



October 25, 2023

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 250
St. Paul, MN 55101

VIA E-FILING

**RE: In the Matter of a Petition for Approval of a Modification to Low-Income Discount Program
In the Matter of a Petition for Approval of Low Income Energy Discount Rider Funding**

PUC Docket Number(s): E-002/M-04-1956; E-002/M-10-854

Dear Mr. Seuffert:

Enclosed please find the Comments of the Energy CENTS Coalition in the above-referenced matter. An Affidavit of Service is also enclosed.

If you have any questions, please call me at (651) 470-4500 or via electronic mail at paym@energycents.org.

Thank you for your consideration.

Sincerely,

Pam Marshall
Interim Executive Director
Energy CENTS Coalition

**State of Minnesota
Before the Public Utilities Commission**

Katie Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph Sullivan	Commissioner
John Tuma	Commissioner

In the Matter of a Petition for Approval of
a Modification to Low-Income Discount Program

Docket No. E-002/M-04-1956

In the Matter of a Petition for Approval of Low
Income Energy Discount Rider Funding

Docket No. E-002/M-10-854

Comments of the Energy CENTS Coalition

I. INTRODUCTION

The Energy CENTS Coalition (“ECC”) appreciates the opportunity to comment in the above-referenced matter.

On September 1, 2023, Xcel Energy (“Xcel” or “the Company”) filed a petition to transfer \$5.6 million from the Company’s Medical Assistance Program (“MAP”) to the Power ON Program (“Power ON”). Since then, ECC has engaged in discussions with the Company and Citizens Utility Board of Minnesota (“CUB”) regarding the Company’s ability to sustain an adequate level of Power ON funding. During these discussions, Xcel indicated that they would request Commission approval for an annual increase to the Power ON budget of \$14.5 million. It is ECC’s understanding that Xcel Energy will request the Power ON budget increase in their October 25, 2023 Comments in this docket.

ECC supports both the Company’s proposal to transfer MAP funds to Power ON and to substantially increase the Power ON annual budget.

As discussed further below, the need for increased funding is necessary to accommodate the increased participation in, and spending levels for, POWER On.

II. BACKGROUND

For over 18 years, ECC has acted as the third-party administrator for Xcel Energy’s POWER On program. Since 2018, ECC has also co-administered the Company’s Medical Assistance Program.

Power On is available to Xcel Energy customers that receive benefits from the Low-Income Home Energy Assistance Program (“LIHEAP”). Power ON was designed to provide supplemental financial benefits to

LIHEAP customers with the highest electric energy burdens. Eligibility for LIHEAP is based on 50% of State Median Income (SMI). Under Minnesota’s current LIHEAP income-eligibility guidelines, a family of three qualifies for LIHEAP if their annual household income does not exceed \$52, 770.

The average household income for Power ON customers (68% of whom live on household incomes at or below the federal poverty level) is **significantly lower** than the LIHEAP income-eligibility amounts. The following table provides information about Power ON participant income, pre-program electric costs, and energy burdens:

**Table 1.
Power ON Participant Income and Energy Burden**

Average participant household annual income	Average Annual Electric Costs	Average Energy Burden
\$ 17,838	\$1,601	9%
Average household income of Participants at or below 100% of Poverty (68% of participants) \$ 12,109	\$1,549	13%

Power On provides monthly credits to reduce participant energy burdens to no more than 3% of household income. The program also provides arrearage forgiveness credits (matching) to customers that make a payment toward their pre-program, past-due bill balances.

**Table 2.
Power ON Credits**

Average Monthly Affordability Credit	Average Monthly Arrearage Credit	Total Average Credit
\$ 80.70	\$ 19.87	\$ 100.57*

*Increased from \$ 84.38 in January 2023

From January 1, 2023, to October 1, 2023, Power ON participation increased from 14,713 enrollees to a historical high of 22,887 households during the week of September 6, 2023. Over the same period, actual monthly program spending increased from \$804,674 to \$1,409,172. ¹

¹ ECC Database report.

ECC believes there are two primary factors causing the increased Power ON participation levels and the resulting need for increased funding. First, in compliance with the Commission Order regarding Xcel's Gas Affordability Program ("GAP")², the Company made the following modification to the GAP tariff:

3. Eligible LIHEAP customers that meet program criteria may opt-in to the program at any time during the year. ~~Before the start of an~~ During the annual auto-enrollment period, the Company will mail information on the Rider, ~~and an application~~ a notice of benefits, and invitation to participate in the Rider to targeted current LIHEAP customers whose income and consumption data result in an affordability credit amount. ~~In arrears.~~ The program Terms and Conditions ~~application~~ for participation must be refused by the customer ~~must be completed in full and returned to the Company~~ before the close of the enrollment period or the customer will be auto-enrolled in the program.³

