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January 24, 2024

**In the Matter of Xcel Energy's 2023 Transportation Electrification Plan
Docket No. E002/M-23-452**

**Reply Comments of Fresh Energy, Minnesota Center for Environmental Advocacy, Sierra Club,
Union of Concerned Scientists, Plug In America, and Environmental Law and Policy Center**

Fresh Energy, Minnesota Center for Environmental Advocacy, Sierra Club, Union of Concerned Scientists, Plug In America, and Environmental Law and Policy Center (the Clean Energy Groups, or CEGs) respectfully submit these Reply Comments pursuant to the Commission's November 17, 2023 [Notice of Comment Period](#).

As an initial matter, the CEGs wish to highlight that Xcel Energy's (Xcel or the Company) filing in this proceeding is its first Transportation Electrification Plan (TEP) submitted pursuant to the new Minnesota Statute directing utilities to file TEPs¹ and the first which consolidated all electric vehicle (EV) programs into a single filing. In addition, this TEP represents the Company's first EV-related submission following the withdrawal of its Clean Transportation portfolio last year.

Given those circumstances, this TEP process is an extremely important one for engagement with stakeholders' recommendations. Unfortunately, Xcel's reply comments either neglected to address or only minimally addressed the CEGs' comments in several instances, including on the important topics of streetside charging, heavy-duty charging, and the CEGs' recommendations concerning the Company's Home Wiring Rebate program. We urge the Commission to direct the Company to take up those and other key issues as reflected in our recommendations summarized below.

In these reply comments, we urge the Commission to adopt the following updated recommendations:

¹ Minn. Stat. § 216B.1615

- Convene a working group to discuss the development and design of performance incentive mechanisms for Xcel Energy's full-scale, permanent EV programs, with the working group to produce recommendations prior to supplemental filing(s) that contain full-scale, permanent program proposals;
- Require Xcel Energy file the following additional items in a Transportation Electrification Plan (TEP) supplement:
 - An active managed charging pilot proposal;
 - Discussion on how Xcel will address multi-dwelling unit charging, including discussion on how to shift its Multi-Dwelling Unit EV Service Pilot to a permanent program offering and development of a streetside charging pilot;
 - Discussion on additional offerings for heavy-duty electric vehicles (e.g., trucking);
 - Discussion on intra-company coordination between electric vehicle, energy efficiency, and building electrification planning, including the use of ECO programs to achieve Xcel's transportation electrification goals; and
 - Discussion on how Xcel's EV programs are equitably serving renters, customers of color, and under-resourced customers, and what gaps may remain.
- Require Xcel to submit its TEP supplement before the end of 2024
 - For any item that Xcel cannot submit with the next supplement, require Xcel to provide a reason for the delay and an updated timeframe in which it will submit an additional supplement(s) to address that item(s).
- Require Xcel to convene relevant stakeholders ahead of its TEP supplement to review and provide input;
- Require Xcel to address the following items in future TEP filings:
 - How Xcel is supporting heavy-duty vehicle electrification;
 - Intra-company coordination between electric vehicle, energy efficiency, and building electrification planning, including the use of ECO programs to achieve Xcel's transportation electrification goals; and
 - How Xcel's EV programs are equitably serving renters, customers of color, and under-resourced customers, and what gaps may remain.

Further, we ask to the Commission to require the following modifications from our initial comments:

- Home Wiring Rebates
 - Require rebate recipients to remain on a managed charging program for the duration of the pilot, provided they reside at the same premise where the rebate was used during the pilot period;
 - Track home ownership and renter-ship across both the market rate and enhanced rebate recipients; and
 - Ensure requirements and criteria for the rebate are compatible with the state electric panel grant program and federal incentives, and educate customers on the potential to convert multiple systems in their home to electric power.
- Electric School Bus V2G Demonstration
 - Expand the program to at least 10 installations;
 - Allow school bus operators that otherwise have or are willing to pay for their own charging infrastructure to participate in power export opportunities;
 - Expand bus operator eligibility for the V2G demonstration to include additional state and federal school bus program grant recipients;
 - Include payments or other price signals to participating school bus operators V2G services provided;
 - Follow National EV Infrastructure (NEVI) Program standards for quarterly data reporting;
 - Consider utilizing a third-party vendor to administer the pilot

