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PUBLIC UTILITIES COMMISSION

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June 2, 2025

In the Matter of a Commission Inquiry into a Framework for Proactive Distribution Grid Upgrades and Cost Allocation for Xcel Energy	**Docket No. E002/CI-24-318**

COMMENTS OF FRESH ENERGY

Fresh Energy appreciates the opportunity to provide reply comments on the Draft Framework. Our initial positions remain the same and we have adopted a position in support of L.4 and L.4A.

Capacity reservations

As discussed in our initial comments, Fresh Energy believes capacity reservations are important for ensuring equitable access to hosting capacity for both load and generation resources but must be applied correctly to minimize the risk of delaying proactive investments. We appreciate the input provided by other parties on this issue in initial comments. In particular, we appreciate the additional detail provided by Xcel explaining its proposed L.4 and L.4A requirements. Under this proposal, the Company would allow small DER to exceed the planning limit, allowing for capacity to be added up to, but not exceeding, the feeder's thermal rating.[1] This would effectively reserve capacity for small Distributed Generation (DG) resources. This approach addresses our two primary concerns raised in Fresh Energy's initial comments. First, it ensures that capacity is not taken up entirely by large DG projects and protects the ability of small DG to interconnect. Second, by allowing equal access to capacity for all resources until the planning limit is reached, it prevents capacity uptake being hindered by reservations.

[1] MN PUC Docket No. 24-318, Xcel Energy Initial Comments, May 8, 2025, pp. 4-5.

Fresh Energy recommends the Commission adopt L.4 and L.4A as part of the Phase 1 framework. We believe establishing this system in Phase 1 of the framework is useful for ensuring the capacity created by the initial set of upgrades proposed by the Company does not get entirely taken up by large DG. We support further discussion of capacity reservations in Phase 2 to refine the approach and ensure equitable capacity access.

Flexible interconnection

In its initial comments, Xcel stated flexible interconnection should be excluded from Phase 2. The Company says that because flexible interconnection is not an upgrade, but a way of avoiding an upgrade, it should not be considered in the proceeding.[2] Fresh Energy disagrees. Potential upgrades should be considered within the broad context of distribution system investments, including those that could help offset capacity needs or avoid upgrades. As stated in our initial comments, we support alternatives to grid investments, such as non-wires alternatives, being considered as part of the proactive upgrade process.[3] Flexible interconnection presents an alternative to grid investment by optimizing the use of existing grid infrastructure to allow for DER interconnection.[4] Considering flexible interconnection as part of the proactive grid planning process is important for ensuring the resulting framework that considers all opportunities for addressing hosting capacity constraints.

Fresh Energy recommends the Commission include flexible interconnection as a topic for Phase 2 of the proceeding.

Fresh Energy appreciates the opportunity to comment on the important matters under consideration here. Thank you for the Commission's time and consideration of our comments.

Respectfully submitted,

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[2] MN PUC Docket No. 24-318, Xcel Energy Initial Comments, May 8, 2025, p. 8.
[3] MN PUC Docket No. 24-318, Fresh Energy Initial Comments, May 8, 2025, p. 5.
[4] Environmental Defense Fund, Let's Get Flexible: Considerations for Unlocking Grid Capacity Using Flexible Interconnection, February 2025, p. 8.