

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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

January 28, 2026

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

Docket No. E002/25-142

COMMENTS OF FRESH ENERGY

Fresh Energy submits these Initial Comments in response to the Commission's November 13, 2025 Notice of Comment Period,¹ focusing on Topics 7-10, Xcel's Proactive Grid Upgrades Proposal initially filed on October 31, 2025.² We appreciate the opportunity to participate in this docket and look forward to working with the Commission, Xcel, and other stakeholders to ensure that the cost, climate, and expediency benefits of proactive distribution system upgrades can be realized while minimizing risks to ratepayers.

Fresh Energy has been an active participant in the Commission Inquiry into a Framework for Proactive Grid Upgrades. Phase 1 of this process was approved in June 2025, and Phase 2 is currently underway. We are pleased to see the Company put forward a comprehensive proposal that adheres to the framework adopted as part of the Proactive Grid Upgrades Working Group. Having a specific proposal included as part of the Company's IDP provides a crucial initial test case for the Proactive Upgrade Framework. This gives stakeholders the opportunity to evaluate the comprehensiveness of the Phase 1 framework and will inform a more robust discussion in Phase 2 of the process.

In these initial comments, we briefly provide our analysis of several key components of the project and seek clarification from the Company regarding the timing of this proposal and

¹ Docket No. E002/M-25-142. [Notice of Comment Period](#) (November 13, 2025). See Topics 7-10.

² Docket No. E002/M-25-142. [Xcel's Proactive Grid Upgrades Proposal](#) (October 31, 2025).

the risks of delaying until a subsequent IDP. At this time, Fresh Energy does not take a position on whether the Commission should approve the proposed upgrade.

Location Choice

Fresh Energy lauds Xcel for choosing a location in an area where expected load growth from electrification is high, and the benefits of that electrification will be felt by historically underserved populations. The census tract where the upgrade is located is diverse, with approximately 80% of residents identified as Black, Indigenous, or People of Color (BIPOC).³ Infrastructure supporting electrification is low in the area, and it will need to be built out to support Hennepin County's Climate Action Plan. For example, there is low penetration of public electric vehicle (EV) charging in south Minneapolis, with only one Level 2 charger in the area between I-35W and Highway 55 south of Lake Street.⁴ This lack of public charging poses a significant barrier to electric vehicle adoption, particularly for residents of multifamily buildings, which comprise 84% of the population in the census tract where the substation is located.⁵ The particular need for additional electrical vehicle and other enabling infrastructure in this area helps provide assurance that capacity upgrades would not go underutilized.

Timeline

Fresh Energy believes it is important to ensure that beneficial electrification and clean distributed electricity generation can increase unimpeded by delays to distribution infrastructure upgrades, however, it is not clear from the proposal if the upgrade is necessary in this IDP cycle. If approved, Xcel estimates the proposed proactive upgrade would be completed by 2030. However, the proposal notes that the relevant feeder for this upgrade is not expected to exceed its planning load until 2034 under the IDP High Adoption Scenario.

In section G.5 of its proposal, the Company notes that deferring the upgrade creates significant risk for customers and its system, but this risk would not materialize until the planning limit is exceeded in 2034. Given this, we ask Xcel to further clarify associated risks with delaying the proposed proactive grid upgrade *until the next IDP cycle*. We understand there are risks to delaying the project until after a capacity constraint arises and are generally supportive of the Company proposing this project as a proactive upgrade, but it is not clear to Fresh Energy that this project needs to be approved in the 2025 IDP. We also ask Xcel to list any associated potential benefits from an earlier (2030) operation date for the upgrade.

³ See [Census Data](#), substation is located at the intersection of Oakland and 29th Street, in Census Tract 1260, Hennepin, MN.

⁴ See [Xcel's Charging Stations Map](#)

⁵ See [Census Data](#).

Permitting risk

Xcel notes at several points in its proposal that the primary risk to the project timeline, and part of its justification for including this project as a proactive upgrade, is the difficulty it anticipates in obtaining necessary permits. Fresh Energy asks the Company to provide additional specificity which permits it anticipates may be difficult to obtain. We also ask that, to the extent feasible, the Company provide examples of where it has faced difficulty in obtaining similar permits. We do not disagree that permitting in a densely populated area poses a challenge, but we are interested in better understanding where the Company has run into these issues in the past so we can better understand the risk and work with the Company and stakeholders to address these permitting risks in a more comprehensive way.

Non-Wires Alternatives (NWA)

We understand timing constraints limited the Company's ability to complete an NWA analysis for this project as part of the 2025 IDP. However, Xcel notes that the project is planned for evaluation in next year's NWA analysis. Fresh Energy believes this is another reason it may be reasonable for the Company to propose this project in a later IDP. If alternative measures may defer or mitigate the needed for the proposed upgrade, as the Company notes in its proposal, then Fresh Energy believes waiting until this analysis is conducted would be reasonable given the project is not needed until year 9 of the forecast.

Cost recovery

Fresh Energy appreciates Xcel proposing a cost recovery and allocation proposal that aligns with the requirements of the Phase 1 framework. However, we note the Commission has ordered Phase 2 of the working group include additional discussion on cost-sharing for proactive grid upgrades which may provide more clarity on how the Company should approach this issue.⁶ Fresh Energy sees this as another reason to consider delaying this proposal until the next IDP. This delay could allow the Company to propose a cost recovery approach that aligns with requirements developed in Phase 2 of the working group.

Conclusion

In summary, we appreciate the Company putting forth the state's first Proactive Upgrade Proposal. We view this as a significant milestone and are pleased that the framework developed in the Proactive Grid Upgrades Working Group has been used to propose a specific project. While we have several questions about the need for this project to be approved in the 2025 IDP, we believe this is a good example of the types of project that the

⁶ Docket No. E-002/CI-24-318. Order Establishing Framework for Proactive Distribution Grid Upgrades (September 2, 2025). pp. 6-7.

Company should be considering for the proactive upgrade process. We look forward to engaging further on this topic in subsequent comment rounds.

Respectfully submitted,

/s/ Will Mulhern

Fresh Energy
408 St. Peter Street, Suite 350
St. Paul, MN 55102
651.294.7148
mulhern@fresh-energy.org

/s/ Nicholas Haeg

Fresh Energy
408 St. Peter Street, Suite 350
St. Paul, MN 55102
320.291.8556
haeg@fresh-energy.org