MINNESOTA
PUBLIC UTILITIES COMMISSION

Ham Revised Decision Options and Proposed Motion

Proposed by Commission Ham
Agenda Meeting: July 24, 2025, Item 2**

Docket Number	E002/CI-24-318
Docket Title	In the Matter of a Commission Inquiry into a Framework for proactive Distribution Grid Upgrades and Cost Allocation for Xcel Energy
Analyst	Hanna Terwilliger
Date/Time Submitted	July 22, 12:30pm

Framework adoption

1. Find the proactive grid upgrade workgroup has addressed the topics outlined in the Commission's September 16, 2024 *Order*.
2. Establish a framework for Proactive Distribution Grid Upgrades as outlined below.
3. Adopt the following non-disputed framework sections:

   A. Introduction: A.3
   B. Definitions: Xcel.B.2, B.3; B.4; B.5; B.6; B.9; B.10; B.11, B.12; B.13; B.17
   C. Process: C.1; C.2; C.3; C.4; C.8; C.9
   D. Baseline Information: all subparts
   E. Forecast: Xcel.E.1, E.2; E.3; E.5; E.6
   F. Potential Sites for Proactive Upgrades: all subparts
   G. Proactive Upgrade Proposal Evaluation Criteria: G.1; G.2; G.4; G.7; G.8; G.9; G.10; G.11; G.12; G.13; G.16
   M. Reporting: M.1; M.4; M.5; M.6; M.7; M.8; M.9; M.10; ~~M.11~~

4. Adopt the following disputed framework sections:

   A. Introduction: A.2; A.4; A.6; A.8; G.14
   B. Definitions: Staff B.8; B.14; Staff B.16
   C. Process: Ham.Xcel.C.6; C.10
   E. Forecast: Xcel.E.4
   G. Proactive Upgrade Proposal Evaluation Criteria: G3; G.5; Staff G.6; G.15
   H: Proposals for Non-Location Specific Measures: Staff H.3
   J: Cost Recovery: J.2; Ham.J.B; J.D; Ham.J.I; J.10; J.11; J.13; Staff.J.18
   K: Cost Allocation: Dept.K.1; Staff.K.2; K.3; K.4; K.5; K.6
   L: Capacity Reservation:
   M. Reporting: M.3; M.12

Phase 2

5. Refer the following framework sections for further development in Phase 2:
   a. C.11: Creation of a Distributed Generation Engagement Group
   ~~b. Proposals for Non-Location Specific Measures~~
   c. Capacity Reservation

6. Delegate authority to the Executive Secretary to convene the Proactive Grid Upgrade Workgroup for Phase 2 of framework development and to set deadlines, schedules, and procedures. ~~The Commission establishes a goal of having a decision on Phase 2 by [*insert date*].~~ Topics to be developed in Phase 2 shall include, but are not limited to:

   a. Incorporation of Front of the Meter Generation
   b. Coordination and alignment with the Reactive-DER Cost Sharing Program
   c. Distributed Generation Engagement Group
   d. Flexible Interconnection
   e. Cost Allocation and Cost Recovery Principles and Methodologies
   f. Capacity Reservation
   g. Cost Envelopes
   h. Non-Location Specific Measures

Technical and Other Issues

7. Delegate authority to the Executive Secretary to revise the Framework to correct any typographic, numbering, and formatting errors and to ensure consistency with the Commission's order.

Xcel.8 Require Xcel Energy to file proposed tariff pages that implement the relevant portions of the Proactive Distribution Grid Upgrade Framework with its first Proactive Upgrade Proposal. The Commission shall issue a notice of comment period, hold a hearing, and issue a written order on the proposed tariff pages before they are included in Xcel Energy's electric rate book. Alternatively, if no comments are filed opposing the proposed Tariff, the matter may be put on the Commission's consent calendar.

Modified Framework Subsections

Ham.Xcel.C.6 Previously approved projects do not require reapproval in subsequent Proactive Distribution Upgrade Proposal evaluations unless circumstances have changed significantly. Significant changes include scope changes to the project that would substantially impact overall project cost, and changes to the forecast that substantially impact the need for the project. Projects that have ~~already been initiated~~ incurred substantial capital costs are not subject to reapproval.

Ham.J.B Each approved Proactive Distribution Upgrade shall have a Proactive Cost-Share Window that starts the year that the Proactive Distribution Upgrade project is placed in-service. The duration of the Proactive Cost-Share Window shall be until ~~5~~ 10 years after the anticipated need date for the Proactive Distribution Upgrade at the time of approval.

Ham.J.I Interconnecting customers that apply to interconnect on or before the Proactive Cost-Share Window end date are Proactive Cost-Share Customers unless otherwise exempted under Section K. For generation interconnections, the date of applying to interconnect shall be the Deemed Complete date under the Minnesota Distributed Energy Resource Interconnection Process (MN DIP).