1) Cost Recovery

We briefly reply here to Xcel Energy's Reply Comments concerning cost recovery for the Home Wiring Rebate and to the Department of Commerce (the Department) concerning electric vehicle supply equipment (EVSE) rebates for the vehicle-to-grid (V2G) School Bus Demonstration. We also offer comments regarding the possible future use of performance incentives to align Xcel's earnings with the implementation of sound EV programs that advance key EV adoption benefits and state goals.

a. Home Wiring Rebate

In its Reply Comments, Xcel Energy ("Xcel" or "the Company") invokes the CEGs' general support of its Home Wiring Rebate proposal as a justification for the Company's preferred cost recovery treatment.² The CEGs clarify here that we did not take a position on the appropriate cost recovery treatment for the Home Wiring Rebate Program in our opening comments and

² Xcel Energy, *Reply Comments 2023 Transportation Electrification Plan & Integrated Distribution Plan*, Docket No. E002/M-23-452, submitted January 10, 2024, at 3. (Hereinafter "Xcel Reply Comments")

we do not take one here. Rather, we observe, as does Xcel,³ that the statute provides that the Commission “may approve cost recovery ... including an appropriate rate of return” on “any prudent and reasonably incurred investments ... or expenses,” including rebates.⁴ The phrase “an appropriate rate of return” does not specify any one accounting treatment and is open to multiple reasonable interpretations, as other parties to this proceeding have pointed out in offering potential alternatives to the cost recovery treatment proposed by Xcel.

b. School Bus Demo EVSE

In its initial comments, the Department points out that Otter Tail Power included EV charger rebates as part of its Energy Conservation and Optimization (ECO) 2024 - 2026 Triennial Plan, and suggests that Xcel’s school bus EVSE rebates should likewise be issued as ECO rebates.⁵ While the CEGs are not opposed to utilizing ECO to fund EVSE rebates for electric school buses (ESBs), we oppose changes that would result in implementation delays for this initial demonstration project. As discussed further in the section on the V2G school bus demonstration below, the CEGs would support the use of ECO to add buses to this demonstration or for future iterations of the demonstration.

The CEGs also note that the school bus demonstration, as proposed, is small in scale at only two buses, and that while Xcel will not own the EVSE, it will be monitoring it and partially operating it as part of its V2G school bus demonstration.

Additionally, there is a clear benefit to the utility and its customers to test out V2G capabilities in school buses, given their potential future applications to beneficial grid management. There is also an additional cost to participating schools to purchase a bi-directional charger suitable for this demonstration, as such chargers typically cost more than conventional chargers.⁶

Finally, as Xcel notes in its TEP, the school bus demonstration will prioritize school districts serving under-resourced students and students of color,⁷ two groups who tend to also

³ Id. at 2.

⁴ Minn. Stat. § 216B.1615, Subd. 4

⁵ Department of Commerce Initial Comments on Xcel Energy 2023 TEP (12/20/23), docket no. 23-452 at 24-25. (Hereinafter “Department Initial Comments”)

⁶ Alternative Fuels Data Center, “Flipping the Switch on Electric School Buses: Infrastructure Planning and Solutions: Module 2 (Text Version)”, U.S. Department of Energy Office of Efficiency and Renewable Energy, https://afdc.energy.gov/vehicles/electric_school_buses_p5_m2.html

⁷ Xcel Energy, Appendix H – Transportation Electrification Plan, Integrated Distribution Plan (November 1, 2023) at 58.

experience disproportionate impacts from transportation pollution.⁸ Such equitable design further highlights the broader societal benefit of this small demonstration.

For these reasons, the CEGs recommend the Commission approve the V2G school bus demonstration on this docket as the most expeditious path towards launching this school bus demonstration.

c. Performance Incentive Mechanism

To date, the utility EV programs before the Commission have been pilot programs that tended to have smaller budgets and/or have been residential programs whose costs are borne either entirely or in large part by the participating customers (e.g., the EV Accelerate at Home (EVAAH) – Pay as You Go, where customers pay Xcel over time for EV chargers furnished by the Company).

With the maturation of pilots and the transition to statutorily-required TEPs, we are now entering a phase of transition of the Company's more complex pilots (such as the Commercial EV Fleet Pilot, Public Charging Pilot, and Multi-Dwelling Unit EV Service Pilot) to permanent program offerings. Those permanent programs may require higher levels of investment than the residential pilots that came before them. With this evolution comes a need to examine the Company's existing incentives and to assess whether they are aligned with the implementation of sound EV programs that advance key EV adoption benefits and state goals.

