BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Hwikwon Ham	Commissioner
Audrey C. Partridge	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

In the Matter of a Commission Inquiry into a Framework for Proactive Distribution Grid Upgrades and Cost Allocation for Xcel Energy	ISSUE DATE: September 2, 2025 DOCKET NO. E-002/CI-24-318 ORDER ESTABLISHING FRAMEWORK FOR PROACTIVE DISTRIBTION GRID UPGRADES

BACKGROUND

There has been significant growth in distributed energy resource (DER) technologies over the last decade, and that growth is likely to continue and increase into the future due to the state's Community Solar Garden program[1] and distributed solar energy standard.[2] In anticipation of this continued growth, the state legislature required Northern States Power Company d/b/a Xcel Energy (Xcel Energy or the Company) to provide a forecast in its 2023 integrated distribution plan (IDP) of the distribution system upgrades that would be required to accommodate the interconnection of new distributed generation.[3]

Xcel Energy's forecast included the addition of 5.4 gigawatts of solar to its distribution system by 2052. The Company predicted that this increase will require $992 million in distribution upgrades. Xcel Energy also forecasted a substantial load growth on its system: up to a 140 percent increase over 2023 levels. The predicted load growth will create significant challenges for the existing distribution system, which is rapidly aging and already strained.

The Commission received many comments in response to Xcel Energy's 2023 IDP. Two key issues emerged from these comments, including:

(1) Whether Xcel Energy should move away from its current reactive upgrade approach, which uses a five-year planning horizon to predict whether capacity upgrades are necessary to accommodate new load. Instead, Xcel could engage in proactive distribution upgrades, which look beyond the five-year planning horizon

[1] *See* Minn. Stat. § 216B.1641.

[2] *See* Minn. Stat. § 216B.1691, subd. 2h.

[3] Minn. Stat. § 216B.2425, subd. 9.

to forecast load and DER adoption so the utility can better predict where it will need to make upgrades and replace equipment. Proactive distribution upgrades can be particularly effective in areas of high load growth, but they come with increased risk of inaccurate forecasts.

(2) How costs for upgrades should be allocated and recovered from DER customers and ratepayers.

Due to the complexity of these issues, the Commission determined that additional record development was needed. Therefore, in its September 16, 2024 order in Docket E-002/M-23-452, the Commission created the proactive distribution grid update workgroup to develop a framework on cost allocation and proactive upgrades for Xcel Energy.

The workgroup developed the draft Framework for Proactive Distribution Upgrades (the Framework) at issue here. It also identified the need for a Phase 2 of this process to address additional issues not contained in the draft Framework.

PROCEDURAL HISTORY

On April 7, 2025, the Commission issued a notice of comment period for the draft Framework.

On May 8, 2025, the Commission received comments from the following:

- Department of Commerce (Department)
- Office of the Attorney General, Residential Utilities Division (OAG)
- Xcel Energy
- Minnesota Power
- Union of Concerned Scientists
- Alliance for Transportation Electrification
- Fresh Energy
- Environmental Law and Policy Center, Vote Solar, and Cooperative Energy Futures (ELPC/VS/CEF)
- Minnesota Solar Energy Industries Association (MNSEIA)
- Interstate Renewable Energy Council
- Coalition for Community Solar Access (CCSA)

On June 2, 2025, the Commission received reply comments from:

- Xcel Energy
- Fresh Energy
- ELPC/VS/CEF
- MNSEIA
- CCSA
- Clean Energy Economy Minnesota

On July 24, 2025, the matter came before the Commission.

FINDINGS AND CONCLUSIONS

The workgroup participants agreed that the draft Framework addresses the topics outlined in the Commission's September 16, 2024 order and that the Commission should adopt the framework. After a thorough review of the draft Framework and the record in this case, the Commission agrees with the workgroup participants and will adopt the sections of the draft Framework upon which the parties agreed. A complete list of these adopted provisions is included in ordering paragraph 3, below, and an updated version of the Proactive Distribution Upgrade Framework showing the adopted provisions is attached to this order.[4]

The workgroup participants concurred that a Phase 2 is necessary to fully develop and address remaining issues from this workgroup process. The Commission agrees and will therefore order the continuation of this framework development process in Phase 2. In this second phase, workgroup participants should address the specific topics listed in ordering paragraphs 4 and 5 below.

Xcel Energy will be required to file proposed tariff pages that implement the adopted portions of the Framework with its first proactive upgrade proposal, as is outlined in ordering paragraph 7.

One issue from the Framework warrants additional discussion: whether the Commission should adopt section J.D or section J.E, which are distinct approaches to offsetting cost-share fees. Section J.D offsets proactive cost-share fees from proactive cost-share customers against Xcel Energy's capital investment in the proactive distribution upgrade. The OAG expressed a preference for this option, arguing that this process would reduce rates in the long term. Xcel Energy expressed concerns that this provision would require the company to develop new processes, which could result in significant administrative costs.

The alternative, J.E, offsets cost-share fees against the revenue requirement. Xcel Energy stated a preference for this option, since this kind of offset would use processes the company already has in place. Xcel stated that this option would therefore allow for a faster implementation of the Framework and lower administrative costs.

The Commission recognizes both merit and tradeoffs in each option for the treatment of cost-share fees, and the Commission encourages the workgroup participants to continue discussing this issue in the second phase of this framework development process. The Commission will adopt J.E at this time,[5] since it will enable faster implementation of the Framework – which is particularly important at this juncture. However, the Commission considers J.D an option for continuing discussion in the workgroup during Phase 2 of this process.