The opt-in and auto-enrollment processes are available to Xcel Energy's combination natural gas and electric customers. If a customer applies for GAP and ECC determines they are also eligible for Power ON, customers are provided the opportunity to apply for both programs. Under the opt-in process, ECC mails a GAP and Power ON opt-in enrollment letter to Xcel's LIHEAP customers, targeted to those with the lowest incomes, highest energy usage, and past due balances. The letter provides program information and the actual affordable monthly credit and required payment amounts to prospective participants. Because their program eligibility has been pre-determined, opt-in customers can submit a streamlined application to ECC on-line or by telephone. Communicating the actual level of program credit and required payment amounts, combined with the streamlined application process, has contributed to a much higher application return rate and to the significant increase in Power ON participation.

Opt-in enrollments began in April 2023 and mailings continued through June. Another opt-in mailing occurred in August 2023. As funding allows, the opt-in process will continue throughout each program year.

In addition, Xcel Energy began an annual GAP automatic enrollment process in July 2023. Eligible combination natural gas and electric customers are also automatically enrolled in both GAP and Power ON. This process has also contributed to the historic level of Power ON participation.

III. NOTICE TOPICS

A. Should the Commission approve Xcel Energy's request to transfer \$5.6 million from the Medical Assistance Program (MAP) to the PowerOn program?

Yes. As discussed above, Power ON participation levels have increased significantly and, to sustain those participation levels, additional funding is required. The only alternative is to close the program to new applicants and to establish a waiting list. In the past, the Commission has ordered supplemental Power ON funding to avoid program closure.

² Docket No. 22-257.

³ *Id.*

Most recently, in May 2021, the Commission determined that a proposed \$2.9 million residential refund should be dedicated to Power ON. In the Order, the Commission stated:

The Commission appreciates the discussion regarding the best mechanism to refund the portion of the payment attributable to the residential customer class. After careful consideration of the arguments, the Commission concurs with Energy CENTS that the residential-class allocation should be used to provide additional energy assistance for low-income residential customers through Xcel's PowerOn program.

Instead of providing a one-time bill credit to every residential customer, the Commission will adopt the recommendation of Energy CENTS—to which Xcel agreed—to apply the residential class allocation toward Xcel's PowerOn program. PowerOn provides meaningful relief to those residential customers in the greatest need of assistance. The program makes utility bills more affordable for participants, encourages customers to make consistent payments, helps prevent service disconnections, and can reduce the costs the utility otherwise would spend attempting to collect payment from customers with limited resources.⁴

In March 2018, ECC and the Center for Energy and Environment ("CEE") recommended the Commission apply \$2 million of Xcel Energy's federal utility property tax refund to supplement Power ON. ECC affirmed the need for additional Power ON funding:

Even as funding for POWER On has increased in recent years, funding levels have remained inadequate to enroll all of the customers who need assistance. Over the last eight years, inadequate funding levels have caused the program to close four different times for periods ranging from six months to over two years. The current POWER On program closed to new participants in September 2017 and remains closed today.⁵

In that docket, the Commission reasoned:

whatever the merits of the alternative proposals for expending ratepayer funds, the Commission concludes that those merits can be better addressed in other forums, such as rate cases and resource plan dockets. The Commission will, however, make an exception to this policy regarding Xcel Electric's PowerOn program for low-income customers. The Commission established a budget for this program based largely on estimates of customer need. It appears that these estimates were too low, in that the program closed to new participants in September 2017 due to lack of funds. While the Commission would generally

⁴ Order Approving Modified Refund Plan, In the Matter of the Petition by Northern States Power Company for Approval of a Credit Mechanism to Return to Customers Department of Energy Settlement Payments, Docket No. E-002/M-21-69, May 12, 2021.

⁵ Comments of Center For Energy and Environment and Energy Cents Coalition, In the Matter of a Commission Investigation Into the Effects on Electric and Natural Gas Utility Rates and Service of the 2017 Federal Tax Act, Docket No. E,G-999/CI-17-895, March 30, 2018.

prefer to address this matter in Xcel Electric's 2019 rate case, waiting until the completion of that case to re-open the PowerOn program would be unduly burdensome to customers in need. In the interest of expedience, therefore, the Commission will authorize Xcel to appropriate an additional \$2 million to this program.⁶

Again in 2011, the Commission ordered Xcel Energy to provide supplemental Power ON funds, requiring

the Company to set aside \$2,000,000 of the initial settlement funds to provide energy assistance for low-income residential customers via Xcel's POWER ON program. Energy CENTS, which administers Xcel's POWER ON program, stated that the POWER ON program currently has a significant waiting list for enrollment, and, due to funding issues has been unable to accept additional applications. With the additional \$2 million in funding, the POWER ON program will be able to add and sustain a significant number of additional customers on this program.⁷

B. Will a \$5.6 million transfer in funds leave enough funding in the MAP budget to accommodate current and potential future participants?

