metered premises,<sup>61</sup> it is not clear to the OAG whether or where Xcel has a record of this type of notification or the rate of compliance with this requirement by landlords.

Xcel’s data shows that there are likely many more multifamily single-metered residential buildings than it was aware of. For example, [NOT PUBLIC DATA BEGINS

62

63

<sup>64</sup> **NOT PUBLIC DATA ENDS]** While Xcel has indicated that “[p]roviding

---

<sup>57</sup> See OAG Attachment 7, Xcel Response to OAG IR 10.

<sup>58</sup> OAG Attachment 8, Xcel Response to OAG IR 13.

<sup>59</sup> OAG Attachment 8, Xcel Response to OAG IR 13.

<sup>60</sup> OAG Attachment 9, Xcel Response to OAG IR 16.

<sup>61</sup> Minn. Stat. § 504B.215, subd. 1 defines “single-metered residential building” as “a multiunit rental building with one or more separate residential living units where the utility service measured through a single meter provides service to an individual unit and to all or parts of common areas or other units.”

<sup>62</sup> OAG Attachment 3, Xcel Response to OAG IR 13 Attachment A Trade Secret.

<sup>63</sup> OAG Attachment 1, Xcel Response to OAG IR 4 Attachment A Trade Secret.

<sup>64</sup> OAG Attachment 3, Xcel Response to OAG IR13 Attachment A Trade Secret.



**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

bill credits by customer account ... could run the risk of a bill credit going to a customer who pays the bill but does not actually live in the eligible Census Block Group,<sup>65</sup> this is also a risk with credits paid to shared-metered residential buildings. In the example above the credit would go to [NOT PUBLIC DATA BEGINS NOT PUBLIC DATA ENDS] and it is unclear whether it would be passed on to the tenant as it is not clear whether, in 2025, the units will be submetered or the electricity costs will be included in rent.

### **3. Recommendation**

While the OAG acknowledges that its proposed screens for business entities and out-of-state customer account holders may inadvertently exclude some multi-family units that are not individually metered by Xcel, the OAG does not believe a bill credit should flow to a premise where Xcel cannot ensure it will be received by the intended household.

While the Commission will have authority over landlords that submeter premises beginning on January 1, 2025, as with all new regulations, there will be a period of education necessary for the newly regulated entities. Moreover, the timeframe for the bill credit (likely 2025 to 2027) will be in the early stages of this new regulatory authority. It is not clear to the OAG that landlords will immediately know about and comply with these new provisions, or that tenants will know to bring complaints against non-compliant landlords to the Commission's attention for enforcement. In addition, for single-metered premises with no submeters, where the landlord increases the rent to include an estimate of electricity costs, the credits would flow directly to the landlord and result in a windfall.

While the OAG would prefer there to be a method to ensure the bill credits could be delivered directly to tenants in multi-family buildings where the account holder is a corporate

---

<sup>65</sup> OAG Attachment 7, Xcel Response to OAG IR 10.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

entity that charges its tenants for electricity, either through submetering or included in rent, the OAG is not confident that these credits will flow through to the intended households. This will not only create a situation increasing over-inclusion in the pilot of benefits flowing from ratepayers to those who are not contemplated recipients of the bill credit—and may not reside in the eligible CBGs—but will also cause skewing of the data on reported benefits of the bill credits. That is, if the third-party evaluator is seeking accurate information from bill credit recipients about the Bill Credit Pilot’s impacts on their behavior, a corporate entity’s feedback on credits received will not benefit this effort.

That being said, the OAG acknowledges that some landlords or shared-metered residential buildings that do not have a business entity indicator in its customer account name and receive a bill in-state will not likely be screened out by the OAG’s proposed screens. Although the OAG contemplated additional methods of screening, such as by excluding premises where the billing address was a different in-state address than the premises, the OAG does not recommend including these screens due to the potential to exclude customers residing in the CBGs and the additional administrative cost.<sup>66</sup>

In sum, the OAG recommends the Commission require Xcel to screen out CBGs with fewer than 15 premises, premises where the customer name indicates that it is not a natural person, or premises where the customer’s billing address is out of state. The benefits to ratepayers of reducing the costs of the pilot by preventing bill credits from flowing to non-residential premises or to landlords who may not pass on the bill credits to their tenants outweigh the potential under-inclusion of submetered tenants with non-compliant landlords.

---

<sup>66</sup> For example, a customer with a large family could rent two units of a residential individually metered building but have them charged to the same address. Or a customer may have their billing address listed as a P.O. Box

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

**III. XCEL’S FOUR PERCENT ELECTRIC ENERGY BURDEN THRESHOLD IS REASONABLE BECAUSE IT WILL REDUCE ENERGY BURDEN BELOW THE HIGH AND SEVERE THRESHOLDS WHILE CONTROLLING COSTS AND PROVIDING AMPLE DATA.**

Xcel’s chosen threshold of four percent electric energy burden is reasonable for two reasons: first, because it will reduce energy burden for many Minnesota households below the threshold for “severe” and “high” energy burden; and second, by selecting a lower average electric energy burden than higher contemplated thresholds, the bill credit will be available to more households and will generate a more robust set of data for analysis on the Bill Credit Pilot’s impact on ratepayers in qualified CBGs and on Xcel’s electric system as a whole.

**A. The Direct Benefits of a Four Percent Electric Energy Burden Threshold**

Xcel’s chosen four percent electric energy burden threshold is reasonable because it will bring more Minnesota households under the thresholds for “severe” or “high” energy burden. Energy burden is the percentage of gross household income spent on energy costs.<sup>67</sup> According to the United States Department of Energy, six percent energy burden—that is, spending six percent or more of gross household income on energy—is considered a high energy burden.<sup>68</sup> Energy burden above 10 percent is considered severe.<sup>69</sup> The average energy burden for low-income households in Minnesota is eight percent.<sup>70</sup> Given that the Bill Credit Pilot is designed only to reduce the average electric energy burden of a CBG to four percent, and does not account for the percentage of energy burden imposed, for example, by natural gas service, the complete

---

<sup>67</sup> United States Department of Energy, *Low-Income Energy Affordability Data (LEAD) Tool and Community Energy Solutions*, <https://www.energy.gov/scep/low-income-energy-affordability-data-lead-tool-and-community-energy-solutions> (Last visited July 3, 2024).

<sup>68</sup> *Id.*

<sup>69</sup> Xcel Petition at 6.

<sup>70</sup> Minnesota Department of Commerce, *Minnesota Energy Data Dashboard* at 17, <https://mn.gov/commerce-stat/pdfs/mn-energy-data-dashboard.pdf> (May 2022). (Last visited July 3, 2024).

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

energy burden in qualifying CBGs is likely significantly higher—potentially rising to the high or severe energy burden threshold for many households. By targeting electric energy burden above four percent, and issuing a bill credit intended to bring the average electric energy burden of a given CBG down to four percent, the Bill Credit Pilot will likely reduce many Minnesota households' energy burden to below the severe and high thresholds.