[4] The numbering for the adopted provisions has been updated for clarity and consistency in the attached Proactive Distribution Upgrade Framework. The original numbering as it appears in this order can be found in Attachment A to the July 14, 2025 briefing papers.

[5] J.E appears as I.4 in the attached updated Framework.

ORDER

1. The Commission finds the proactive distribution grid upgrade workgroup has addressed the topics outlined in the Commission's September 16, 2024 order.

2. The Commission establishes a framework for Proactive Distribution Grid Upgrades as outlined below.

3. The Commission adopts the following Framework provisions:

A. Introduction	A.2 A.3 A.4 A.6 A.8 G.14
B. Definitions	Xcel.B.2 B.3 B.4 B.5 B.6 Staff.B.8 B.9 B.10 B.11 B.12 B.13 B.14 Staff.B.16 B.17
C. Process	C.1 C.2 C.3 C.4 C.6, modified to read as follows: If the Company wishes to propose significant changes to an approved Proactive Upgrade Project, Xcel shall request a modification to the project through a subsequent Proactive Upgrade Proposal with a detailed explanation and justification for the proposed changes, including changes to the forecast that impacts the need for project. Significant changes include scope changes to the project that would substantially impact overall project cost, timing, location, or technologies associated with the project.

	C.8 C.9 C.10
D. Baseline Information	All Subparts
E. Forecast	Xcel.E.1 E.2 E.3 Xcel.E.4 E.5 E.6
F. Potential Sites for Proactive Upgrades	All Subparts
G. Proactive Upgrade Proposal Evaluation Criteria	G.1 G.2 G.3 G.4 G.5 Staff.G.6 G.7 G.8 G.9 G.10 G.11 G.12 G.13 G.15 G.16
H. Proposals for Non-Location Specific Measures	Staff.H.3
J. Cost Recovery	J.2 Ham.J.B: Each approved Proactive Distribution Upgrade shall have a Proactive Cost-Share Window that starts the year that the Proactive Distribution Upgrade project is placed in service. The duration of the Proactive Cost-Share Window shall be until 10 years after the anticipated need date for the Proactive Distribution Upgrade at the time of approval. J.E

	Ham.J.I: Interconnecting customers that apply to interconnect on or before the Proactive Cost-Share Window end date are Proactive Cost-Share Customers unless otherwise exempted under Section K. For generation interconnections, the date of applying to interconnect shall be the Deemed Complete date under the Minnesota Distributed Energy Resource Interconnection Process (MN DIP). J.10 J.11 J.13 Staff.J.18
K. Cost Allocation	Dept.K.1 Staff.K.2 K.3 K.4 K.5 K.6
M. Reporting	M.1 M.3 M.4 M.5 M.6 M.7 M.8 M.9 M.10 M.12

4. The Commission refers the following framework sections for further development in Phase 2:

    a. C.11: Creation of a Distributed Generation Engagement Group
    b. Capacity Reservation

5. The Commission delegates authority to the Executive Secretary to convene the proactive grid upgrade workgroup for Phase 2 of framework development and to set deadlines, schedules, and procedures. Topics to be developed in Phase 2 shall include, but are not limited to:

    a. Incorporation of Front of the Meter Generation
    b. Coordination and alignment with the Reactive-DER Cost Sharing Program
    c. Distributed Generation Engagement Group

d. Flexible Interconnection
e. Cost Allocation and Cost Recovery Principles and Methodologies
f. Capacity Reservation
g. Cost Envelopes
h. Non-Location Specific Measures

6. The Commission delegates authority to the Executive Secretary to revise the Framework to correct any typographic, numbering, and formatting errors and to ensure consistency with the Commission's order.

7. Xcel Energy shall file proposed tariff pages that implement the relevant portions of the Proactive Distribution Grid Upgrade Framework with its first Proactive Upgrade Proposal. The Commission will issue a notice of comment period, hold a hearing, and issue a written order on the proposed tariff pages before they are included in Xcel Energy's electric rate book. Alternatively, if no comments are filed opposing the proposed Tariff, the matter may be put on the Commission's consent calendar.

8. This order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mike Bull
Acting Executive Secretary

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MINNESOTA
PUBLIC UTILITIES COMMISSION

PROACTIVE DISTRIBUTION UPGRADE FRAMEWORK
Xcel Energy

Established September 2, 2025 Order, Docket E002/CI-24-318

A. Introduction

The Commission establishes the following framework for Proactive Distribution Upgrades for Xcel Energy in order to achieve the following goals:

A.1 Proactively plan for the distribution system upgrades necessary to enable customer DER and electrification adoption, considering state energy policy requirements and goals.

A.2 Meet customer expectations by reducing or eliminating the wait time to interconnect DERs and new load to the extent reasonably possible.

A.3 Protect ratepayers by establishing a rigorous review of proposed proactive investments to ensure they do not cause undue costs or result in inequitable distribution of costs or benefits.

A.4 Maximize the benefits to the distribution system while minimizing the costs.

A.5 Limit cost impacts to ratepayers from forecast inaccuracies.

A.6 Anticipate Adoption Speed: Increased adoption speed of DERs and electrification by removing grid barriers.

A.7 Coordinate Impacts: Avoided risk of construction/procurement bottlenecks.

A.8 Efficiency: Degree of lifecycle cost reduction or overall spending efficiency achieved.