Yes. The current MAP tracker balance is \$8.6 million. Current spending for MAP is about \$70,000 per month. Therefore, even before any additional cost recovery, the remaining \$3 million MAP tracker balance is adequate to fund MAP for nearly three years.

C. Are there other issues or concerns related to this matter?

Yes. Power ON participation and spending levels have increased significantly and the transfer of \$5.6 million from MAP is insufficient to sustain these levels. ECC respectfully requests the Commission also approve Xcel Energy's proposal to increase the Power ON budget by \$14.5 million.

ECC believes the Company's proposed increase is reasonable. The Power ON surcharge amount has not been increased since January 1, 2014.⁸ At that time, the Commission approved a \$3.2 million annual budget increase "for a separately funded PowerOn program."⁹ The annual Power ON budget increase established in Xcel's 2012 rate case is now exhausted in about two months.

The above information demonstrates that sporadic, one-time funding increases are insufficient to sustain the current Power ON participation level. ECC respectfully recommends the Commission approve the funding level increase to ensure that Xcel Energy can continue providing Power On's substantial financial assistance to the Company's lowest income customers.

⁶ Order, Docket No. E, G-999/CI-17-895, December 5, 2018.

⁷ Order Establishing Refund Plan, In the Matter of a Petition by Xcel Energy for Approval of a Credit Mechanism for a Department of Energy Settlement Payment with Deferred Accounting, Docket No. E-002/M-11-807, December 16, 2011.

⁸ Docket No. 12-961.

⁹ Order Point 19, Docket No. 12-916, September 3, 2013

Finally, it is ECC's understanding that Xcel's petition will include a proposal to address any potential excessive Power ON tracker balance. If the \$14.5 million increase is approved, and if, after two full program years, the Power ON tracker balance exceeds \$5 million, the Company proposes to transfer \$2 million to provide a supplemental payment to customers receiving the Company's low-income discount. Under this proposal, it is also ECC's understanding that this supplemental, one-time benefit to low-income discount customers would be applied at the end of the federal fiscal year. The flat, low-income discount of \$15 per month was established pursuant to Minn. Stat. § 216B.16, subd.14. and by Commission Order on September 26, 2014.¹⁰ The discount is available to Xcel Energy's LIHEAP customers whose households include seniors or persons with disabilities. The \$15 discount has not increased since 2014 and represents a considerably lower benefit, in today's dollars, to these fixed-income households.

IV. CONCLUSION

ECC respectfully recommends:

- 1) Approve Xcel Energy's request to transfer \$5.6 million from the Medical Assistance Program to the Power ON program.
- 2) Approve Xcel Energy's request to increase the Power ON annual budget by \$14.5 million.
- 3) If, after two years at a \$14.5 million annual budget, the Power ON tracker balance exceeds \$5 million, approve Xcel Energy's request to transfer \$2 million from Power ON to low-income discount recipients (at federal fiscal year-end).

Respectfully submitted,

October 25, 2023

/s/ Pam Marshall
Interim Executive Director
Energy CENTS Coalition

¹⁰ Docket Nos. 10-854 and 04-1956.

AFFIDAVIT OF SERVICE

Pam Marshall certifies that on the 25th day of October 2023, she served, by electronic filing, Energy CENTS Coalition's Comments In the Matter of a Petition for Approval of a Modification to Low-Income Discount Program and In the Matter of a Petition for Approval of Low Income Energy Discount Rider Funding, PUC Docket Number(s) E-002/M-04-1956; E-002/M-10-854, to the individuals on the attached service list.