The fact that so many Minnesota households struggle so significantly with energy burden, combined with the scarcity of energy bill assistance available, is a serious problem in need of reasonable yet creative solutions. For the reasons discussed above, the Bill Credit Pilot's aim of reducing average electric energy burden to four percent will allow the Commission and stakeholders to pursue reasonable and creative solutions. And even though the Bill Credit Pilot's reduction in electric energy burden may be temporary, providing a two-year lifeline to Minnesota households struggling with the costs of electricity may offer substantive relief that lasts far longer than two years. That said, the potentially temporary nature of the Bill Credit Pilot accentuates the need for substantial and targeted outreach to qualifying households, as discussed by ESAG members.<sup>71</sup>

**B. Costs and Coverage of the Bill Credit at 6 and 8 Percent Electric Energy Burden.**

Xcel's four percent electric energy burden threshold is also reasonable because it will create more qualifying CBGs, and therefore more households will be eligible for a bill credit. This result is reasonable not only because it will provide relief, even if temporary, to more Minnesota households struggling to pay their electric bills, but also because it will yield a greater volume of data regarding the impact of the Bill Credit Pilot on reduction of energy burden.

---

<sup>71</sup> Xcel Petition at 12-13.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

Discovery requested and reviewed by the OAG reveals that the number of CBGs initially viewed as eligible for a bill credit declines rapidly at higher average electric energy burden thresholds. For example, Xcel stated that “[i]ncreasing the electric energy burden threshold to 6 percent reduces the number of eligible Census Block Groups (CBGs) from 77 to 16,” and that this would reduce the total number of premises that would receive a bill credit to just 2,638 (or just 11.5% of the number of premises eligible at the four percent threshold).<sup>72</sup> Xcel also stated that adopting an 8% average electric energy burden threshold would further reduce the number of eligible CBGs to five, and the number of eligible premises to 701 (which is just three percent of the original 23,000 premises identified as eligible by Xcel).<sup>73</sup> Because the chosen four percent electric energy burden threshold reaches a greater number of Minnesota households than the contemplated six or eight percent average electric energy burden thresholds, four percent average electric energy burden is a reasonable threshold.

Increasing the qualifying electric energy burden threshold, and thus reducing the number of qualified CBGs and eligible households, will also yield a smaller data set for studying the impact of the Bill Credit Pilot’s effect on households in eligible CBGs, possibly making the data less useful for gaining insight into any reduction of late payments, arrearages, and disconnections, and any corresponding benefit Xcel’s electric system as a whole.

Recognizing the dramatic decline in eligible CBGs and qualifying premises at higher average electric energy burden thresholds just described, the OAG believes that, while the financial relief provided to recipients only at higher average electric energy burden thresholds would still

---

<sup>72</sup> OAG Attachment 10, Xcel Response to OAG IR 5.

<sup>73</sup> OAG Attachment 11, Xcel Response to OAG IR 6.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

be meaningful, the dataset provided by these increased electric energy burden thresholds would not produce as much useful information as the four percent threshold.

For these reasons, Xcel's chosen threshold of four percent electric energy burden is a reasonable threshold for a pilot program to test the impact of reduced energy burden on Minnesota households and Xcel's electric system.

**IV. IT IS APPROPRIATE FOR XCEL TO RETAIN A QUALIFIED THIRD-PARTY EVALUATOR, BUT XCEL SHOULD ALSO BE REQUIRED TO PROVIDE CERTAIN DATA IN QUARTERLY COMPLIANCE FILINGS.**

The OAG agrees that Xcel should engage a third-party evaluator to provide monitoring and evaluation. However, Xcel's limited proposed role of the third-party evaluator is not optimal in maximizing potential learnings from the pilot. Xcel should therefore be required to file additional available data in the docket to allow the Commission and interested stakeholders to view the potential progress of the pilot. In terms of the costs of the third-party evaluator, no determination as to the reasonableness of Xcel's preliminary ballpark estimate should be made at this time. Instead, Xcel should continue to bear the burden of showing the prudence of the costs of the third-party evaluator through the selection of a qualified evaluator through an RFP.

Xcel proposes to retain a third-party evaluator to develop a monitoring and evaluation (M&E) plan but details on the goals of the plan or the potential methods to develop and analyze data are limited. Xcel states that the "the plan would be survey-based, with a treatment group and control group design," and that Xcel "anticipates providing the evaluator with electricity bill data pre- and post-delivery of the bill credit."<sup>74</sup> The petition again emphasizes the importance of surveys in Xcel's contemplated analysis stating: "We expect the evaluator may propose surveys (via telephone, email, or other appropriate methods) of a sample of participating households,

---

<sup>74</sup> Xcel Petition at 20.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

collecting data on awareness, changes in ability to pay other household expenses due to receiving the bill credit, reduction in past-due balances, reduction in disconnections, and other key question.”<sup>75</sup>

While the OAG agrees that the Bill Credit Pilot’s impacts on energy burden will provide valuable learnings to the Commission, Xcel’s methods of receiving this information appear overly limited to conducting surveys from already overstrained populations that may limit feedback or skew it to participants that choose to respond. For example, Xcel states that one of the advantages of the Bill Credit Pilot is that, unlike other energy assistance programs, it does not “ask those in society who are already most burdened by poverty and other challenging life circumstances to take on additional burdens.”<sup>76</sup> But Xcel’s emphasis on surveys to monitor the progress of the pilot appears in tension with Xcel’s recognition of the substantial burdens ratepayers experience in these CBGs. There will likely be substantial limitations to survey data that may leave out information from potentially the most impacted customers in the participating CGBs who lack the time or ability to participate in surveys. Therefore, the third-party evaluator should be encouraged to use additional data to develop its analysis of the program.

Further, limiting review of data on pre- and post-delivery of the bill credits to solely the third-party evaluator reduces transparency in the process. While the OAG does not oppose Xcel retaining a third-party evaluator and agrees with Xcel that this evaluator may have additional plans for evaluating the program based on the evaluator’s expertise, some basic data will be essential to evaluating the impact of the program in a transparent format on the record in this docket. Xcel

---

<sup>75</sup> Xcel Petition at 20.

<sup>76</sup> Xcel Petition at 4.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

should, therefore, also be required to file specific data in the docket to allow the Commission and interested parties to independently review potential impacts/benefits of the pilot.

Xcel should file additional data on customers in participating CBGs that can indicate energy burden's impact on customer. Quarterly, Xcel should file the following information for customers in each participating Census Block Groups, before the credit is applied and for each month thereafter:

- The number of premises in each participating CGB involuntarily disconnected;
- The number of premises in each participating CBG who sought protection under the cold weather rule;
- The number of premises in each participating CBG who were granted protection under the cold weather rule;
- The number of payment plan requests received in each participating CBG;
- The number of new mutually agreed payment plans in each participating CBG;
- The number of premises with current payment plans in each participating CBG;
- The number of past due accounts in each participating CBG;
- The average monthly past due amount for past due accounts in each participating CBG;
- The total dollars past due for residential customers in each participating CBG;
- Number and amount of write-offs from uncollectible accounts in each participating CBG;
- The number and amount of late fees charged to customers.

The OAG also recommends that Xcel report quarterly on the number of premises electing to opt-out of receiving a bill credit, including the CGB in which the opt-out customers are located.