This need is especially stark when considering the recent delays and billing issues Xcel has encountered in the implementation of more recent pilots, particularly its Commercial pilots (Fleet EV Service Pilot, Public Charging Pilot, and MDU EV Service Pilot) as discussed in its 2023 EV Annual Reports and supplemental filings.

Parallel to these Commission- and utility-specific developments is a burgeoning national conversation on the use of performance incentive mechanisms (PIMs) to guide utilities' efforts in the clean energy transition. For instance, the Rocky Mountain Institute (RMI) released a report in 2020 outlining guidelines for establishing PIMs for utilities to meet certain clean energy goals,⁹ and launched in early 2024 an interactive database outline of where and what

⁸ Communities of color and under-resourced households tend to experience higher levels of air pollution than the average Minnesotan. A large contributor to air pollution is from the transportation sector, and the disproportionate burden on these two communities stems in part to discriminatory practices that saw many highways built through or near these communities. See <https://www.pca.state.mn.us/news-and-stories/newest-statewide-air-quality-report-underscores-need-for-funding-and-action> and <https://www.pca.state.mn.us/sites/default/files/Iraq-2sy21.pdf>

⁹ Goldenberg, Cara, et. al, "PIMs for Progress: Using Performance Incentive Mechanisms to Accelerate Progress on Energy Policy Goals", Rocky Mountain Institute (2020), <https://rmi.org/insight/pims-for-progress/>

PIMs exist within various utility service territories related to clean energy.¹⁰ Notably, Xcel Energy itself had a PIM established in Colorado to achieve specific equity targets related to its EV rebates and EV charging programs.¹¹ Performance or financial incentives have also been used for many years in energy efficiency programs, including as part of ECO programs in Minnesota.

The time is ripe for this discussion to take place in Minnesota with specific regard to Xcel's EV programs, particularly those moving from pilot to permanent, given the pilot data can be used as the basis to develop PIMs. **The CEGs recommend the Commission convene a working group to discuss the development and design of PIMs for Xcel's EV Programs, with the working group to produce recommendations prior to Xcel's supplemental filing(s) in which a pilot is transitioned to a permanent program.**

The CEGs also acknowledge that a separate docket on performance-based regulation is currently on hold until April 2026, until more data is collected to inform baselines and targets.¹² Given that docket is focused on a number of metrics across various high-level goals,¹³ we strongly believe a dedicated discussion regarding Xcel's EV program outcomes, particularly for its larger pilots (Commercial EV Fleet, Public Charging, and MDU EV Charging), is warranted. Metrics in the PBR docket that do align or overlap with the scope of this proposed EV PIM working group,¹⁴ may inform the discussion and outcomes of this working group.

2) Electric School Buses

a. School Bus Demonstration

The Clean Energy Groups once again underscore the need to move forward with this school bus demonstration. The CEGs appreciate Xcel's desire to gain experience with a vehicle-to-grid

¹⁰ Rocky Mountain Institute, "Performance Incentive Mechanisms (PIMs) Database" (<https://rmi.org/pims-database>)

¹¹ Xcel Energy, 2021-2023 Transportation Electrification Plan, Semi-Annual Report (October 2023), available at https://www.xcelenergy.com/staticfiles/xcelresponsive/Company/Rates%20&%20Regulations/Regulatory%20Filings/CO%20Recent%20Filings/TEP%20Semi-Annual%20Report%20October%202023_Final.pdf.

¹² See Docket No. E002/CI-17-401, "In the Matter of the Commission Investigation to Identify and Develop Performance Metrics and, Potentially, Incentives for Xcel Energy's Electric Utility Operations". At an agenda meeting held November 2, 2023, the Commission verbally decided to suspend decisions on setting baselines and targets until the submission of the 2025 PBR Report anticipated on April 30, 2026. A formal order is yet to be issued in this docket.

¹³ See Commission Staff Briefing Papers for Docket No. E002/CI-17-401 (October 25, 2023), which summarizes the process to-date, including the 5 areas of metrics for the PBR docket to set baselines and targets for: affordability, reliability, customer service quality, environmental performance, and cost-effective alignment of generation and load.

¹⁴ *Id.* at 32. Relevant metrics under "Avoided CO₂" include 5a-c.