B. Definitions

The Commission adopts the following definitions for the purposes of this framework:

B.1 Proactive Cost-Share Customer: a customer who applies to interconnect either load or generation at a location served by a Proactive Distribution Upgrade with an open cost-share window and is responsible for paying a Proactive Cost-Share Fee, unless otherwise specified in approved tariffs.

B.2 Proactive Cost-Share Fee: the amount a Proactive Cost-Share Customer pays to access a location served by a Proactive Distribution Upgrade.

B.3 Proactive Cost-Share Window: the period during which Proactive Cost-Share Fees are collected from Proactive Cost-Share Customers.

B.4 Distribution Capacity Upgrade: A distribution system upgrade at the substation or feeder level that increases hosting capacity for load and/or generation on the distribution system.

B.5 Distributed Energy Resource (DER)**:** Supply and demand side resources that can be used throughout an electric distribution system to meet energy and reliability needs of customers; can be installed on either the customer or utility side of the electric meter. This definition for this filing may include, but is not limited to: distributed generation, energy storage, electrified end uses that can be used as a resource, demand side management, and energy efficiency.

B.6 Distributed Generation (DG): a generation facility that is interconnected with a utility's distribution system, operates in parallel with the utility, and is eligible for interconnection under the Minnesota Distributed Energy Resource Interconnection Process (MN DIP).

B.7 Electrification: the conversion of an energy-consuming device, system, or sector from non-electric sources of energy to electricity. This includes but is not limited to transportation electrification, cooking appliances, space heating and cooling, water heating, and industrial processes.

B.8 Forecasted/Proactive Hosting Capacity: The amount of DG or load that distribution equipment can host without exceeding thermal, voltage, protection, or other thresholds under forecasted system conditions.

B.9 Hosting Capacity: The amount of DG or load that distribution equipment can host without exceeding thermal, voltage, protection, or other thresholds under existing system conditions.

B.10 Integrated Distribution Plan: the biennial report established in Docket E002/CI-18-251 and as currently outlined in the most recent filing requirements from Xcel Energy's most recent IDP.

B.11 Priority Queue: The queue for "customer-sited" Interconnection Applications up to 40 kWac and applications that are a part of the Solar for Schools or Solar on Public Buildings legislative programs that comply with the 120% rule, as detailed on tariff sheet 10-81.5.

B.12 Proactive Distribution Upgrade Proposal: one or more Proactive Distribution Upgrades submitted for Commission approval under the Proactive Distribution Upgrade Framework.

B.13 Proactive Distribution Upgrade: a distribution upgrade made solely based on a forecasted need outside a utility's traditional planning cycle. In the context of this framework, a Proactive Distribution Upgrade would not be considered under existing distribution planning processes due to the proactive nature of the project.

B.14 Small DER Cost-Sharing Fund: Xcel Energy's cost sharing fund for MN DIP applications of 40kW$_{ac}$ or less as detailed on Tariff Sheet 10-81.4.

C. Process

C.1 Xcel Energy may file a Proactive Distribution Upgrade Proposal in conjunction with its Integrated Distribution Plan (IDP) due on November 1 of odd numbered years. The Proactive Distribution Upgrade Proposal shall be evaluated through the same docket and process as the IDP but is not part of the IDP.

C.2 The Proactive Distribution Upgrade Proposal may include Proactive Distribution Upgrades that have not been initiated and shall begin construction within five years from the date of the filing. It may also contain Proactive Distribution Upgrades that are not specific to a single location but shall upgrade the same type of asset(s) across multiple locations.

C.3 The Proactive Distribution Upgrade Proposal must demonstrate alignment with the framework, and the Commission shall review and approve, deny, or modify the Proposal with a goal of completion within 12 months from the date of the initial filing.

C.4 Xcel Energy is not obligated to initiate a project if it is approved in the Proactive Distribution Upgrade Proposal. If Xcel Energy does not proceed with an approved project, it shall explain why and the impact on the overall program budget with its Annual Report, as described in L. Reporting - 9 below.

C.5 If the Company wishes to propose significant changes to an approved Proactive Upgrade Project, Xcel shall request a modification to the project through a subsequent Proactive Upgrade Proposal with a detailed explanation and justification for the proposed changes, including changes to the forecast that impacts the need for project. Significant changes include scope changes to the project that would substantially impact overall project cost, timing, location, or technologies associated with the project.

C.6 As addressed further in Section I: Cost Recovery, Xcel Energy must pursue cost recovery through a separate proceeding for any incurred Proactive Distribution Upgrade Proposal expenditures.

C.7 The Proactive Distribution Upgrade Framework is subject to refinement through the Proactive Grid Upgrade Workgroup. The Proactive Grid Upgrade Workgroup shall be convened by Commission Staff and shall meet as necessary to refine and improve the Proactive Distribution Upgrade Framework. This shall include Phase 2 of the framework development, occurring in 2025 and 2026, to resolve issues left out of Phase 1.

C.8 Xcel Energy shall engage with interested stakeholders prior to the forecast being finalized and used to identify locations of proposed upgrades. This outreach shall be conducted during the first half of even-numbered years, starting in 2026.

C.8.a Xcel Energy shall share the initial results of its forecast and identify preliminary regions where upgrades may be needed.

C.8.b Xcel Energy shall give stakeholders the opportunity to send in written feedback on its initial forecast.

C.8.c Stakeholder feedback should focus on identifying geographic areas that have a higher likelihood to adopt DG and electrification that may not be represented in Xcel Energy's initial forecast.