**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

The OAG believes that Xcel has access to this information as much of it is collected and filed monthly in the annual service quality dockets.<sup>77</sup> This additional data will allow the Commission and interested stakeholders to monitor the impact of automatic bill credits on customers' ability to pay their electric bills within each CBG. This data, in addition to the third-party evaluator's report, will provide helpful data in determining the efficacy of the automatic bill credit pilot at achieving the goals laid out in Xcel's petition and will inform future discussions about the potential benefits of significantly decreasing energy burden.

Last, the Notice of Comment Period states: "Staff has issued an information request in the instant docket asking Xcel to estimate the costs associated with engaging a third-party evaluator. Given Xcel's estimate, are these costs reasonable?" In response to Commission Staff's information request, Xcel stated that based on its "experience conducting Requests for Proposal for third-party monitoring and evaluation (M&E) of pilot programs in energy efficiency, new electric rates, electric vehicle programs, and other areas" it believed \$400,000 would be in the ballpark of costs.<sup>78</sup> Xcel, however, provided no comparison costs from specific dockets or other data to support this estimate. While the OAG does not contest the estimate as being too high or too low, a determination of the reasonableness of the cost should follow Xcel's RFP. In order to recover these costs, as Xcel acknowledges is its intent, Xcel must show that the costs of the third-party evaluator are reasonable in order to pass these costs on to ratepayers. It is premature to make a reasonableness determination now.

---

<sup>77</sup> For 2024, docket no. 24-02. To the extent that Xcel believes that obtaining this information by CBG would not be feasible, Xcel should explain in detail any systemic program and data collection method that inhibits this data production.

<sup>78</sup> OAG Attachment 12, Xcel Response to MPUC IR no. 3.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

**CONCLUSION AND RECOMMENDATIONS**

The OAG recommends the Bill Credit Pilot be approved with modifications to better target the contemplated recipients of bill credits. To do so, Xcel should remove CBGs with less than 15 premises and remove from bill credit eligibility customer accounts billed to business and government entities, including but not limited to those terms listed in OAG Attachment 6, and outside of Minnesota. These steps create no additional administrative burdens for credit recipients and little administrative burden for Xcel. The Commission should require Xcel to revise the Bill Credit Pilot budget to reflect a new estimate with such premises and CBGs removed. This should also not impose additional administrative burdens on Xcel, as Xcel indicated it already intends to revise its analysis of eligible CBGs and calculation of bill credits before the start of the pilot if the Bill Credit receives Commission approval.<sup>79</sup>

**Recommendations:**

The OAG recommends that the Commission approve Xcel's Automatic Bill Credit pilot with modifications. These modifications do not modify the Bill Credit Pilot concept, but instead are necessary to ensure that the pilot rolls-out as intended. The necessary modifications include the following:

*Screens*

- Screen out CBGs with 15 or fewer premises.
- Screen out premises where the customer name indicates a corporate or government entity, or other entity that is not a natural person, pays the electric bill, including but not limited to the terms in OAG Attachment 6.
- Screen out premises where the customer billing address is outside of Minnesota.

---

<sup>79</sup> Xcel Petition at 12; OAG Attachment 2, Xcel Response to OAG IR 4.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

- Revise and file the analysis of the total number of CBGs and premises eligible for a bill credit after running the screens proposed by OAG.
- Revise and file analysis of the total cost of the Bill Credit Pilot after running the screens proposed by the OAG.

*Evaluation and Monitoring and Reporting:*

- Authorize Xcel to Issue an RFP to Obtain a Qualified Third-Party Evaluator.
- Require Xcel to quarterly file the following information for customers in each participating Census Block Groups, before the credit is applied and for each month thereafter:
  - The number of premises in each participating CGB involuntarily disconnected;
  - The number of premises in each participating CBG who sought protection under the cold weather rule;
  - The number of premises in each participating CBG who were granted protection under the cold weather rule;
  - The number of payment plan requests received in each participating CBG;
  - The number of new mutually agreed payment plans in each participating CBG;
  - The number of premises with current payment plans in each participating CBG;
  - The number of past due accounts in each participating CBG;
  - The average monthly past due amount for past due accounts in each participating CBG;
  - The total dollars past due for residential customers in each participating CBG;
  - Number and amount of write-offs from uncollectible accounts in each participating CBG;
  - The number and amount of late fees charged to customers.

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

- Require Xcel to report quarterly on the number of premises electing to opt-out of receiving a bill credit, including the CGB in which the opt-out customers are located.
- The OAG also requests in reply comments Xcel explain any other screens that Xcel believes may help correct for unintended overinclusion in the pilot.

Dated: July 8, 2024

Respectfully submitted,

KEITH ELLISON  
Attorney General  
State of Minnesota

/s/ **Travis Murray**

TRAVIS MURRAY  
Assistant Attorney General  
Atty. Reg. No. 0402765

KATHERINE HINDERLIE  
Assistant Attorney General  
Atty. Reg. No. 0397325

445 Minnesota Street, Suite 1400  
St. Paul, Minnesota 55101-2131  
(651) 757-1244 (Voice)  
(651) 296-9663 (Fax)  
Travis.Murray@ag.state.mn.us

