

## Staff Briefing Papers

Meeting Date Thursday, October 12, 2023 Agenda Item \*2

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Company Minnesota Investor-Owned Electric Utilities

Docket No. E999/CI-17-879

**In the Matter of a Commission Inquiry into Electric Vehicle Charging and Infrastructure**

Issues 1. Should the Commission authorize the Department to incur additional costs for specialized technical professional investigative services under Minn. Stat. §216B.62 subd. 8?

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**Relevant Documents**

**Date**

Department of Commerce – Letter

August 31, 2023

Otter Tail Power – Initial Comments

September 11, 2023

Department of Commerce – Letter

September 12, 2023

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

## 1. Statement of the Issues

Should the Commission authorize the Department to incur additional costs for specialized technical professional investigative services under Minn. Stat. §216B.62 subd. 8?

## 2. Summary of the Record

On August 31, 2023, the Department of Commerce filed a letter requesting the Commission authorize the Department to incur additional costs for specialized technical professional investigative services under Minn. Stat. §216B.62 subd. 8 to assist the Department of Commerce with evaluating utility electric vehicle (EV) filings. The Department noted it consulted with Xcel Energy, Minnesota Power, and Otter Tail Power and none were opposed to the request.

On September 11, 2023, Otter Tail Power (OTP) filed comments requesting clarification on the Department's request. OTP did not object to the Department's request, but instead sought clarity on how the Department would allocate costs associated with the specialized technical services to each utility. OTP noted that while it makes sense to allocate costs associated with utility specific filings, it was unclear how the Department would allocate costs associated with a "collaborative EV issue impacting all utilities." Otter Tail proposed that in those instances expenses be allocated "based on the Commission's annual report summarizing the number of EVs in each utility service area." Otter Tail also questioned how it should recover any expenses related to the specialized technical services. OTP suggested that since it has an EV rebate program in its 2024-2026 Energy Conservation and Optimization (ECO) plan, it could recover costs through the ECO rider.

On September 12, 2023, the Department filed a response to Otter Tail Power. The Department explained that billing issues are separate from the decision on whether to retain a consultant and noted utilities can contact the Department (or Commission) at any time with billing questions, for example if the wrong docket is billed. However, the Department disagreed with OTP's suggested approach to allocate costs for multi-utility dockets based on the number of EVs registered in a utility's service area. The Department stated, "this would penalize utilities who have successfully encouraged EV adoption through pilots and programs." Instead, the Department supported the existing practice of billing costs to utilities based on the docket where the work is performed.

## 3. Staff Analysis

Staff notes that utilities will file their upcoming Transportation Electrification Plans (TEPs) as part of their Integrated Distribution System Plans (IDPs) on November 1. To the extent the Department's specialized technical services are used to evaluate the TEPs or EV-related issues in the IDP, Staff's understanding is the Department would bill the hours spent on individual utility filings to the 2023 IDP dockets.

Staff suggests that if the Department plans to investigate other matters related to transportation electrification outside of an existing Commission docket, it may wish to open a

Department Investigation (DI) docket and consult with utilities on the how it plans to allocate costs for any projects.

Staff supports the Department getting the technical assistance it needs to build comprehensive and complete records for the Commission in upcoming proceedings and recommends the Commission request the Commissioner of Commerce seek authority to procure necessary specialized support.

#### **4. Decision Options**

1. The Commission requests that the Commissioner of Commerce seek authority from the Commissioner of Management and Budget to incur costs for specialty services to provide relevant recommendations in upcoming electric vehicle dockets, and subsequently bill those expenses to Xcel Energy, Minnesota Power, and Otter Tail Power pursuant to Minn. Stat. § 216B.62, subd. 8. (Department)