(V2G) school bus demonstration at a scale that is conducive to dealing with issues efficiently.¹⁵ However, we question the Company's abundance of reluctance with regard to this offering.¹⁶ The Company has been contemplating a V2G school bus demonstration since at least October 2018.¹⁷ Xcel first proposed developing a V2G school bus demonstration in its 2021 Load Flexibility proposal,¹⁸ partly in response to CEGs advocacy during its 2019 Transportation Electrification Plan.¹⁹ The proposal to run a V2G demonstration with school buses was approved by the Commission in January 2022.²⁰ At that time, how Xcel would provide EVSE for such a demonstration remained to be determined. We are now two years out from that 2022 decision, and are eager for Xcel to move ahead with its V2G school bus demonstration.

In the COVID Relief and Recovery docket, the company proposed to administer at least \$15 million in school bus rebates, with an option for V2G capability in buses receiving rebates (of a total \$100 million in proposed transit and school bus rebates).²¹ It is difficult to square that earlier ambition to deploy and provide service to V2G-capable school buses with the reluctance in the Company's current proposal. If anything, the increasing number of electric school buses serving Minnesota's students—including 5 already deployed and 18 more funded through MPCA and EPA in the Company's service area²² and more to be awarded before Xcel's proposed start date²³—points to the need for Xcel to think about and prepare for many more buses, including the V2G services those buses would be willing and able to provide to the grid.

¹⁵ Xcel Reply Comments at 9.

¹⁶ Id. (expressing reluctance to pursue a larger program and citing uncertainty regarding the market and a preference for "studying" school districts' interest rather than accelerating the already-robust market).

¹⁷ *In the Matter of the Petition of Northern States Power Company for Approval of Electric Vehicle Pilot Programs* Xcel Petition docket no. 18-643, Xcel Energy Petition(10/12/18) at 2-3 and 15-16.

¹⁸ *In the Matter of Xcel Energy's Petition for Approval of Load Flexibility Programs and Financial Incentive Mechanism* docket no. 21-101, Xcel Energy Petition (2/1/21) at 39-40.

¹⁹ *In the Matter of a Commission Inquiry into Electric Vehicle Charging and Infrastructure* docket no. 17-879, Comments of Fresh Energy Minnesota Center for Environmental Advocacy, Natural Resources Defense Council, Sierra Club, and Union of Concerned Scientists on 2019 TEPs (July 31, 2019) at 4-5 .

²⁰ *In the Matter of Xcel Energy's Petition for Approval of Load Flexibility Programs and Financial Incentive Mechanism* docket no. 21-101, Commission Order (3/15/22) at 2 and 22. Note: the Commission verbally approved the program at the January 6, 2022 Agenda Meeting.

²¹ *In the Matter of Xcel Energy's Petition for Approval of Electric Vehicle Programs as part of its COVID-19 Pandemic Economic Recovery Investments* docket no. 20-745, Xcel Energy Initial Petition Attachment C (9/15/20) at 7.

²² Bus counts determined by cross referencing bus awards with Xcel Energy's service area in it's map (<https://www.google.com/url?q=https://xeago.maps.arcgis.com/apps/webappviewer/index.html?id%3D6b87f4d407864b939bcea05aad05bdd1&sa=D&source=docs&ust=1706128802141201&usg=AOvVaw1z7h6NaYVtMGLEvRUTcxHP>); MPCA awards from 2020 and 2023: <https://www.pca.state.mn.us/air-water-land-climate/electric-and-cleaner-school-buses>; US EPA CSPB rebates and awards accepted: <https://www.epa.gov/cleanschoolbus/clean-school-bus-program-awards#total-awards>

²³ The second application round of US EPA Clean School Bus closes in January 2024; additional grant recipients in Minnesota are likely to be named later this year.

Xcel also notes in its Reply Comments uncertainty regarding school districts and bus operators' interest in participating in a V2G demonstration.²⁴ Nick Martini, Senior Vice President of Operations for Northstar Buslines in Minnesota, shared the following statement with the CEGs to include in these comments:

"Northstar Buslines would be interested in participating in a vehicle to grid project if the opportunity were available. Between our two facilities we operate nearly 400 vehicles serving multiple public school districts, charter schools, non-public schools and commercial customers. Currently we are operating some electric school buses and have more on the way. Through this venture we have had great support from our customers and utility partners. We have been on the forefront of this technology in Minnesota and would love to continue in these ventures, including vehicle to grid technology".

