STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matt Schuerger	Commissioner
Joseph Sullivan	Commissioner
John Tuma	Commissioner

In the Matter of Xcel Energy's Integrated Distribution Plan Advanced Grid Intelligence and Security (AGIS) and APT Certification Request

PUC Docket Number: E002/M-19-666 April 22, 2020

Supplemental Comments on Docket Number: E002/M-19-666. IPS Solar Support for Xcel's AGIS and APT Certification and Recommended Development of Value of DER calculation.

I. Background

As noted in the initial comments from IPS Solar our company has participated in every stakeholder discussion offered by Xcel Energy related to the development of the Xcel IDP and the Minnesota PUC's grid modernization discussions in Minnesota. We intend to continue provide input in this important market development process.

II. Introduction: Opposition to the DOC Contested Case Recommendation

By way of introduction, we note that the Minnesota Department of Commerce Division of Energy Resources (DOC DER) in its reply to Xcel's IDP recommends that the commission authorize a contested case hearing to consider Xcel's proposed AGIS and APT certification. IPS Solar strongly opposes this recommendation. It is our belief that such a process is not supported by the record and will significantly delay the development of the Minnesota market for solar plus storage.

III. Consider the DOC Study *Minnesota Energy Storage Cost-Benefit Analysis*

We urge commissioners to consider the Department's own study *Minnesota Energy Storage Cost-Benefit Analysis* (authorized by Minnesota Session Laws, 2019 Special Session 1, Chapter 7 (HF2), Article 11, Section 14.) which identifies cost effective pathways to develop the MN market for solar+storage **now**. While this report does not explicitly condition the cost effective use-cases analyzed on the implementation of Xcel's AGIS, we believe that linkage is clearly understood as a basic foundation for the proposed beneficial use-cases.

IV. The record in this docket reflects the evolving effort to calculate the full set of Distributed Energy Resources benefits compared to traditional upgrades to meet Xcel's forecasted growing peak energy substation demands.

We appreciate the NWA calculations Xcel has provided in both the initial IDP and reply comments. Attachment H in the initial comments provides the basic set of sub-station capacity upgrades to compare traditional upgrade costs to NWAs. The *Treatment of Demand Side Management* on page 36 of

Attachment A in reply comments further clarifies how energy efficiency (EE) and demand response (DR) are used as part of Xcel's DER calculations.

V. Setting the Basis to Begin a Value of DER

We concur with several commenters that there is a need to further refine the basic project parameters such as reducing the cost threshold, including some asset health upgrades and clearer citation of cost assumptions for PV and battery storage. However, we believe these calculations represent the kind of effort necessary to begin a value of DER calculation that includes the multiple benefits as well as the costs of PV and Storage.

This value stacking approach is familiar to most parties in this docket. The cost avoidance calculations in the Value of Solar provide some categories to be considered in this initial value of DER discussion. It is certain that this is not a simple copy and paste process, but it is certain that the process of developing the methodology for the Value of Solar is worth duplicating.

VI. Avoided Cost Stacking DER Categories

In the context of developing a value of DER there are several categories (expressed as questions) that we believe deserve consideration:

A. What is the value of the aggregate solar+storage installations from the set of Xcel screened substation upgrades in reduced peaker capacity?
B. What is the value of all DERs as described by Xcel in avoided social cost of carbon or whatever metric Xcel has determined is beneficial in its *Building a Carbon Free Future* report?
C. What is the aggregate Loss of Load benefit to all commercial and industrial customers serviced by the screened substation upgrades of short duration outage protection including weather related outages?
D. What is the avoided cost of opposition to utility scale solar+storage projects that are scaled as distributed generation that includes land use benefits?

VII. Use Our Collective Resources to Grow the Minnesota Clean Energy Economy

As participants in the process to develop the VOS and its subsequent iterations, IPS Solar understands that we are urging the Minnesota PUC to undertake a complex and time consuming process. But there can be no doubt that It is the next step in developing a clean energy economy in Minnesota. This is how we should use our collective regulatory resources over the next 1-2 years - not locked in an arcane contested certification case.

VIII. Recommendation

Please recommend that Xcel proceed with developing the value of DER in terms that we have suggested in their next IDP as part of a PUC convened process to develop the value of DER for Minnesota.

Sincerely,

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