

414 Nicollet Mall Minneapolis, MN 55401

April 14, 2023

-Via Electronic Filing-

Will Seuffert Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, MN 55101

RE: RESPONSE TO PETITIONS FOR RECONSIDERATION RESILIENCY SERVICE PROGRAM DOCKET NO. E002/M-22-170

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission (Commission) the enclosed letter in response to the Petitions for Reconsideration that were submitted by All Energy Solar, Blue Horizon Energy, and Sunnova Energy on April 4, 2023 in the abovereferenced docket. The Company respectfully requests the Commission deny all Petitions for Reconsideration.

The Petitions for Reconsideration do not "raise new issues", do not "point to new and relevant evidence", and do not "expose errors or ambiguities" in the March 15, 2023 Order. Nor should the Petitions "otherwise persuade the Commission that it should rethink the decisions set forth in its order."¹ To the contrary, the Petitions for Reconsideration simply restate arguments that were previously raised and carefully considered by the Commission in their March 15, 2023 Order. In addition, the Petitions make a variety of claims about the program that the Company previously demonstrated are factually incorrect. For these reasons, which we discuss in more detail below, all Petitions for Reconsideration should be denied.

¹ In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of its Proposed Community Solar Garden Program, Docket No. E002/M-13-867, ORDER DENYING PETITION FOR RECONSIDERATION, February 5, 2019

A. The Resiliency Service Program does not Provide an Unfair Competitive Advantage

In their Petition for Reconsideration, Blue Horizon claimed this program authorized the Company to use its power as a regulated utility unfairly and that the program lacked guiderails to address anti-competitive concerns.² However, these concerns are not new and were explicitly addressed by the Commission in their March 15, 2023 Order. Specifically, the Commission stated that they were "satisfied that the Program, as modified...is structured to prevent unfair competitive advantages."³ Further, the Commission was not persuaded that Company "access to data gives the Company an unfair competitive advantage for identifying customers with high resiliency needs."⁴ Regardless, the Commission prohibited the Company from using customer energy usage or grid data that is not available to customers and third parties.

Finally, Blue Horizon itself states that the market is already competitive with dozens of product offerings which can provide the "same or better services" as our approved product. If that is truly the case, then Blue Horizon's own concerns are unfounded. The Company is not preventing our customers from pursuing services from any third-party provider. If those services are preferable to our offering, then customers are free to pursue to those options.

B. The Company will not Restrain other Providers of Resiliency Services.

As noted above, the Commission thoroughly vetted the Company's proposal to ensure that it would not restrain other parties that might provide similar services. Still, both Blue Horizon and All Energy Solar claimed experiences with other utility programs, including a program from a different state and the Company's electric vehicle (EV) programs, highlight potential risks for anti-competitive behavior within the Resiliency Service Program. The Company disagrees with the claim that its Commission-approved EV programs are in some way anticompetitive. Regardless, neither example provided by the parties supports the speculation that Company will restrain other providers of resiliency services.

² See Pages 1 and 2 of Blue Horizon's April 4, 2023 comments

³ In the Matter of Xcel Energy's Petition for Approval of a Resiliency Service Program, Docket No. E002/M-22-170, ORDER APPROVING RESILIENCY SERVICE PROGRAM WITH MODIFICATIONS AND REQUIRING ANNUAL REPORTS, March 15, 2023, Page 6

⁴ Ibid.

Blue Horizon highlights an attempt to develop a solar and battery storage project in Iowa with Alliant Energy. Blue Horizon contends that the actions of Alliant Energy during meetings highlights an example of anti-competitive behavior. It appears to speculate that the Company will also engage in this claimed anticompetitive behavior in Minnesota. Blue Horizon's experiences in Iowa are not relevant to how a program will be operated by the Company here in Minnesota. Again, as highlighted above, the Company will not be using non-public customer information to market to potential program participants. Also, Blue Horizon, or any other developer, is free to develop projects with potential customers outside of the program itself or can participate as a part of the program as a vendor. Customers who choose to participate in the Company's program will be able to select any vendor they choose for construction if they meet the Program requirements.

All Energy Solar claims that the Company has been using customer information to "aggressively" market our EV programs. As proof of this claim, they provide the experience of an electrician working on an EV charger installation through our EV Accelerate at Home program. In their example, the electrician had applied to install several EV chargers in a multi-dwelling unit (MDU) building through our EV Accelerate at Home program. In the supporting emails provided by All Energy Solar, a Company representative working with the electrician through the application process provided additional information indicating that a new program dedicated specifically to MDU locations had been proposed, and that this new program may be a better fit for their specific installation. Providing information to customers, however, is not anti-competitive, nor could even reasonably be considered "aggressive" marketing. The Company provides advisory services for our EV programs to ensure that customers know their options and end up with the solution that works best for them. Advising a potential new participant in the EV programs about a new option is not aggressive marketing, it is the Company fulfilling the advisory services the Commission has explicitly authorized.

In addition, this experience with our EV Accelerate at Home program took place in 2021. If this was significant concern, and relevant to the Resiliency Service Program, All Energy Solar could have provided this information to the Commission in its initial or reply comments. Regardless, the Company has thoroughly demonstrated that its program is not anti-competitive. Assertions to the contrary are factually inaccurate.

C. All Costs will be Paid by Program Participants

Sunnova, in their Petition for Reconsideration, claims the Company will be spreading the costs of projects among all Xcel customers and divorcing the cost from the specific projects. This is a fundamental misunderstanding of how the program costs will be recovered and was discussed extensively in the Company's petition and at the Commission hearing. To reiterate, the Company will rate base the installed equipment as we will own and operate the assets during the contract term. However, the Company will recover all costs and return on those assets from the participant through a monthly charge. No costs will be borne by non-participating customers. As this specific topic is discussed in multiple instances in the Commission's March 15, 2023 Order, it is clear that this issue was already considered and approved by the Commission and does not support reconsideration of the Commission's decision.⁵

D. Company will not Prioritize Program Projects in Interconnection Queue

Sunnova also restates its claim that the program provides the opportunity for the Company to prioritize the interconnection of program projects over the application of projects from other developers. Again, this is a fundamental misunderstanding of the program as designed and ignores the Commission's March 15, 2023 itself. As required by Order Point 1a of the Commission's Order, interconnection applications for program projects will be handled by a third-party vendor and will abide by all interconnection standards. In addition, the order also states that the Company cannot treat participating and non-participating customers differently for interconnection purposes. As the specific concern raised by Sunnova is specifically addressed by the Commission's Order already, it is clear that this issue is not new and does not support reconsideration of the Commission's decision.

⁵ *Ibid.*, Pages 2 and 3

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact Brandon Kirschner at 612-215-5361 or brandon.m.kirschner@xcelenergy.com or contact Taige Tople at 612-216-7953 or taige.d.tople@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/ Amy Liberkowski Regional Vice President, Regulatory Pricing and Analysis

cc: Service List

CERTIFICATE OF SERVICE

I, Ella Giefer, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

- <u>xx</u> by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota
- \underline{xx} electronic filing

DOCKET NO. Е002/М-22-170

Dated this 14th day of April 2023

/s/

Ella Giefer Regulatory Administrator

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