ATTORNEYS FOR OFFICE OF  
THE ATTORNEY GENERAL—  
RESIDENTIAL UTILITIES DIVISION

PUBLIC DOCUMENT  
NOT PUBLIC DATA HAS BEEN EXCISED

PROTECTED DATA SHADED

Tract	CBG_GEOID	elecPremi se_count	revenue(365) _sum	Average Cost per Premise	Total Population	Median HHI	Median HHI VLOOKUP	Pov185rate	Percent People of Color	Electric Burden (using CBG Median Income)	4.00%	Target median electric bill	Annual bill credit	Number of premises	Annual cost for this CBG
															\$5,376,243 Annual cost estimate
21201	270090212015	423	\$722,984	\$1,709	1551	\$28,956	\$47,082	80.3%	61.57%	5.90%		\$1,158.24	\$550.94	423	\$233,049
170600	270131706003	388	\$365,685	\$942	534	\$23,097	\$35,500	84.3%	28.83%	4.08%		\$923.88	\$18.61	388	\$7,219
170700	270131707001	493	\$526,645	\$1,068	1267	\$25,925	\$36,786	77.5%	27.46%	4.12%		\$1,037.00	\$31.25	493	\$15,404
171101	270131711012	807	\$897,745	\$1,112	1553	\$27,594	\$41,757	81.8%	18.09%	4.03%		\$1,103.76	\$8.69	807	\$7,011
30112	270270301121	644	\$1,041,860	\$1,618	676	\$28,705	\$84,783	34.5%	13.01%	5.64%		\$1,148.20	\$469.60	644	\$302,419
60105	270370601054	461	\$503,503	\$1,092	835	\$23,304	\$45,571	52.5%	46.94%	4.69%		\$932.16	\$160.04	461	\$73,777
60503	270370605031	281	\$505,027	\$1,797	726	\$41,250	\$71,094	53.7%	69.97%	4.36%		\$1,650.00	\$147.25	281	\$41,377
80101	270490801012	335	\$650,962	\$1,943	666	\$46,250	\$57,457	32.3%	6.45%	4.20%		\$1,850.00	\$93.17	335	\$31,212
80201	270490802011	524	\$749,693	\$1,431	748	\$29,635	\$50,500	50.3%	28.6%	4.83%		\$1,185.40	\$245.31	524	\$128,543
20201	270530202013	181	\$140,311	\$775	359	\$12,679	\$37,134	88.6%	47.07%	6.11%		\$507.16	\$268.04	181	\$48,515
21502	270530215022	277	\$309,749	\$1,118	923	\$26,250	\$49,971	56.1%	39.54%	4.26%		\$1,050.00	\$68.23	277	\$18,899
26827	270530268272	264	\$380,942	\$1,443	1453	\$33,608	\$35,417	59.3%	78.52%	4.29%		\$1,344.32	\$98.64	264	\$26,041
101600	270531016004	307	\$368,802	\$1,201	1533	\$12,488	\$24,518	80.4%	88.45%	9.62%		\$499.52	\$701.79	307	\$215,449
101900	270531019002	222	\$231,020	\$1,041	602	\$14,359	\$58,850	59.5%	48.17%	7.25%		\$574.36	\$466.27	222	\$103,512
104100	270531041003	517	\$513,187	\$993	1875	\$22,500	\$56,691	84.5%	87.41%	4.41%		\$900.00	\$92.62	517	\$47,887
104901	270531049011	602	\$459,906	\$764	4262	\$0	\$16,583	82.8%	29.68%	4.61%		\$663.32	\$100.64	602	\$60,588
104901	270531049012	249	\$290,039	\$1,165	2581	\$0	\$16,583	93.2%	21.92%	7.02%		\$663.32	\$501.49	249	\$124,872
104902	270531049024	893	\$1,006,081	\$1,127	1467	\$18,846	\$34,853	90.2%	63.25%	5.98%		\$753.84	\$372.79	893	\$332,901
106000	270531060003	134	\$125,505	\$937	874	\$15,227	\$26,960	82.9%	95.76%	6.15%		\$609.08	\$327.52	134	\$43,888
106400	270531064001	104	\$99,019	\$952	656	\$16,875	\$66,193	79.3%	73.17%	5.64%		\$675.00	\$277.10	104	\$28,819
126000	270531260003	366	\$387,213	\$1,058	1328	\$20,694	\$31,655	47.5%	78.16%	5.11%		\$827.76	\$230.20	366	\$84,253
126201	270531262011	178	\$128,059	\$719	806	\$8,125	\$120,313	86.3%	65.88%	8.85%		\$325.00	\$394.43	178	\$70,209
126300	270531263003	135	\$193,769	\$1,435	587	\$15,485	\$37,568	64.6%	77.34%	9.27%		\$619.40	\$815.92	135	\$110,150
360700	270833607001	213	\$330,234	\$1,550	385	\$38,466	\$63,293	43.6%	8.05%	4.03%		\$1,538.64	\$11.75	213	\$2,504
30601	271230306013	255	\$518,725	\$2,034	891	\$0	\$39,960	57.4%	93.6%	5.09%		\$1,598.40	\$435.82	255	\$111,133
31000	271230310004	376	\$607,522	\$1,616	1607	\$31,926	\$65,606	45.3%	71.06%	5.06%		\$1,277.04	\$338.71	376	\$127,355
31200	271230312001	600	\$804,603	\$1,341	1387	\$32,833	\$64,135	29.1%	56.38%	4.08%		\$1,313.32	\$27.68	600	\$16,611
31300	271230313002	301	\$487,627	\$1,620	578	\$35,893	\$58,287	62.8%	59.51%	4.51%		\$1,435.72	\$184.30	301	\$55,476
31702	271230317025	305	\$372,833	\$1,222	405	\$21,136	\$39,637	40.0%	67.9%	5.78%		\$845.44	\$376.96	305	\$114,974
31801	271230318015	343	\$566,892	\$1,653	1198	\$25,000	\$74,345	79.0%	90.73%	6.61%		\$1,000.00	\$652.75	343	\$223,892
32100	271230321001	439	\$527,730	\$1,202	1025	\$28,625	\$43,393	47.6%	30.53%	4.20%		\$1,145.00	\$57.12	439	\$25,075
32200	271230322001	283	\$546,074	\$1,930	784	\$31,591	\$81,136	37.2%	24.48%	6.11%		\$1,263.64	\$665.95	283	\$188,464
32400	271230324003	150	\$224,372	\$1,496	1140	\$36,199	\$59,024	85.0%	92.1%	4.13%		\$1,447.96	\$47.85	150	\$7,178
32500	271230325001	385	\$619,085	\$1,608	659	\$30,797	\$52,951	57.2%	71.62%	5.22%		\$1,231.88	\$376.13	385	\$144,811
32500	271230325002	384	\$671,143	\$1,748	1484	\$36,845	\$52,951	59.1%	80.25%	4.74%		\$1,473.80	\$273.97	384	\$105,204
32600	271230326002	232	\$422,370	\$1,821	553	\$37,143	\$56,012	42.9%	81.37%	4.90%		\$1,485.72	\$334.84	232	\$77,683
33100	271230331001	259	\$459,435	\$1,774	835	\$36,667	\$43,510	44.3%	72.81%	4.84%		\$1,466.68	\$307.20	259	\$79,565
33400	271230334002	80	\$75,998	\$950	656	\$11,127	\$53,018	82.3%	93.59%	8.54%		\$445.08	\$504.89	80	\$40,392
33500	271230335002	201	\$355,705	\$1,770	641	\$28,618	\$57,070	65.5%	60.37%	6.18%		\$1,144.72	\$624.96	201	\$125,617
33700	271230337002	202	\$185,490	\$918	721	\$15,417	\$23,917	84.3%	65.88%	5.96%		\$616.68	\$301.59	202	\$60,920
34500	271230345002	349	\$649,857	\$1,862	1165	\$43,125	\$61,125	68.2%	71.84%	4.32%		\$1,725.00	\$137.05	349	\$47,832
34601	271230346013	674	\$840,242	\$1,247	1451	\$27,169	\$51,725	61.8%	83.32%	4.59%		\$1,086.76	\$159.89	674	\$107,766
40801	271230408011	288	\$531,718	\$1,846	854	\$41,597	\$96,116	63.2%	73.88%	4.44%		\$1,663.88	\$182.36	288	\$52,521
42402	271230424022	226	\$458,128	\$2,027	1435	\$49,531	\$83,868	29.1%	50.73%	4.09%		\$1,981.24	\$45.87	226	\$10,368
70801	271310708012	672	\$992,019	\$1,476	1233	\$34,943	\$77,932	34.7%	42.66%	4.22%		\$1,397.72	\$78.50	672	\$52,751
70802	271310708021	566	\$1,064,109	\$1,880	1273	\$38,500	\$69,091	26.0%	14.13%	4.88%		\$1,540.00	\$340.05	566	\$192,469
70901	271310709012	493	\$908,417	\$1,843	1035	\$44,698	\$47,818	38.2%	41.83%	4.12%		\$1,787.92	\$54.71	493	\$26,973
70901	271310709014	370	\$617,788	\$1,670	1453	\$40,041	\$47,818	38.3%	8.67%	4.17%		\$1,601.64	\$68.06	370	\$25,181
70902	271310709021	853	\$1,451,545	\$1,702	2366	\$39,750	\$56,603	55.3%	46.15%	4.28%		\$1,590.00	\$111.69	853	\$95,275
304	271450003041	485	\$533,576	\$1,100	2157	\$23,803	\$37,237	83.9%	81.5%	4.62%		\$952.12	\$148.04	485	\$71,797