C.8.d Utility shall provide a high-level summary of stakeholder engagement completed and feedback and where it was incorporated into the forecasting for the Proactive Distribution Upgrade Proposal, and if not, why not.

C.8.e Stakeholders with similar views are encouraged to file joint feedback with Xcel Energy.

D. Baseline Information

The following information shall be provided with the IDP in which a Proactive Distribution Upgrade Proposal is submitted:

D.1 The types of upgrade projects and programs that fit within the framework and are currently considered when developing proposals. This may change over time based on utility capability.

D.2 Issues the potential project or program solves.

D.3 General range of cost for each type of upgrade.

D.4 An outline of future upgrade options, such as storage, and on what timeline they may be available.

D.5 A summary of upgrades that were previously approved but have since been accelerated, delayed, or abandoned due to a change in need since the last filing.

E. Forecast

E.1 Xcel Energy shall provide a base case forecast, as well as sensitivities that include higher and lower adoption of DERs and customer loads than expected in the base case. Xcel Energy shall recommend which forecast should be adopted and explain why it thinks that forecast should be the case toward which to plan and why.

E.2 Where possible, the following load and DER components shall be differentiated in the forecast data provided: distributed solar PV, CSGs, distributed energy storage, energy efficiency, demand response, electric vehicles, and electrification of space, water, and process heating.

E.3 For each of the DER components above, Xcel Energy shall provide a discussion of each essential assumption made in preparing the forecast, including assumptions regarding customer adoption rates, cost trends, and relevant policy drivers. Xcel Energy should include any sensitivity analyses used to test these assumptions.

E.4 In addition to the existing IDP load and DER forecast requirements, Xcel Energy shall submit its forecast results for generation and peak loads at the feeder/substation level for all locations associated with proposed Proactive Distribution Upgrades.

E.5 All proposed Proactive Distribution Upgrades shall be based on a forecasted need identified in the forecast between years five and ten, unless the anticipated lead time for an upgrade project exceeds ten years.

E.6 The forecast shall include an assessment of existing available hosting capacity for generation and load to the same extent as is shared in Xcel Energy's Hosting Capacity Analysis results.

F. Potential Sites for Proactive Distribution Upgrades

A utility must include in any Proactive Distribution Upgrade Proposal filing:

F.1 The criteria used to identify potential sites for Proactive Distribution Upgrades, including a discussion of feedback received from stakeholders under Section C.10.

F.2 A list of sites that Xcel Energy may consider for future Proactive Distribution Upgrades.

F.3 A list of proposed Proactive Distribution Upgrades, including identifying any changes to upgrade locations since the last submission.

F.4 A narrative description or analysis of the impact of the proposed Proactive Distribution Upgrades on Environmental Justice Areas, as defined by Minn. Stat. §216B.1691, Subd. 1 (e).

F.5 The total capital cost of all proposed Proactive Distribution Upgrades and the projected total lifetime revenue requirements.

F.6 For each site where Xcel Energy is proposing a Proactive Distribution Upgrade project, Xcel Energy must provide:

F.6.a Expected type of upgrade.

F.6.b Narrative description for why the proposed upgrade or group of upgrades has been selected for the Proactive Distribution Upgrade process.

F.6.c Estimated upgrade cost and duration of construction.

F.6.d Increase in load and generation capacity expected to result from the proposed upgrade.

F.6.e Forecasted period before another upgrade is anticipated to be needed at the same site.

F.6.f Magnitude of forecasted growth (load or generation) and capacity gap driving the need for the proposed upgrade.

F.6.g Classes or characteristics of load or generation driving the need for the proposed upgrade.

F.6.h A quantitative or qualitative level of confidence of the forecasted need, and/or sensitivity of the forecasted need to deviations from the forecast, driving the need for the specific project. This may include any information gathered from communities, developers, customers (for example if large fleet owners, or other industrial/commercial building customers) and others that informed selection of the site.

F.6.i Identification of any known additional benefits resulting from the upgrade.

F.6.j Identification of planned capital investment or maintenance work to be coordinated with the proposed Proactive Distribution Upgrade (where appropriate).

F.7 For sites that Xcel Energy analyzed but ultimately decided not to upgrade, the reasons Xcel Energy decided not to propose a Proactive Distribution Upgrade at that site.

F.8 For upgrades that are proposed as part of a longer-term plan, Xcel Energy shall provide an assessment of whether they are expandable and whether there would be any potential benefits or costs from doing repeated work in the same area.

G. Proactive Distribution Upgrade Proposal Evaluation Criteria

Each proposed Proactive Distribution Upgrade shall be evaluated using the following criteria, with Xcel Energy providing such information and evaluation as part of its filing:

G.1 The total capital cost of the proposed upgrade and its projected total lifetime revenue requirement.

G.2 The overall capacity gained for both load and generation.

G.3 The cost per unit of capacity gained.

G.4 The lead time for the upgrade.

G.5 The risk of deferring the upgrade, or using the existing distribution planning process, including quantifying the potential energization delays (in years) and number of customers impacted by delays

G.6 Whether Xcel Energy performed a non-wires alternative (NWA) for the project, and if so, a citation to the results of the analysis in its IDP. If Xcel Energy did not perform an NWA, provide a discussion of alternative measures, if any, that could be taken to mitigate the risk(s) the upgrade is intended to address, including energy-conservation, load-management measures and/or flexible interconnection.

G.7 The degree of certainty, qualitative or quantitative, of the forecast components driving the forecasted need at that location, and any additional certainty in the magnitude/scale of investment provided by direct customer engagement.