We would support, in principle, ESB and EVSE rebates going through the ECO docket at the Department of Commerce, and we do not oppose having the balance of the 10 school buses we recommended in initial comments go through the ECO docket. However, we oppose the Department's recommendation that the Commission reject without prejudice the V2G proposal in this petition so it may be resubmitted to the ECO docket. A V2G demonstration in the Company's service area is already quite belated, as noted above. The modest V2G bus proposal in this docket should not be further delayed to proceed through a different docket, a docket whose outcome would be uncertain. There's no time to waste in beginning to generate V2G experience in the Company's Minnesota service area.

In addition to its lack of ambition in V2G demonstration scale, we question the apparent unwillingness of the Company to learn from its own programs in other jurisdictions and from other utilities' programs for V2G school buses. In its reply comments, Xcel refers to "wholly new elements – including facilitating bidirectional, charging and how that charging can impact or benefit the distribution grid."²⁵ Those elements may be new for the Company's Minnesota service territory, but are hardly new to Xcel and its transportation team. The Company is running a V2G school bus program in its Colorado territory, and other utilities have been running V2G school bus programs for quite some time. Two useful examples include programs by San Diego Gas & Electric (SDG&E)²⁶ and National Grid in Beverly, Massachusetts.²⁷

It is, therefore, confusing to us that the Company refuses to think through any kind of payment to schools as part of the V2G services those schools' buses will provide through the demonstration project. Some sort of payment, even a symbolic one, is important to include in this program. One reason relates to testing the V2G value proposition to schools. If the Company, indeed, intends to test the level of interest among school districts and bus operators

²⁴ Xcel Reply Comments at 9.

²⁵ *Ibid.*

²⁶ See SDG&E "Current V2G Projects", <https://www.sdge.com/business/electric-vehicles/power-your-drive-for-fleets/current-V2G-projects>

²⁷ See Proterra "Massachusetts Electric School Bus Helps Power Electricity Grid in Breakthrough for Vehicle-to-Grid Technology" (10/13/21), <https://www.proterra.com/press-release/massachusetts-electric-school-bus/>

in V2G opportunities,²⁸ it must test the whole value proposition to schools. That would include a payment for power export that reflects some value, up to and possibly including the full value to the grid for service provided.

Existing programs can provide a basis for pilot payments to school districts and school bus operators for services. In SDG&E's program, for example, school buses earn \$2 per verified kilowatt-hour of energy exported during Emergency Load Reduction Program (ELRP) events (when power is the most valuable and the grid is most stressed).²⁹ In SDG&E's ELRP, payments for power export are the same as payments for load reduction during events. While SDG&E's cost profile may be different from Xcel's, it may be instructive to look at programs in which Xcel pays customers for peak load reduction. In addition or alternative to a kilowatt-hour payment, the Company could consider a demand charge reduction, where applicable to participating school buses, as offered in its Peak Flex Credit program.³⁰

For these reasons, the CEGs recommend the Commission approve the V2G demonstration with at least two installations, modified to include a requirement that the Company test payments to bus operators for grid services provided. As we advocated in our initial comments, we believe this demonstration should be expanded by at least 8 additional ESBs, for a minimum of 10 buses in this demonstration. As noted above, **the CEGs support utilizing ECO to fund additional EVSE rebates for additional buses to participate in Xcel's V2G school bus demonstration, particularly if no additional buses are authorized on this docket.**

b. General School Bus Support

Beyond the V2G demonstration, the CEGs see a need for Xcel to better support electric school bus adoption across the board through more consistent advisory and technical assistance. The Company should provide such assistance to all school districts and school bus operators, regardless of their participation or non-participation in a program (e.g., Fleet EV Pilot or V2G demo). **Additionally, the CEGs recommend Xcel utilize the ECO program to provide EVSE rebates generally to school districts and school bus operators looking to purchase and use ESBs.**

3) Public Charging and Fleet EV Pilot Programs Bridge Funding

The CEGs reiterate our support of Xcel's proposed bridge funding for the Public Charging and Fleet EV Pilot Programs. Minnesota, and indeed the country, is in a critical moment of the EV transition in which it is imperative to maintain forward movement to meet climate and local air

²⁸ Xcel Reply Comments at 9.