PUBLIC DOCUMENT  
NOT PUBLIC DATA HAS BEEN EXCISED

Docket Nos. E002/RP-19-368, E002/M-22-266, E002/M-24-173  
OAG IR No. 4  
Attachment A - MN\_CBGs\_wACS

PROTECTED DATA SHADED

Tract	CBG_GEOID	elecPremi se_count	revenue(365) _sum	Average Cost per Premise	Total Population	Median HHI	Median HHI VLOOKUP	Pov185rate	Percent People of Color	Electric Burden (using CBG Median Income)	4.00%	Target median electric bill	Annual bill credit	Number of premises	Annual cost for this CBG
501	271450005012	362	\$541,968	\$1,497	1390	\$28,556	\$32,500	60.9%	51.22%	5.24%		\$1,142.24	\$354.91	362	\$128,477
602	271450006023	402	\$693,459	\$1,725	548	\$40,000	\$51,133	33.2%	17.88%	4.31%		\$1,600.00	\$125.02	402	\$50,259
801	271450008014	452	\$646,904	\$1,431	988	\$34,189	\$50,521	64.9%	38.05%	4.19%		\$1,367.56	\$63.64	452	\$28,767
790500	271617905002	28	\$54,359	\$1,941	1935	\$33,333	\$64,167	56.8%	36.33%	5.82%		\$1,333.32	\$608.06	28	\$17,026
70103	271630701032	317	\$545,418	\$1,721	647	\$38,558	\$70,081	24.5%	10.04%	4.46%		\$1,542.32	\$178.24	317	\$56,503
70910	271630709103	314	\$542,423	\$1,727	748	\$38,971	\$93,563	52.6%	52.27%	4.43%		\$1,558.84	\$168.62	314	\$52,948
670400	271696704003	295	\$472,566	\$1,602	768	\$35,775	\$59,802	61.5%	36.71%	4.48%		\$1,431.00	\$170.92	295	\$50,421
670500	271696705001	555	\$576,620	\$1,039	901	\$20,568	\$26,208	66.9%	28.52%	5.05%		\$822.72	\$216.23	555	\$120,010
670500	271696705002	296	\$420,759	\$1,421	1027	\$27,638	\$26,208	72.5%	7.88%	5.14%		\$1,105.52	\$315.96	296	\$93,526
670500	271696705003	333	\$521,429	\$1,566	330	\$0	\$26,208	44.5%	0%	5.97%		\$1,048.32	\$517.53	333	\$172,339
670500	271696705004	317	\$538,645	\$1,699	773	\$0	\$26,208	60.7%	0.12%	6.48%		\$1,048.32	\$650.88	317	\$206,327
670700	271696707001	473	\$717,006	\$1,516	970	\$36,462	\$44,416	52.6%	9.58%	4.16%		\$1,458.48	\$57.39	473	\$27,145

\$5,376,243 Annual cost estimate

**PUBLIC DOCUMENT**  
**NOT-PUBLIC DATA HAS BEEN EXCISED**

- ☐ 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.:	E-002/RP-19-368; E-002/M-22-266; E-002/M-24-173	
Response To:	Minnesota Office of the Attorney General	
Requestor:	Judy Sigal	
Date Received:	April 24, 2024	

---

Question:

Reference:

Automatic Bill Credit Petition at 6–7 states that Xcel began to identify potential eligible Census Block Groups by first using data in Xcel’s existing Minnesota Electric Service Quality Interactive Map, including “median household income, poverty rate, and percentage of People of Color.”

Automatic Bill Credit Petition at 17: “We calculated the bill credit needed in each eligible CBG to reduce annual electric energy burden to 4 percent for the median-income household . . . . Based on those calculations, the pilot as proposed here would provide a bill credit to about 23,000 households in 77 CBGs.”

Provide the following:

1. A list of all identified 77 census block groups (CBG);
2. The median household income for each CBG;
3. The poverty rate for each CBG;
4. The percentage of People of Color for each CBG; and
5. The estimated bill credit per household in each CBG;

Response:

See attached spreadsheet. This sheet includes data for all CBGs in the Company’s Minnesota electric service territory, but column K is filtered so that the sheet displays only those CBGs where estimated electric energy burden is greater than or equal to 4 percent. This represents 77 CBGs (count of column B) and 22,949 individual premises (count of column C). The estimated annual bill credit needed to reduce electric energy burden to 4 percent for the median-income premise in each CBG is shown in column N. The estimated annual cost to provide bill credits to all premises

**PUBLIC DOCUMENT**  
**NOT-PUBLIC DATA HAS BEEN EXCISED**

in a given CBG is shown in column P, calculated as the bill credit in column N multiplied by the number of premises served in that CBG. Summing column P across all 77 CBGs yields the estimated annual cost of \$5.4 million (for bill credits only, not including the third-party M&E cost).

Please note that if the Commission approves this Petition, the Company proposes to rerun this analysis with the latest available electric bill data and latest available U.S. Census data at the time of the Commission's approval. So the final number of CBGs, number of households, bill credits by CBG, and total annual cost of bill credits could change slightly from the numbers in the filing.

1. See column B of the spreadsheet.
2. See column G. Note that for a small number of CBGs, median household income was missing in the U.S. Census data. For those CBGs, we used median household income for the Census tract in which a CBG with missing income data was located.
3. See column I. Note that this does not reflect "poverty rate" exactly. Consistent with the Minnesota Electric Service Quality Interactive Map, this column reflects the percent of households in a CBG with incomes at or below 185 percent of the Federal poverty level. This column is informational only and is not used in the calculations or eligibility determination.
4. See column J. This column is informational only and is not used in the calculations or eligibility determination.
5. See column N. This is the estimated bill credit per premise, which in most cases is the same as a household.

Please note, Attachment A to this response is marked Not Public as it contains private data on individuals, pursuant to Minn. Stat. §13.02, subd. 5. Thus, Xcel Energy maintains this information as protected data pursuant to Minn. Rule 7829.0500.

---

Preparer:	Nicholas Martin	Jeremy Lockhart
Title:	Director, Strategic Outreach & Advocacy	Geospatial Specialist II
Department:	NSPM Community Relations	Geospatial/Asset Data
Telephone:	(651) 233-3385	(303) 571-3128
Date:	May 6, 2024	



PUBLIC DOCUMENT  
NOT-PUBLIC DATA HAS BEEN EXCISED

Docket Nos. E002/M-22-266 & E002/M-24-173  
Information Request 13  
Attachment A - Page 1 of 1

[PROTECTED DATA BEGINS]

PREMNUM	DEBTORNUM	PREMISE_ADDRESS	PREMISE_CITY	PREMISE_ST/PREMISE_POS	CUSTNAME	BILLING_ADDRESS	Billing_City	Billing_STATE	Billing_ZIP

PROTECTED DATA ENDS]

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

Xcel Energy Information Request No. 22  
Docket No.: E002/M-22-266, E002/M-24-173  
Response To: Office of the Attorney General  
Requestor: Judy Sigal  
Date Received: June 20, 2024

---

Question:

Reference: Excel spreadsheet OAG-004, Attachment A.