G.8 The remaining estimated useful life of the assets proposed to be replaced.

G.9 The estimated number of years beyond the timing of the upgrade that the project would meet the forecasted capacity needs at that location.

G.10 Narrative description or analysis of the impact of the proposed Proactive Distribution Upgrade projects, including impacts on Environmental Justice Areas, as defined by Minn. Stat. §216B.1691, Subd. 1 (e).

G.11 The benefits additional to increased hosting capacity realized from the upgrade, if any, to reliability, resilience, safety, and asset health, and the value of those benefits, where known.

G.12 How any additional planned work would be coordinated with the proposed Proactive Distribution Upgrade (where appropriate).

G.13 The extent to which the upgrade would facilitate progress toward greenhouse gas emission reduction targets.

G.14 Which desired outcomes of the proactive planning process would be facilitated by the proposed upgrade.

G.15 Feasibility of the projected Proactive Distribution Upgrade project timeline including any foreseeable risks to the timeline.

H. Proposal for non-location specific proactive measures

H.1 Xcel Energy may propose programmatic investment proposals which are Proactive Distribution Upgrade initiatives that affect a variety of locations, but the specific locations may shift over time in alignment with established site selection criteria. In proposing such measures or initiatives, Xcel Energy shall provide a high-level discussion of any basic, low-cost upgrades that would increase hosting capacity that are already part of standard maintenance.

I. Cost Recovery

As indicated in Section C.6 regarding Process, Xcel Energy must pursue cost recovery through a separate proceeding for any incurred Proactive Distribution Upgrade Proposal expenditures.

I.1 Xcel Energy may request deferred-accounting treatment for approved Proactive Distribution Upgrade investments. The Commission shall grant, deny, or modify the request with the Proactive Distribution Upgrade Proposal decision.

I.2 Each approved Proactive Distribution Upgrade shall have a Proactive Cost-Share Window that starts the year that the Proactive Distribution Upgrade project is placed in-service. The duration of the Proactive Cost-Share Window shall be until 10 years after the anticipated need date for the Proactive Distribution Upgrade at the time of approval.

I.3 Interconnecting customers that apply to interconnect on or before the Proactive Cost-Share Window end date are Proactive Cost-Share Customers unless otherwise exempted under Section J. For generation interconnections, the date of applying to interconnect shall be the Deemed Complete date under the Minnesota Distributed Energy Resource Interconnection Process (MN DIP).

I.4 During the Proactive Cost-Share Window, Proactive Cost-Share Fees from Proactive Cost-Share Customers act as an offset to the revenue requirements of all Proactive Distribution Upgrades.

I.5 Total Proactive Distribution Upgrade costs recoverable from ratepayers shall be capped in some manner, such as a percentage of the total capacity-related five-year budget in the IDP, or a specified dollar cap on Proactive Distribution Upgrades. The cost cap shall be determined as part of the Commission's first Proactive Distribution Upgrade Proposal decision.

I.6 Capital expenditures that have been offset by Proactive Cost-Share Fees do not count against the cap.

I.7 The Commission's Proactive Distribution Upgrade Proposal decision creates a rebuttable presumption, in a cost-recovery proceeding, that upgrades completed consistent with the decision are prudent.

I.8 An interested person may submit substantial evidence to rebut the Proactive Upgrade Proposal findings and conclusions in a cost recovery proceeding. Substantial evidence does not include a change in forecasted need that occurs after the utility has initiated construction of a proactive upgrade.

J. Cost Allocation

J.1 If a change is made to distribution planning or other utility standards that impacts the amount of available hosting capacity after a Proactive Distribution Upgrade project has been completed, there shall be no resulting retroactive change in cost-sharing responsibility.

J.2 A $\$/kW_{ac}$ fee shall be charged to any Proactive Cost-Share Customers and the dollars returned to ratepayers. The fee shall be calculated at an aggregated, programmatic level for all approved Proactive Distribution Upgrade investments. The fee calculation shall be the total cost of all approved Proactive Distribution Upgrades divided by the total kWac of capacity added by all approved Proactive Distribution Upgrades. This fee shall determine the pro rata cost for any Proactive Cost-Share Customer, load or generation.

J.3. When new Proactive Distribution Upgrade Proposals are approved, the total kWac of capacity added and total cost of the newly approved Proactive Distribution Upgrades shall be added respectively to the totals of the previously approved Proactive Distribution Upgrades. The resulting new total kWac of capacity added and total cost of all Proactive Distribution Upgrades shall be used to calculate the new $/kWac fee that shall be charged to any Proactive Cost-Share Customers beginning after the date the new Proactive Distribution Upgrade Proposal is approved.

J.4 Any generation interconnections that are subject to the Priority Queue shall not be Proactive Cost-Share Customers.

J.5 Load interconnections that are demand metered shall be Proactive Cost-Share Customers. Load interconnections that are not demand metered shall not be Proactive Cost-Share Customers.

J.6 Any Proactive Distribution Upgrade costs recovered from ratepayers shall be treated consistent with approved rate case allocators and established revenue requirement procedures.

K. Reporting

K.1 Xcel Energy must file reports that include the following information and data to the greatest extent practicable. Where Xcel Energy is not able to provide the required information, the Company shall explain why it is unable to do so. Such reports must be filed annually on November 1 as part of Xcel Energy's Integrated Distribution Plan or Annual Update. Where applicable, Xcel Energy must include data in spreadsheet (.xlsx) format. If Xcel Energy also files a PDF version of spreadsheet data, it must be filed as an attachment in a separate document instead of being merged with the main report.