²⁹ Bresnaha, Shannon, "SDG&E, Nuvve, and Cajon Valley Union School District Flip the Switch on Region's First Vehicle-to-Grid Project Featuring Local Electric School Buses Capable of Sending Power to the Grid" (6/26/22), Cleantech San Diego, <https://cleantechsandiego.org/sdge-nuvve-and-cajon-valley-union-school-district-flip-the-switch-on-regions-first-vehicle-to-grid-project-featuring-local-electric-school-buses-capable-of-sending-power-to-the-grid/>

³⁰ <https://mn.my.xcelenergy.com/s/business/rate-plans/peak-flex-credit>

quality goals. Defaulting into a start-stop pattern of program availability, particularly for the Public and Fleet EV programs, would undermine the policy and market signal currently aimed at charging providers and fleet operators to electrify their fleets. As Xcel stated in its reply comments, despite demand for the programs, some potential participants have indicated that their projects “will stall or be materially reduced” without this kind of programmatic support.³¹

Minnesota communities cannot afford for the Commission to dim or extinguish the market signal the Commercial Programs provide, nor can it afford the delay in electrification that will likely arise between now and when the anticipated full program offering might begin enrollment. The bridge funding would provide meaningful support to accelerate the EV transition not only between now and when full scale programs would be filed but also the time that successor filing proceeds the regulatory process at the Commission, and assuming successor program(s) are approved, the time to stand up the offering(s). And while potential successor programs would be implemented in Xcel’s service area, it is important to remember that electric vehicles are by their nature mobile. Therefore, a decision on this docket will not only affect ratepayers and communities in Xcel’s service area, but also Minnesotans outside of the area. The State and its communities cannot afford to lose that time. It is therefore of great value to maintain programmatic offering in the public and fleet spaces while the supplemental filing is developed and proceeds through the Commission process. The benefit of that continuity in market signal comes in addition to the benefits of additional learnings that excel outlined in its reply comments.³²

4) Gaps and additional programs for Xcel to plan towards

a. Active Managed Charging Pilot

The CEGs note a high degree of alignment among stakeholders regarding calls for Xcel to expand its managed charging offerings.³³ We do not find Xcel’s single, brief paragraph in its reply comments³⁴ to be a satisfactory response to stakeholder calls for additional managed charging programs, including active managed charging applications. As we noted in our initial comments, Xcel must continue to pilot approaches to managed charging beyond EVSE-based time-varying rates in order to provide EV drivers more options that meet their needs while also maximizing the potential for EVs to support the grid. With only a fraction of EV drivers in Xcel service territories on a managed charging program, the time is now to propose new ideas.

The CEGs ask the Commission to require Xcel to propose an active managed charging pilot in a TEP supplement.

³¹ Xcel Reply Comments at 11.

³² Id at 11-12.

³³ See e.g., *In the Matter of Xcel Energy’s 2023 TEP* docket no. 23-452, Clean Energy Groups Initial Comments (12/20/23) at 21-22; Office of the Attorney General Initial Comments (12/20/23) at 7-11; Switch Initial Comments (12/20/23) at 3-4. EV.Energy Corp Initial Comments (12/21/23) Section III.C.

³⁴ Xcel Reply Comments at 15.

b. Multi-Dwelling Unit EV Charging Programs

In addition to alignment around managed charging, stakeholders demonstrated strong interest in planning and additional support for charging to serve drivers in multi-dwelling units (MDUs).³⁵ Despite multiple parties raising MDU charging in initial comments, Xcel did not address the topic in its Reply Comments. While there was discussion of the immediate need to expand the MDU EV Service Pilot budget to meet Xcel's obligation to HOURCAR,³⁶ there was not discussion on what comes next for that pilot or for additional pilots to serve MDU residents, many of whom are renters. The CEGs additionally asked for comment on Xcel's development of a streetside charging proposal, which Xcel had indicated would be shared in 2022.³⁷ Such a proposal can further meet the needs of MDU residents and renters by offering a nearby option to charge, at rates similar to those offered in residential EV charging programs.

The CEGs ask the Commission to require Xcel to discuss how it will address MDU EV charging in a TEP supplement, with additional discussion on how to shift the MDU EV Service Pilot to a permanent program offering and the development of a streetside charging pilot as previously planned.

c. Discussion of Equity

The CEGs appreciate the Department's raising equity as a priority topic for TEPs.³⁸ While we recognize Xcel embedded various equitable aspects of its EV programs throughout its plan, we believe a dedicated discussion on how Xcel's programs will achieve equitable outcomes for under-resourced customers, communities of color, and those overburdened by transportation pollution is valuable and necessary, particularly given the direction of the newly enacted Minnesota TEP statute to the Commission to consider how utilities' TEPs "increase access to the use of electricity as a transportation fuel for all customers, including those in low- and moderate-income communities, rural communities, and communities most affected by air emissions from the transportation section."³⁹ We reiterate our ask for Xcel to include discussion of equity more directly in its supplement TEP.