For each of the following Census Block Groups: 271696705004, 271230408011, 271617905002, and 271230337002, provide a separate, unlocked Excel spreadsheet containing the following information for each residential premise that would receive a bill credit:

1. The premise number;
2. The premise address;
3. The name of the account holder associated with each premise;
4. The billing address for the account holder associated with each premises.

Response:

Please see OAG-022 Attachment A 'TRADE SECRET' for the information requested in parts 1 through 4.

In scanning this data, the Company notes that it includes some entries where although the premise number was classified as residential, the Account Holder does not appear to be residential based on the account name. As discussed with OAG, the Company's initial analysis was preliminary, to scope out the pilot concept and estimate cost. In re-running the analysis prior to scheduling bill credits, the Company will apply the additional screens discussed with OAG to eliminate any non-residential accounts and customers not located in the qualifying Census Block Groups.

Attachment A to this response is marked Not Public as it contains private data on individuals, pursuant to Minn. Stat. §13.02, subd. 5. Thus, Xcel Energy maintains this information as protected data pursuant to Minn. Rule 7829.0500.

**1. Nature of the Material:** Contains private data on individuals, pursuant to Minn. Stat. §13.02, subd. 5. Thus, Xcel Energy maintains this information as protected data pursuant to Minn. Rule 7829.0500.

**2. Authors:** The attachment was prepared by the Company's Customer Insights, Geospatial Analysis, Billing, and IT departments.

**3. Importance:** The attachment includes private data on individuals, including premise addresses, account holders, and billing addresses.

**4. Date the Information was Prepared:** 7/1/2024

---

Preparer: Nicholas Martin  
Title: Director, Strategic Outreach &  
Department: NSPM Community Relations  
Telephone: (651) 233-3385

Preparer: Jeremy Lockhart  
Title: Geospatial Specialist II  
Department: Geospatial/Asset Data  
Telephone: (303) 571-3128

Preparer: Bruce Nielson  
Title: Senior Customer Insights Analyst  
Department: Customer Insights  
Telephone: (303) 294-2203  
Date: July 2, 2024

Docket Nos. E02/M-22-266 E002/M-24-173  
OAG Information Request 22  
Attachment A - Page 1 of 1

**PUBLIC DOCUMENT –  
NOT PUBLIC DATA HAS BEEN EXCISED**

Attachment A is marked “Non-Public” in its entirety. Pursuant to Minn. Stat. §13.02, subd. 5. Thus, Xcel Energy maintains this information as protected data pursuant to Minn. Rule 7829.0500., the Company provides the following description of the excised material:

- 1. Nature of the Material:** Contains private data on individuals, pursuant to Minn. Stat. §13.02, subd. 5. Thus, Xcel Energy maintains this information as protected data pursuant to Minn. Rule 7829.0500.
- 2. Authors:** The attachment was prepared by the Company’s Customer Insights, Geospatial Analysis, Billing, and IT departments.
- 3. Importance:** The attachment includes private data on individuals, including premise addresses, account holders, and billing addresses.
- 4. Date the Information was Prepared:** July 1, 2024

Business and Government Entity Customer Account Search Terms for Bill Credit Pilot Eligibility Removal				
Corporate Entity*	Government Entity	Non-Natural Person	Characters	Specific Non-Residential Entities
Assn	City	Apartment	/	[NOT PUBLIC DATA BEGINS [REDACTED]
Ass'n	County	Apartments	\	
Assoc.	Department	Apt.	&	
Associates	Dept	Auctions	:	
Association	Dep't	Center		
Assocs.	Dept.	Church		
Co.	Federal	Condo		
Company	Minnesota	Condos		
Corp.	MN/	Construction		
Corporation	Prison	Estates		
DBA	Public	Holding		
Inc.	Signal	Holdings		
Incorporated	Signals	Irrigation		
L.L.C.	Town	Lighting		
L.P.	Traffic	National		
Limited	Univ	Org		
Limited Liability Company	Univ.	Org.		
Limited Liability Partnership	University	Organization		
Limited Partnership		Plaza		NOT PUBLIC DATA ENDS]
LLC		Properties		
LLP		Property		
LP				
Ltd pship				
Ltd.				
Ltd. P'Ship				

\* For all terms Xcel should search both upper and lower case and for abbreviations with periods and without

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

Xcel Energy	Information Request No.	10
Docket No.:	E-002/RP-19-368; E-002/M-22-266; E-002/M-24-173	
Response To:	Minnesota Office of the Attorney General	
Requestor:	Judy Sigal	
Date Received:	April 24, 2024	

---

Question:

Reference: Petition at 7, 14, 15, 17, referencing “premises.”

- A. Confirm that Xcel plans to provide bill credits based on the premises rather than by customer account, meter, or some other metric. If response is not a confirmation, please clarify how Xcel plans to provide bill credits.
- B. If the answer to part A is affirmative, explain why Xcel choose to use premises rather than customer, account, meter, or some other identifier.
- C. Confirm that one premises may have multiple accounts, customers, or meter. If the response is not a confirmation, please explain.
- D. If the answer to part C is affirmative, explain how Xcel plans to divide the bill credit for each premises to multiple customers in cases where more than one customer takes service at the premises.
- E. Confirm that one premises may have multiple customer classes (i.e. residential and commercial). If the response is not a confirmation, please explain.
- F. If the answer to E is affirmative, explain how Xcel plans to ensure that non-residential customers do not receive a bill credit.

Response:

- A. Confirmed.
- B. We believe residential premises are the most appropriate choice for the Automatic Bill Credit Pilot objective, which is to deliver one and only one bill credit to each residential customer, based on living in an eligible Census Block Group. A premise may have different energy requirements depending upon size, age, energy efficiency, location, etc. Providing bill credits by meter would run the risk of a single premise with more than one meter (e.g., for a garage or pump in addition to the primary residence meter) receiving more than one bill

credit. On the other hand, in multifamily buildings where each apartment has its own meter, each apartment will also have its own premise number, which avoids the risk of some premises not receiving a bill credit. Providing bill credits by customer account would largely have the same outcome as by premise, but could run the risk of a bill credit going to a customer who pays the bill but does not actually live in the eligible Census Block Group. The vast majority of customer accounts have only one associated premise, and the vast majority of premises have only one electric meter.

- C. One premise may have more than one meter – e.g., the meter on a garage or pump, billed to the same customer as the primary residence meter. However, a multifamily building with multiple customers at the same physical location would not be counted as one premise; each apartment would have its own premise number.
- D. See answer C. Multiple customers at the same physical location – e.g., apartments or condominiums – do not share the same premise numbers, so each customer would receive a bill credit as intended.
- E. The customer classification – residential or commercial – is established when the account for a premise is set up. A premise will not have concurrent multiple customer classes assigned. For the proposed pilot, only residential customer premises were included.<sup>1</sup>
- F. As noted above, only residential customers would receive a bill credit under the proposed pilot. Commercial customers would be classified as such when the account for a premise is set up, and would not be eligible for a bill credit. A future pilot could explore making small businesses eligible, but that is not proposed in the current Petition.