K.2 For projects where the cost-share window has closed, Xcel Energy may discontinue updates in the project-by-project reporting points under K.4 and K.5.

K.3 For all Proactive Distribution Upgrades –

	Approved	Development	Construction	Completed	Total
Number of projects					
Upgrades in Environmental Justice Communities					
Total $ approved					
Total $ spent					
Total $ and percent of project costs recovered from interconnection customers					
Total incremental generation hosting capacity gained					
Total incremental load hosting capacity gained					

K.4 By Proactive Distribution Upgrade project –

	[Project Name]	[Project Name]	[Project Name]
Year Proposed			
Located in EJ Community (y/n)			
Anticipated completion year at time of proposal			
Date Cost-Share window closed (actual or predicted)			
Project status (approved, development, construction, completed, terminated)			
Year completed or current anticipated year of completion			
Total incremental generation hosting capacity gained			
Utilization of capacity post upgrade (generation)			
Total incremental load hosting capacity gained			
Utilization of capacity post upgrade (load)			
Total $ approved			
Total $ spent			
Total $ and percent of project costs recovered from interconnecting customers (load or generation)			

K.5 DER additions (Fill out table for each completed project)

[Project Name]

	40kW and under (BTM)	Over 40kW (BTM)	Front of the Meter	Total
Number of DERs added since project completion				
Solar				
Battery				
Other (Specify)				
Capacity of DERs added since project completion				
Solar				
Battery				
Other (Specify)				

K.6 For each completed project, the current peak load, forecasted peak load, and any known load additions by load type (Fleet EV charging, DCFC fast charging, etc.) and customer class

K.7 A comparison of Load and DG added since project completion with the forecast from the Proactive Distribution Upgrade Proposal.

K.8 Any additional narrative information, by project or portfolio, on the status of the project, cost deviations from the approved amount, and any delays in implementation and the cause for the delays.

K.9 For any approved projects that did not proceed, an explanation of why and what the impact is on the overall program budget.

K.10 For projects that were accelerated, delayed, or abandoned following Commission approval, Xcel Energy shall discuss the impact of that change on total proactive grid upgrade costs, cost allocation, and benefit allocation.

Framework Versions

Version	Date	Order	Docket
1	September 2, 2025	[Insert Order Title Here]	E002/CI-24-318

CERTIFICATE OF SERVICE

I, Anne Redmond, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

Minnesota Public Utilities Commission
ORDER ESTABLISHING FRAMEWORK FOR PROACTIVE DISTRIBTION GRID UPGRADES

Docket Number **E-002/CI-24-318**

Dated this 2nd day of September, 2025

/s/ Anne Redmond

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5	Mathias	Bell	mathias@weavegrid.com	WeaveGrid		375 Alabama Street, Suite 325 San Francisco CA, 94110 United States	Electronic Service		No	24-318E002-CI-24-318
6	Nick	Bowman	nick@communitysolaraccess.org	CCSA		1380 Monroe Street NW #721 Washington DC, 20010 United States	Electronic Service		No	24-318E002-CI-24-318
7	Ed	Brolin	ed.brolin@rwe.com	RWE Clean Energy		100 Summit Lake Drive Suite 210 Valhalla NY, 10595 United States	Electronic Service		No	24-318E002-CI-24-318
8	Mike	Bull	mike.bull@state.mn.us		Public Utilities Commission	121 7th Place East, Suite 350 St. Paul MN, 55101 United States	Electronic Service		Yes	24-318E002-CI-24-318
9	Eric	Clement	eclement@mnpower.com	Minnesota Power		null null, null United States	Electronic Service		No	24-318E002-CI-24-318
10	Joshua	Cohen	josh.cohen@swtchenergy.com	SWTCH Energy, Inc.		Greentown Labs 444 Somerville Avenue Somerville MA, 02143 United States	Electronic Service		No	24-318E002-CI-24-318
11	Steve	Coleman	stevecolemanpuma@gmail.com			231 Winifred St W Saint Paul MN, 55107 United States	Electronic Service		No	24-318E002-CI-24-318
12	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	24-318E002-CI-24-318
13	George	Damian	gdamian@cleanenergyeconomymn.org	Clean Energy Economy MN		13713 Washburn Ave S Burnsville MN, 55337 United States	Electronic Service		No	24-318E002-CI-24-318

