

April 4, 2022

*Via Electronic Filing*

Will Seuffert

Executive Secretary

Minnesota Public Utilities Commission

121 7th Place East, Suite 350

St. Paul, MN 55101

**RE: Docket E002/M-21-767 In the Matter of Xcel Energy's 2021 Hosting Capacity Report**

Dear Mr. Seuffert:

The Institute for Local Self-Reliance (ILSR) respectfully submits the following comments on Xcel Energy's 2021 Hosting Capacity Report.

The Commission should accept Xcel Energy's 2021 Hosting Capacity Analysis Report. On the whole, the Report achieves the requirements outlined in the Commission's July 31, 2020 Order,<sup>1</sup> the Commission's November 9, 2021 Order,<sup>2</sup> and Minn. Stat. §216B.2425, Subd. 8. Xcel has completed most of the improvements to its online hosting capacity map, the data is presented in a way that serves Xcel customers and grid stakeholders, and the quarterly update cadence is an improvement — though monthly updates and other improvements are needed before integrating HCA with the interconnection process.

Lastly, the Commission should replicate the stakeholder engagement opportunities surrounding Xcel Energy's Hosting Capacity Analysis Report in Xcel's upcoming load hosting capacity analysis, which the Commission required in its November 9, 2021 Order.<sup>3</sup>

**1. Xcel's online Hosting Capacity Map is a functional and useful representation of the Hosting Capacity Analysis Report.**

Xcel's compliance with the Commission's July 2020 order to include all criteria threshold violations in the hosting capacity map pop-ups<sup>4</sup> is a significant improvement to the map.

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<sup>1</sup> Dkt. E002/M-19-685, ORDER ACCEPTING STUDY AND SETTING FURTHER REQUIREMENTS (July 31, 2020).

<sup>2</sup> Dkt. E002/M-20-812, ORDER ACCEPTING REPORT, REQUIRING STAKEHOLDER WORKSHOPS, AND SETTING ADDITIONAL REQUIREMENTS (November 9, 2021).

<sup>3</sup> Ibid.

<sup>4</sup> [https://www.xcelenergy.com/hosting\\_capacity\\_map](https://www.xcelenergy.com/hosting_capacity_map)

Xcel, the Commission, and intervenors are addressing the Company's noncompliance with Order Point 12 of the Commission's July 2020 order<sup>5</sup> in Docket E999/M-20-800 (In the Matter of a Commission Investigation on Grid and Customer Security Issues Related to Public Display or Access to Electric Distribution Grid Data).

**2. The Hosting Capacity Analysis methodology needs many improvements before it is integrated with the interconnection process.**

The Commission has a long-term goal to use the Hosting Capacity Analysis in the interconnection process's fast track screens. If Hosting Capacity Analysis is to integrate with the interconnection process, the two must operate under the same assumptions.

In this year's Hosting Capacity Analysis Report, Xcel changed the power factor for DER sites from 98 to 95 percent to be in alignment with the interconnection study process. That change is a step in the right direction. However, there is a more significant discrepancy in how the two processes treat distributed energy projects in the queue.

The interconnection process assumes that queued projects are operational. Xcel's Hosting Capacity Analysis, on the other hand, does not include projects that are in the interconnection queue. As the Interstate Renewable Energy Council (IREC) positioned in previous comments, in order for customers to use HCA as an indication of available hosting capacity and for Xcel to use HCA as a first step in the interconnection process, queued projects should be treated as operational in the HCA. This inclusion would be consistent with the methodology of other utilities that have integrated hosting capacity analysis with the interconnection process, according to IREC.<sup>6</sup>

The Company's rationale for excluding queued DER projects is that to include them "would create too much variability as many projects enter and exit the queue during the [hosting capacity] analysis period."<sup>7</sup> Xcel could mitigate this problem by conducting a monthly hosting capacity analysis update cadence — which is another change necessary for integrating HCA with the interconnection process.

**3. Xcel's projected costs to perform monthly updates need further examination.**

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<sup>5</sup> Dkt. E002/M-19-685, ORDER ACCEPTING STUDY AND SETTING FURTHER REQUIREMENTS (July 31, 2020).

<sup>6</sup> Dkt. E002/M-20-812, COMMENTS OF THE INTERSTATE RENEWABLE ENERGY COUNCIL, INC. ON XCEL ENERGY'S 2020 HOSTING CAPACITY ANALYSIS (April 7, 2021).

<sup>7</sup> Dkt. E002/M-21-767, Xcel Energy, Distribution System – Hosting Capacity Analysis Report (Nov. 1, 2021).

Many intervenors have asked that Xcel perform monthly updates to its hosting capacity analysis. Monthly updates would be more useful for the several hosting capacity analysis purposes envisioned by the Commission, including its ultimate integration with the interconnection process.

Since Xcel has not done a more detailed analysis of the costs for a monthly HCA update, the Company's conceptual estimate should be treated with caution. IREC has detailed several ways in which the methods and resulting costs of Xcel's conceptual proposal were excessive.<sup>8</sup> IREC has a forthcoming report with the National Renewable Energy Laboratory on HCA data validation plans which may be a useful resource for The Commission and the upcoming stakeholder workshops on integrating HCA with interconnection.

**4. The commission should hold stakeholder workshops with Xcel Energy and industry experts to develop the load hosting capacity analysis methodology.**

As Minnesota electric customers increasingly electrify their vehicles and buildings, electric load hosting capacity data becomes a necessary resource. The Commission has asked Xcel Energy to conduct a separate hosting capacity analysis for load by November 2022.<sup>9</sup> As was done with the generation Hosting Capacity Analysis, the Commission should hold stakeholder meetings to establish a methodology, including inputs, limiting criteria, and thresholds. Additionally, ILSR echoes IREC's comment that a load hosting capacity analysis is not complete without including existing distributed generation.<sup>10</sup>

Thank you for the opportunity to comment and for taking up this important conversation; we appreciate that there has not been any legislative preemption of this regulatory process.

Sincerely,

/s/

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<sup>8</sup> Dkt. E002/M-20-812, Comments of the Interstate Renewable Energy Council, Inc. on Xcel Energy's 2020 Hosting Capacity Report (April 7, 2021).

<sup>9</sup> Dkt. E002/M-20-812, ORDER ACCEPTING REPORT, REQUIRING STAKEHOLDER WORKSHOPS, AND SETTING ADDITIONAL REQUIREMENTS (November 9, 2021).

<sup>10</sup> Dkt. E002/M-20-812, Comments of the Interstate Renewable Energy Council, Inc. on Xcel Energy's 2020 Hosting Capacity Report (April 7, 2021).