---

Preparer:	Nicholas Martin	Bruce Nielson
Title:	Director, Strategic Outreach & Advocacy	Senior Customer Insights Analyst
Department:	NSPM Community Relations	Customer Insights
Telephone:	(651) 233-3385	(303) 294-2203
Date:	May 6, 2024	May 6, 2024

---

<sup>1</sup> A nuance is that a residential customer running a business out of their home, and using electricity for both personal and business purposes, would not be distinguished from a residential premise. Xcel Energy does not have sufficient billing detail to distinguish how much electricity is used for personal or business purposes in such a scenario. However, a premise whose primary purpose is business would be classified as a commercial customer, and not included in the proposed pilot.

Xcel Energy	Information Request No.	13
Docket No.:	E002/M-22-266, E002/M-24-173	
Response To:	Office of the Attorney General	
Requestor:	Judy Sigal	
Date Received:	May 23, 2024	

Question:

Reference: Excel spreadsheet OAG-004, Attachment A.

For all premises within the identified Census Block Groups at lines 186, 278, 627, 713, 825, 1274, 1443, 1964, 2187, 2439, 2677, 4211, 4218, 4434, 4673 in OAG 004, Attach. A:

1. Provide the name of the account holder associated with each premises.
2. Provide the billing address for the account holder associated with each premises.
3. Describe whether each premises in this CBGs is a single family or multifamily dwelling unit.
4. Describe whether the premise is individually metered or submetered.
5. If the premise is submetered, how does Xcel intend to ensure that submetered customers receive their bill credits?
6. If the premises is not submetered, how does Xcel anticipate that the benefits of any bill credits will be passed on to individuals residing at these premises.

Response:

1. Please see OAG-013 Attachment A TRADE SECRET.
2. Please see OAG-013 Attachment A TRADE SECRET.
3. The Company does not have access to home type information. In some instances, multi-family properties are identifiable where there is a single street address but multiple unit designations denoting apartment or condo units. Townhomes, however, may have unique street address numbers making them difficult to identify as multi-family. In any case, we do not believe this to be an obstacle to the correct residential customer receiving the bill credit, since premise numbers are unique to the resident.



4. Premises are individually metered.
5. The Company does not bill behind the meter, nor have information regarding the use of submeters that are not for Xcel Energy's use.
6. The Company is unaware of instances where the customer paying a bill for a premise, involves different individuals than should receive the bill credits. In multifamily buildings, individual units are generally individually metered (not submetered) for electricity, and have unique premise numbers, so the recipient of the bill credit would be the tenant, not the building owner.

Please note, Attachment A to this response is marked Not Public as it contains private data on individuals, pursuant to Minn. Stat. §13.02, subd. 5. Thus, Xcel Energy maintains this information as protected data pursuant to Minn. Rule 7829.0500.

---

Preparer: Bruce Nielson  
Title: Senior, Customer Insights  
Analysts  
Department: Customer Insights  
Telephone: (303) 294-2203  
Date: June 7, 2024

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

Xcel Energy	Information Request No.	16
Docket No.:	E002/M-22-266, E002/M-24-173	
Response To:	Office of the Attorney General	
Requestor:	Judy Sigal	
Date Received:	May 23, 2024	

---

Question:

Reference: Xcel's response to OAG IR no. 010 states in part:

“On the other hand, in multifamily buildings where each apartment has its own meter, each apartment will also have its own premise number, which avoids the risk of some premises not receiving a bill credit. Providing bill credits by customer account would largely have the same outcome as by premise, but could run the risk of a bill credit going to a customer who pays the bill but does not actually live in the eligible Census Block Group. The vast majority of customer accounts have only one associated premise, and the vast majority of premises have only one electric meter.”

- A. Is Xcel able to determine whether the account for a premises is issued to a different address than the service address?
- B. Is Xcel able to determine whether a premise's electricity usage is billed to a customer account that is associated with more than one premises?
- C. Confirm that under the current proposal, a bill credit issued to a premises would be credited on the bill of the account holder associated with that premises. If Xcel's response is anything other than an unqualified confirmation, explain.
- D. Confirm that under the current proposal, a bill credit provided to a premises may be provided to an account holder that does not live in an eligible Census Block Group. If Xcel's response is anything other than an unqualified confirmation, explain.

Response:

- A. Premise numbers are tied to a specific location, i.e. the service address.
- B. A customer account could pay for electric service at more than one premise, e.g. if a customer has a vacation home or rental property. The Company would not have a way of knowing the individual circumstances of each premise controlled by an account.

- C. Confirmed. In the vast majority of cases, the resident of the premise and the account holder would be the same.
  - D. This is possible, but the Company believes would be a rare occurrence. This would only occur if the resident of a premise in an eligible CBG does not pay their own electricity bill, in which case the Company would have no way of providing a bill credit to that resident.
- 

Preparer:	Nicholas Martin	Bruce Nielson
Title:	Director, Strategic Outreach & Advocacy	Senior Customer Insights Analyst
Department:	NSPM Community Relations	Customer Insights
Telephone:	(651) 233-3385	(303) 294-2203
Date:	June 5, 2024	

**PUBLIC DOCUMENT**  
**NOT-PUBLIC DATA HAS BEEN EXCISED**

- ☐ 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.:	E-002/RP-19-368; E-002/M-22-266; E-002/M-24-173	
Response To:	Minnesota Office of the Attorney General	
Requestor:	Judy Sigal	
Date Received:	April 24, 2024	

---

Question:

Reference: Automatic Bill Credit Petition at 17: “We calculated the bill credit needed in each eligible CBG to reduce annual electric energy burden to 4 percent for the median-income household... Based on those calculations, the pilot as proposed here would provide a bill credit to about 23,000 households in 77 CBGs.”

Using the same process to determine the eligible Census Block Groups described in Part II.A of the Petition, provide the following using a 6 percent electric energy burden threshold:

1. A list of all eligible census blocks;
2. A map of all eligible census blocks in its native format and in pdf, Word, or other accessible format;
3. The estimated bill credit per household in each CBG;
4. The total estimated annual cost of the bill credits;
5. The total number of eligible households;
6. The average residential bill impact of the cost of the bill credits for non-participating households (i.e., households not receiving the bill credit).

Response:

1. See Attachment A to this response. Increasing the electric energy burden threshold to 6 percent reduces the number of eligible Census Block Groups (CBGs) from 77 to 16.
2. We interpret “native format” to mean the GIS file, which can be uploaded to any GIS viewer to zoom in on particular CBGs. The GIS files have been provided in response to the Office of the Attorney General’s Information Request 3. For a .pdf map, see Attachment B to this response. This map shows the CBGs in the Minneapolis-Saint Paul Metro area where estimated electric energy burden is greater than or equal to 6 percent. To keep the scale of the map usable, two additional eligible CBGs outside the Metro are not shown.