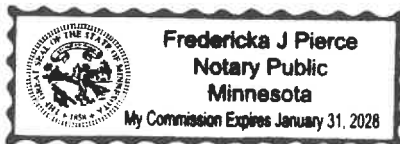
Pam Marshall

Pam Marshall

F. Pierce

Fredricka Pierce

Subscribed and sworn to before me
this 25th day of October 2023



Notary Public

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_10-854_Official
Brandon	Crawford	brandonc@cubminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota St Ste W1360 St. Paul, MN 55101	Electronic Service	No	OFF_SL_10-854_Official
Ron	Elwood	relwood@mnlisap.org	Legal Services Advocacy Project	970 Raymond Avenue Suite G-40 Saint Paul, MN 55114	Electronic Service	No	OFF_SL_10-854_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_10-854_Official
Annie	Levenson Falk	annief@cubminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota Street, Suite W1360 St. Paul, MN 55101	Electronic Service	No	OFF_SL_10-854_Official
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 E 7th St St Paul, MN 55106	Electronic Service	No	OFF_SL_10-854_Official
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_10-854_Official
Christine	Schwartz	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_10-854_Official
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_10-854_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
John	Bailey	bailey@ilsr.org	Institute For Local Self-Reliance	1313 5th St SE Ste 303 Minneapolis, MN 55414	Electronic Service	No	OFF_SL_4-1956_Official
James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_4-1956_Official
Barb	Bischoff	barb.bischoff@nngco.com	Northern Natural Gas Co.	CORP HQ, 714 1111 So. 103rd Street Omaha, NE 681241000	Electronic Service	No	OFF_SL_4-1956_Official
Robert S.	Carney, Jr.			4232 Colfax Ave. S. Minneapolis, MN 55409	Paper Service	No	OFF_SL_4-1956_Official
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	No	OFF_SL_4-1956_Official
Brandon	Crawford	brandonc@cubminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota St Ste W1360 St. Paul, MN 55101	Electronic Service	No	OFF_SL_4-1956_Official
George	Crocker	gwillc@nawo.org	North American Water Office	5093 Keats Avenue Lake Elmo, MN 55042	Electronic Service	No	OFF_SL_4-1956_Official
Leslie	Davis		Earth Protector, Inc.	PO Box 11688 Minneapolis, MN 554110688	Paper Service	No	OFF_SL_4-1956_Official
Ron	Elwood	relwood@mnlsap.org	Legal Services Advocacy Project	970 Raymond Avenue Suite G-40 Saint Paul, MN 55114	Electronic Service	No	OFF_SL_4-1956_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	Yes	OFF_SL_4-1956_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_4-1956_Official
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_4-1956_Official
Todd J.	Guerrero	todd.guerrero@kutakrock.com	Kutak Rock LLP	Suite 1750 220 South Sixth Street Minneapolis, MN 554021425	Electronic Service	No	OFF_SL_4-1956_Official
William J.	Hagstrom	N/A	Catapult Capital Management LLC	32nd Floor 650 Fifth Avenue New York, NY 10019	Paper Service	No	OFF_SL_4-1956_Official
Annete	Henkel	mui@mutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St.Paul, MN 55101	Electronic Service	No	OFF_SL_4-1956_Official
Michael	Hoppe	lu23@ibew23.org	Local Union 23, I.B.E.W.	445 Etna Street Ste. 61 St. Paul, MN 55106	Electronic Service	No	OFF_SL_4-1956_Official
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2950 Yellowtail Ave. Marathon, FL 33050	Electronic Service	No	OFF_SL_4-1956_Official
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_4-1956_Official
Charles	Kyte	members@mnasa.org	Minnesota Association of School Administrators	1884 Como Ave St. Paul, MN 55108	Electronic Service	No	OFF_SL_4-1956_Official
Annie	Levenson Falk	annief@cubminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota Street, Suite W1360 St. Paul, MN 55101	Electronic Service	No	OFF_SL_4-1956_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kim	Lillyblad	kim.lillyblad@avantenergy.com	Avant Energy	220 S. Sixth St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_4-1956_Official
Dale	Lusti	dale.lusti@state.mn.us	Office of Energy Security	Suite 500 85 Seventh Place East St. Paul, MN 551012198	Electronic Service	Yes	OFF_SL_4-1956_Official
Kavita	Maini	kmains@wi.rr.com	KM Energy Consulting, LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_4-1956_Official
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 E 7th St St Paul, MN 55106	Electronic Service	No	OFF_SL_4-1956_Official
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_4-1956_Official
David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	220 South Sixth Street Suite 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_4-1956_Official
Jeff	Pollock	jcp@jpollockinc.com	J. Pollock Inc.	Suite 335 12655 Olive Boulevard St. Louis, MO 63141	Electronic Service	No	OFF_SL_4-1956_Official
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	No	OFF_SL_4-1956_Official
Steve	Schneider	steve.schneider@ci.stpaul.mn.us	Board of Water Commissioners	1900 Rice Street St. Paul, MN 55113	Electronic Service	No	OFF_SL_4-1956_Official
Christine	Schwartz	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_4-1956_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_4-1956_Official
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	No	OFF_SL_4-1956_Official
Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.	76 W Kellogg Blvd St. Paul, MN 55102	Electronic Service	No	OFF_SL_4-1956_Official
Byron E.	Starns	byron.starns@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_4-1956_Official
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_4-1956_Official
Kitty	Turner	kat@jpollockinc.com	J. Pollock Inc.	12655 Olive Boulevard St. Louis, MO 63141	Electronic Service	No	OFF_SL_4-1956_Official
Rebecca S.	Winegarden	beckwine@msn.com	Unknown	10555 Union Terrace Ln N Maple Grove, MN 553692622	Electronic Service	No	OFF_SL_4-1956_Official