³⁵ See e.g., *In the Matter of Xcel Energy's 2023 TEP* docket no. 23-452, Clean Energy Groups Initial Comments (12/20/23) at 22; HOUR Car Initial Comment (12/20/23) at 1-2; Switch Initial Comments (12/20/23) at 2-4.

³⁶ *In the Matter of Xcel Energy's Petition for Approval of a Multi-Dwelling Unit Electric Vehicle Pilot Program* docket no. 20-711. Order (11/7/23) at 4-5.

³⁷ Xcel Energy, [Compliance Filing – Scheduled for Developing Electric Vehicle Programs](#), Docket No. E999/CI-17-879 (July 15, 2015) filed in response to Order Point 2A of the [Commission Order Accepting 2021 Transportation Electrification Plans and Additional Informational Requirements](#), filed May 12, 2022.

³⁸ Department Initial Comments at 4-5.

³⁹ Minn. Stat. § 216B.1615, Subd. 3(2)

The Department also raises a valid point regarding how Xcel forecasts what number of participants using the EVAAH - Subscription option will be residing in Environmental Justice areas (EJ areas). Specifically, the Department states:

*In response to the Commission's August 23, 2023 Order, Xcel provides an estimate of the number of participants it expects to be located in Environmental Justice areas (EJ areas). Xcel noted in its proposed expansion of the Subscription Pilot that it did not track pilot participant locations in EJ areas, and it estimated participation for the expansion based on the overall estimate of residential premises within its territory that are located within an EJ area. The definition of EJ area likely only serves as a proxy for the specific customer groups identified in this public interest criteria, **so the assessment of the pilot or its proposed expansion in terms of reaching these specific customer groups is limited**. As such, the program is not currently structured to target specific customer groups.⁴⁰*
[emphasis added]

We generally agree with the Department that identifying participants' residences as being within EJ areas is limited in determining that non-white and/or under-resourced customers are actual *participants* in EV programs. In other words, just because a certain percent of EV program participants are located within an EJ area, does not definitively ensure they are under-resourced or non-white, since the definition of an EJ area only requires 40 percent of the area to be non-white, and 35 percent of households having an income at or below 200 percent for the federal poverty level.⁴¹

While acknowledging the limitations of this method, the CEGs nonetheless do find the exercise of forecasting program participation within EJ areas a compelling benchmark for understanding how Xcel is achieving equitable outcomes, particularly with regards to direction from Minnesota Statute for TEPs to include "programs targeting transportation electrification in low- and moderate-income communities and in neighborhoods most affected by transportation-related air emissions."⁴² Such communities tend to have higher proportions of residents of color than the state average. Given that EJ areas consider both income and race in its definition, identifying EV program participants' residences as being within EJ areas seems a good initial proxy for estimating how many customers of color and under-resourced customers are benefiting from Xcel's EV programs. This approach can enable the Company, the Commission,

⁴⁰ Department Initial Comments at 8.

⁴¹ Minn. Stat. 216B.1691, Subd. 1(e) states that an "Environmental justice area" "means an area in Minnesota that, based on the most recent data published by the United States Census Bureau, meets one or more of the following criteria: (1) 40 percent or more of the area's total population is nonwhite; (2) 35 percent or more of households in the area have an income that is at or below 200 percent of the federal poverty level; (3) 40 percent or more of the area's residents over the age of five have limited English proficiency; or (4) the area is located within Indian country, as defined in United States Code, title 18, section 1151"

⁴² Minn. Stat. § 216B.1615, Subd. 2(b)(5)

and interested parties to understand which programs are successful in reaching under-resourced customers and customers of color, and where gaps exist that should be addressed.⁴³

While not explicitly named in statute, renters are another customer group the tracking of which will similarly enable evaluation and improvement of existing EV programs and/or prompt the creation of new programs to equitably meet the needs of all customers.