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
14	Cody	Davis	cdavis@epeconsulting.com	Electric Power Engineers (ELPC/VS)		null null, null United States	Electronic Service		No	24-318E002-CI-24-318
15	Danielle	DeMarre	danielle.demarre@allenergysolar.com	All Energy Solar		1264 Energy Lane St Paul MN, 55108 United States	Electronic Service		No	24-318E002-CI-24-318
16	Timothy	DenHerder Thomas	timothy@cooperativeenergyfutures.com	Cooperative Energy Futures		3500 Bloomington Ave. S Minneapolis MN, 55407 United States	Electronic Service		No	24-318E002-CI-24-318
17	James	Denniston	james.r.denniston@xcelenergy.com	Xcel Energy Services, Inc.		414 Nicollet Mall, 401-8 Minneapolis MN, 55401 United States	Electronic Service		No	24-318E002-CI-24-318
18	Diane	Dietz	diane.dietz@state.mn.us		Department of Commerce	Suite 280 85 Seventh Place East St. Paul MN, 55101-2198 United States	Electronic Service		No	24-318E002-CI-24-318
19	William	Ehrlich	wehrlich@tesla.com	Tesla, Inc.		3500 Deer Creek Rd Palo Alto CA, 94304 United States	Electronic Service		No	24-318E002-CI-24-318
20	John	Farrell	jfarrell@ilsr.org	Institute for Local Self-Reliance		2720 E. 22nd St Institute for Local Self-Reliance Minneapolis MN, 55406 United States	Electronic Service		No	24-318E002-CI-24-318
21	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	24-318E002-CI-24-318
22	Allen	Gleckner	agleckner@elpc.org	Environmental Law & Policy Center		35 E. Wacker Drive, Suite 1600 Suite 1600 Chicago IL, 60601 United States	Electronic Service		No	24-318E002-CI-24-318
23	Tim	Gross	tgross@fuelingmn.com	Fueling Minnesota		3244 Rice Street St. Paul MN, 55126 United States	Electronic Service		No	24-318E002-CI-24-318
24	Nicholas	Haeg	haeg@fresh-energy.org			12298 Bass Trail Sauk Centre MN, 56378 United States	Electronic Service		No	24-318E002-CI-24-318
25	Joe	Halso	joe.halso@sierraclub.org	Sierra Club		1536 Wynkoop St Ste 200 Denver CO, 80202 United States	Electronic Service		No	24-318E002-CI-24-318
26	Kim	Havey	kim.havey@minneapolismn.gov	City of Minneapolis		350 South 5th Street, Suite 315M Minneapolis MN, 55415 United States	Electronic Service		No	24-318E002-CI-24-318

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
27	Amber	Hedlund	amber.r.hedlund@xcelenergy.com	Northern States Power Company dba Xcel Energy-Elec		414 Nicollet Mall, 401-7 Minneapolis MN, 55401 United States	Electronic Service		No	24-318E002-CI-24-318
28	Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association		4300 220th St W Farmington MN, 55024 United States	Electronic Service		No	24-318E002-CI-24-318
29	Mari	Hernandez	mari@irecusa.org	IREC		null null, null United States	Electronic Service		No	24-318E002-CI-24-318
30	Katherine	Hinderlie	katherine.hinderlie@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	445 Minnesota St Suite 1400 St. Paul MN, 55101-2134 United States	Electronic Service		No	24-318E002-CI-24-318
31	Casey	Horan	choran@edf.org	Environmental Defense Fund		123 Mission St San Francisco CA, 94105 United States	Electronic Service		No	24-318E002-CI-24-318
32	Samantha	Houston	shouston@ucsusa.org	Union of Concerned Scientists		1825 K St. NW Ste 800 Washington DC, 20006 United States	Electronic Service		No	24-318E002-CI-24-318
33	Philip	Jones	phil@evtransportationalliance.org			1402 Third Ave Ste 1315 Seattle WA, 98101 United States	Electronic Service		No	24-318E002-CI-24-318
34	William	Kenworthy	will@votesolar.org			1 South Dearborn St Ste 2000 Chicago IL, 60603 United States	Electronic Service		No	24-318E002-CI-24-318
35	Bobby	King	bking@solarunitedneighbors.org	Solar United Neighbors		3140 43rd Ave S Minneapolis MN, 55406 United States	Electronic Service		No	24-318E002-CI-24-318
36	Nathan	Kostiuk	nathan.c.kostiuk@xcelenergy.com	Xcel Energy		414 Nicollet Mall, 401-07 Minneapolis MN, 55401 United States	Electronic Service		No	24-318E002-CI-24-318
37	Becky	Li	bli@rmi.org			17 State St 25th floor unit 2500 New York NY, 10004 United States	Electronic Service		No	24-318E002-CI-24-318
38	Jody	Londo	jody.l.londo@xcelenergy.com	Xcel Energy		414 Nicillet Mall 7th Floor Minneapolis MN, 55401-1993 United States	Electronic Service		No	24-318E002-CI-24-318
39	Madeline	Lydon	madeline.k.lydon@xcelenergy.com	Xcel Energy		401 NICOLLET MALL Floor 7 Minneapolis MN, 55401 United States	Electronic Service		No	24-318E002-CI-24-318