**PUBLIC DOCUMENT**  
**NOT-PUBLIC DATA HAS BEEN EXCISED**

Those can be seen using GIS map provided in response to the Office of the Attorney General's Information Request 3.

3. See Attachment A, column N.
4. Multiplying the bill credit required to reduce electric energy burden to 6 percent in each eligible CBG, by the number of premises served in that CBG, yields the estimated annual cost of bill credits by CBG (column P of Attachment A). Summing across all 16 CBGs yields an estimated annual cost of bill credits of \$475,971. Note, this does not include the cost of third-party M&E.
5. Summing column O of Attachment A provides the total number of premises that would receive a bill credit under the 6 percent threshold: 2,638 premises.
6. Note that as proposed, the pilot would not impose any direct cost (in the form of a new surcharge) on non-participant customers, since the proposed cost recovery mechanism is a hold-back from U.S. Department of Energy (DOE) settlement payments #15 and #16. However, we understand the OAG to be asking about the refund that would otherwise be returned to customers, absent the Automatic Bill Credit Pilot, and the impact on an average residential customer's bill of not receiving that portion of DOE settlement payments #15 and #16 via true-up refunds. In this scenario, the annual refund reduction of \$475,971 equates to an annual reduction of \$0.13 to the average residential customer refund.

Please note, Attachment A to this response is marked Not Public as it contains private data on individuals, pursuant to Minn. Stat. §13.02, subd. 5. Thus, Xcel Energy maintains this information as protected data pursuant to Minn. Rule 7829.0500.

---

Preparer:	Nicholas Martin	Jeremy Lockhart
Title:	Director, Strategic Outreach & Advocacy	Geospatial Specialist II
Department:	NSPM Community Relations	Geospatial/Asset Data Operations
Telephone:	(651) 233-3385	(303) 571-3128

Preparer:	Lisa Peterson
Title:	Director, Regulatory Pricing & Analysis
Department:	NSPM Regulatory
Telephone:	(612) 330-7681

Date: May 9, 2024

**PUBLIC DOCUMENT**  
**NOT-PUBLIC DATA HAS BEEN EXCISED**

- ☐ 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.:	E-002/RP-19-368; E-002/M-22-266; E-002/M-24-173	
Response To:	Minnesota Office of the Attorney General	
Requestor:	Judy Sigal	
Date Received:	April 24, 2024	

---

Question:

Reference: Automatic Bill Credit Petition at 17: “We calculated the bill credit needed in each eligible CBG to reduce annual electric energy burden to 4 percent for the median-income household... Based on those calculations, the pilot as proposed here would provide a bill credit to about 23,000 households in 77 CBGs.”

Using the same process to determine the eligible Census Block Groups described in Part II.A of the Petition, provide the following using an 8 percent electric energy burden threshold:

1. A list of all eligible census blocks;
2. A map of all eligible census blocks in its native format and in pdf, Word, or other accessible format;
3. The estimated bill credit per household in each CBG;
4. The total estimated annual cost of the bill credits;
5. The total number of eligible households;
6. The average residential bill impact of the cost of the bill credits for non-participating households (i.e., households not receiving the bill credit).

Response:

1. See Attachment A to this response. Increasing the electric energy burden threshold to 8 percent reduces the number of eligible Census Block Groups (CBGs) from 77 to 5.
2. We interpret “native format” to mean the GIS file, which can be uploaded to any GIS viewer to zoom in on particular CBGs. The GIS files have been provided in response to the Office of the Attorney General’s Information Request 3. For a .pdf map, see Attachment B to this response. This map shows the CBGs in the Minneapolis-Saint Paul Metro area where estimated electric energy burden is greater than or equal to 8 percent. No additional CBGs

**PUBLIC DOCUMENT**  
**NOT-PUBLIC DATA HAS BEEN EXCISED**

outside the Metro have estimated electric energy burden greater than or equal to 8 percent.

3. See Attachment A, column N.
4. Multiplying the bill credit required to reduce electric energy burden to 8 percent in each eligible CBG, by the number of premises served in that CBG, yields the estimated annual cost of bill credits by CBG (column P of Attachment A). Summing across all 5 CBGs yields an estimated annual cost of bill credits of \$105,801. Note, this does not include the cost of third-party M&E.
5. Summing column O of Attachment A provides the total number of premises that would receive a bill credit under the 8 percent threshold: 701 premises.
6. Note that as proposed, the pilot would not impose any direct cost (in the form of a new surcharge) on non-participant customers, since the proposed cost recovery mechanism is a hold-back from U.S. Department of Energy (DOE) settlement payments #15 and #16. However, we understand the OAG to be asking about the refund that would otherwise be returned to customers, absent the Automatic Bill Credit Pilot, and the impact on an average residential customer's bill of not receiving that portion of DOE settlement payments #15 and #16 via true-up refunds. In this scenario, the annual refund reduction of \$105,801 equates to an annual reduction of \$0.03 to the average residential customer refund.

Please note, Attachment A to this response is marked Not Public as it contains private data on individuals, pursuant to Minn. Stat. §13.02, subd. 5. Thus, Xcel Energy maintains this information as protected data pursuant to Minn. Rule 7829.0500.

---

Preparer:	Nicholas Martin	Jeremy Lockhart
Title:	Director, Strategic Outreach & Advocacy	Geospatial Specialist II
Department:	NSPM Community Relations	Geospatial/Asset Data Operations
Telephone:	(651) 233-3385	(303) 571-3128

Preparer:	Lisa Peterson
Title:	Director, Regulatory Pricing & Analysis
Department:	NSPM Regulatory
Telephone:	(612) 330-7681

Date: May 9, 2024

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

Xcel Energy	Information Request No.	3
Docket No.:	E002/M-24-173	
Response To:	Minnesota Public Utilities Commission	
Requestor:	Tera Dornfeld	
Date Received:	April 26, 2024	

Question:

What are the estimated costs associated with engaging a third-party evaluator?

Response:

The Company has experience conducting Requests for Proposal for third-party monitoring and evaluation (M&E) of pilot programs in energy efficiency, new electric rates, electric vehicle programs, and other areas. Based on that experience, we anticipate costs in the ballpark of \$400,000 if the expectation is – as we believe it should be – to work with the third-party evaluator throughout the duration of the pilot. We believe that the estimated cost of M&E, at less than 4 percent of the estimated cost of bill credits, is reasonable for a pilot of this scale.

This work would begin with development of an M&E plan and metrics, with research designed to measure the objectives designated in the final order through primary and secondary data collection at the appropriate points in the process. Engaging with ESAG member organizations at the conclusion of the planning stage (prior to any data collection) is likely, but we expect that the most cost-effective approach will rely on deference to the third-party evaluator's expertise on survey design and sample development. The company will use the Request for Proposal process to contain costs, but considering the innovations being explored in this pilot, M&E needs to take a robust and thorough approach; we believe the cost estimate above is likely accurate. The Company plans to seek recovery of third-party M&E costs.

Preparer: Nicholas Minderman  
Title: Regulatory Policy Specialist  
Department: Program Policy & Strategy  
Telephone: (612) 330-6362  
Date: May 9, 2024