The CEGs asks Xcel to report on how many participants and/or charging ports in its pilot and permanent programs reside in EJ areas,⁴⁴ and estimate how many participants are likely renters. Both these reporting requirements should be added to the EV Annual Report. We also ask the Commission to require utilities to discuss within future TEPs how their EV programs are serving renters, customers of color, and under-resourced customers. That should include any supplemental filing(s) by Xcel to this TEP. Such discussion would enable the Commission to better evaluate whether TEPs are “increas[ing] access to the use of electricity as a transportation fuel for all customers, including those in low- and moderate-income communities, rural communities, and communities most affected by air emissions from the transportation sector.”⁴⁵

d. Heavy-Duty Electric Vehicles

The CEGs continue to assert that further discussion on how Xcel is supporting heavy-duty vehicle electrification beyond the Commercial EV Fleet pilot is needed. Specifically, the newly-enacted TEP statute asks the Commission to assess whether a TEP’s planned “programs, investments and expenditures...support the electrification of medium-duty and heavy-duty vehicles and associated charging infrastructure.”⁴⁶ Given the lack of discussion by Xcel on supporting heavy-duty vehicle electrification, **the CEGs ask the Commission to require Xcel to discuss additional program offerings for heavy-duty vehicles as part of its TEP supplement, and future TEP filings.**

⁴³ Note, Xcel is already reporting on sites within Pollution Control Agency-defined “environmental justice areas of concerns” its MDU EV Service Pilot, as detailed in its 2023 EV Annual Report. Additionally, HOURCAR itself estimated the usage by non-white and “very low-income” of its operating multifamily carshare hubs, built as part of the MDU EV Service Pilot.

⁴⁴ As defined in Minn. Stat. 216B.1691, Subd. 1(e)

⁴⁵ Minn. Stat. § 216B.1615, Subd.3(2)

⁴⁶ Minn. Stat. § 216B.1615, Subd. 3(4)

- e. Coordinating opportunities to support transportation electrification across TEPs, ECO, and other relevant intra-Company programs

As noted in our initial comments, the advent of efficient fuel switching within utilities' energy efficiency planning provides an opportunity for transportation electrification to be supported in other parts of a utilities' portfolio, i.e. beyond dedicated EV programs as discussed within this TEP.⁴⁷ The discussion on where to place ESB EVSE in Sections 1(b) and 2 above, as well as the potential for ECO to fund electric panel upgrades,⁴⁸ are examples of the continued need for Xcel to share how its other programs or plans can or do enable transportation electrification within its service territory.

The CEGs ask the Commission to require Xcel to include discussion of intra-company coordination between electric vehicle, energy efficiency, and building electrification planning, including the use of ECO programs to achieve the Xcel's transportation electrification goals, as part of its TEP supplement, and future TEP filings.

5) Considering modifications or supplements to Xcel Energy's TEP

The CEGs respond here to a question asked by the PUC as part of its Notice of Comment Period on this docket, namely "How should the Commission consider modifications or supplements to Xcel Energy's TEP?".⁴⁹ Given parties' comfort with ad hoc EV filings prior to the 2023 TEP, the CEGs recommend that modifications or supplements to Xcel's TEPs be allowed; be filed within the IDP-TEP Docket; require a PUC Notice with a comment period akin to previous EV filings, i.e., with initial comments, utility reply comments, and party reply comments; and require an agenda meeting if parties raise changes or object to modifications or supplements.

Conclusion

The CEGs thank the Commission for the opportunity to comment on the Company's TEP. We look forward to continued work with the Commission, the Company, and other stakeholders to support the growth of EVs in Minnesota in a manner that lowers barriers to EV adoption for all customers, supports an innovative and sustainable EV marketplace, and maximizes the environmental and grid benefits of transportation electrification.

⁴⁷ CEGs Initial Comments at 24.

⁴⁸ In its 2024-2026 ECO Triennial Plan at 209, Xcel notes that "one potential barrier to implementation of new electric equipment is panel upgrades in older homes. The Company proposes to include funds for these types of promotional incentives to help power these barriers to participation."

⁴⁹ Notice of Comment Period on Xcel Energy's IDP (11/17/23), docket no. 23-453, at 2.

Sincerely,

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CERTIFICATE OF SERVICE

I, Anjali Bains, hereby certify that I have this day, served a copy of the following document to the attached lists of persons by electronic filing and electronic mail.

Comments of Fresh Energy, Minnesota Center for Environmental Advocacy, Sierra Club, Union of Concerned Scientists, Plug In America, and Environmental Law and Policy Center

Docket No. E002/M-23-452

Dated this 24th day of January 2024

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