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40	Tom	Mammen	thomas.j.mammen@xcelenergy.com	Xcel Energy		null null, null United States	Electronic Service		No	24-318E002-CI-24-318
41	Gregg	Mast	gmast@cleanenergyeconomymn.org	Clean Energy Economy Minnesota		4808 10th Avenue S Minneapolis MN, 55417 United States	Electronic Service		No	24-318E002-CI-24-318
42	Erica	McConnell	emcconnell@elpc.org	Environmental Law & Policy Center		35 E. Wacker Drive, Suite 1600 Chicago IL, 60601 United States	Electronic Service		No	24-318E002-CI-24-318
43	Matthew	Melewski	matthew@theboutiquefirm.com	Nokomis Energy LLC & Ole Solar LLC		2639 Nicollet Ave Ste 200 Minneapolis MN, 55408 United States	Electronic Service		No	24-318E002-CI-24-318
44	Brian	Monson	brian.t.monson@xcelenergy.com	Xcel Energy		null null, null United States	Electronic Service		No	24-318E002-CI-24-318
45	Susan	Mudd	smudd@elpc.org	Environmental Law and Policy Center		35 E. Wacker Drive, Suite 1600 Chicago IL, 60601 United States	Electronic Service		No	24-318E002-CI-24-318
46	Pouya	Najmaie	najm0001@gmail.com	Cooperative Energy Futures		3416 16th Ave S Minneapolis MN, 55407 United States	Electronic Service		No	24-318E002-CI-24-318
47	Alex	Nelson	anelson@dakotaelectric.com	Dakota Electric Association		4300 220nd St Farmington MN, 55024 United States	Electronic Service		No	24-318E002-CI-24-318
48	Logan	O'Grady	logrady@mnseia.org	Minnesota Solar Energy Industries Association		2288 University Ave W St. Paul MN, 55114 United States	Electronic Service		No	24-318E002-CI-24-318
49	Ryan	Pierce	ryan.m.pierce@xcelenergy.com	Xcel Energy		null null, null United States	Electronic Service		No	24-318E002-CI-24-318
50	Matt	Privratsky	matt@nokomisenergy.com	Nokomis Energy		2639 Nicollet Ave Suite 200 Minneapolis MN, 55408 United States	Electronic Service		No	24-318E002-CI-24-318
51	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	24-318E002-CI-24-318
52	Kwadwo	Safo	ksafo@dakotaelectric.com	Dakota Electric Association		null null, null United States	Electronic Service		No	24-318E002-CI-24-318
53	Dean	Schiro	dean.e.schiro@xcelenergy.com	Xcel Energy		null null, null United States	Electronic Service		No	24-318E002-CI-24-318
54	Peter	Scholtz	peter.scholtz@ag.state.mn.us		Office of the Attorney	Suite 1400 445	Electronic Service		No	24-318E002-

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
					General - Residential Utilities Division	Minnesota Street St. Paul MN, 55101-2131 United States				CI-24-318
55	Paul	Schroeder	pauls@hourcar.org	HOURCAR		755 Prior Ave. N Suite 301D Saint Paul MN, 55104 United States	Electronic Service		No	24-318E002-CI-24-318
56	Christine	Schwartz	regulatory.records@xcelenergy.com	Xcel Energy		414 Nicollet Mall, MN1180-07-MCA Minneapolis MN, 55401-1993 United States	Electronic Service		No	24-318E002-CI-24-318
57	Emma	Searson	esearson@solarunitedneighbors.org	Solar United Neighbors		646 S Barrington Ave Apt 101 Los Angeles CA, 90049 United States	Electronic Service		No	24-318E002-CI-24-318
58	Lindsey	Stegall	lindsey.stegall@evgo.com	EVgo Services, LLC		11835 W Olympic Blvd Ste 900E Los Angeles CA, 90064 United States	Electronic Service		No	24-318E002-CI-24-318
59	Chad	Stevenson	chad.stevenson@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	445 Minnesota St. Suite 1400 St. Paul MN, 55101 United States	Electronic Service		No	24-318E002-CI-24-318
60	Tammy	Sundbom	tsundbom@mnpower.com	Minnesota Power		null null, null United States	Electronic Service		No	24-318E002-CI-24-318
61	Boratha	Tan	btan@votesolar.org	Vote Solar		null null, null United States	Electronic Service		No	24-318E002-CI-24-318
62	Dean	Taylor	dtaylor@pluginamerica.org	Plug In America		6380 Wilshire Blvd, Suite 1000 Los Angeles CA, 90048 United States	Electronic Service		No	24-318E002-CI-24-318
63	Daniel	Tikk	daniel.tikk@state.mn.us		Department of Commerce	85 7th Place East Suite 280 Saint Paul MN, 55101 United States	Electronic Service		No	24-318E002-CI-24-318
64	Kate	Tohme	ktohme@newleafenergy.com	New Leaf Energy		null null, null United States	Electronic Service		No	24-318E002-CI-24-318
65	Taige	Tople	taige.d.tople@xcelenergy.com	Northern States Power Company dba Xcel Energy-Elec		414 Nicollet Mall 401 7th Floor Minneapolis MN, 55401 United States	Electronic Service		No	24-318E002-CI-24-318
66	Matt	Van Arkel	mvanarkel@newleafenergy.com			55 Technology Drive Suite 102 Lowell MA, 01851 United States	Electronic Service		No	24-318E002-CI-24-318

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
67	Curt	Volkmann	curt@newenergy-advisors.com	Fresh Energy		408 St Peter St Saint Paul MN, 55102 United States	Electronic Service		No	24-318E002-CI-24-318
68	Sarah	Whebbe	swhebbe@mnseia.org	MnSEIA		445 Minnesota Street Suite 730 St. Paul MN, 55101 United States	Electronic Service		No	24-318E002-CI-24-318
69	Joshua	Williams	joshua@highlandfleets.com	Highland Electric Fleets		200 Cummings Center Suite 273-D Beverly MA, 01915 United States	Electronic Service		No	24-318E002-CI-24-318
70	Laurie	Williams	laurie.williams@sierraclub.org	Sierra Club		Environmental Law Program 1536 Wynkoop St Ste 200 Denver CO, 80202 United States	Electronic Service		No	24-318E002-CI-24-318
71	Anthony	Willingham	anthony.willingham@electrifyamerica.com	Electrify America		1950 Opportunity Way Suite 1500 Reston VA, 20190 United States	Electronic Service		No	24-318E002-CI-24-318
72	Ari	Zwick	ari.zwick@state.mn.us		Department of Commerce	85 7th Place East Suite 280 Saint Paul MN, 55101 United States	Electronic Service		No	24-318E002-CI-24-318