

June 9, 2020

William Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, MN 55101

RE: Reply Comments of the City of Minneapolis

Docket No. E002/M-20-421: Advanced Energy Management Alliance's Petition Requesting a Miscellaneous Docket to Address Demand Response Ordered in Docket No. E-002/RP-15-21

Dear Mr. Seuffert:

In response to the petition filed April 14, 2020 by the Advanced Energy Management Alliance ("AEMA") requesting that the Commission initiate a proceeding related to Xcel Energy's implementation of the requirement for 400 MW of additional demand response (DR) ¹ and related *Comments*, the City of Minneapolis ("Minneapolis") offers these *Reply Comments* for consideration by the Commission.

1) Should the Commission proceed with this miscellaneous docket to expedite Xcel's implementation of incremental demand response?

Minneapolis agrees with AEMA and Clean Energy Economy Minnesota ("CEEM") that there is a risk of Xcel being unable to achieve "not less than 400 MW of additional demand response by 2023."²

Minneapolis also agrees with Center for Energy and Environment that if Xcel's Jun 30, 2020 supplemental Integrated Resource Plan filing demonstrates that Xcel has made significant progress in planning for achieving the 400 MW minimum requirement that it may be unnecessary to open a miscellaneous docket.³

2) On what factual, legal, or other record basis could the Commission conclude that Xcel has not made a good faith effort to comply with the Commission's January 2017 IRP?

a) Do parties agree with AEMA that Xcel is at risk of noncompliance with the Commission's January 11, 2017 IRP Order?

¹ [AEMA Petition](#) Apr. 14, 2020.

² See Order Point 10, "Xcel shall acquire no less than 400 MW of additional demand response by 2023," in the Commission's [January 11, 2017 IRP Order](#)

³ [Center for Energy and Environment Comments](#). May 27, 2020.

b) Since Xcel has already been required by the Commission to implement 400 MW of incremental demand response by 2023, do parties agree with AEMA's suggestion that Xcel's 2019 IRP will determine how Xcel will implement its incremental demand response?

Minneapolis appreciates that Xcel offered stakeholders the opportunity to participate in a series of seven workshops between December 2017 and January 2019.⁴ Xcel established five initial goals for the stakeholder process, which were restructured by GPI, CEE, and Xcel Energy to focus on the new or expanded DR offerings that could be deployed to comply with the Commission Order:

- 1. Identify a set of consensus-based design characteristics for any new or expanded demand response program or portfolio or programs.*
- 2. Understand and discuss the results of The Brattle Group's demand response potential study in the context of the proposed design characteristics.*
- 3. Apply the design characteristics to the list of Xcel Energy's potential new and expanded demand response programs and identify which programs comport with the agreed-upon design characteristics.*
- 4. Review and offer feedback to the demand response programs that Xcel Energy is developing to comply with the commission's order, considering both the design principles and the results of the potential study.⁵*

City of Minneapolis agrees with CEEM's comments that the first two goals were met, but that Goals 3 and 4 were not fully achieved during or after the stakeholder process⁶ and that a separate DR docket could help satisfy these worthwhile goals.

3) According to Appendix G1 of Xcel's 2019 IRP (Docket No. 19-368), about half of Xcel's required demand response will be included in its 2021-2023 Triennial Conservation Improvement Plan (CIP). How should the Commission consider Xcel's forthcoming CIP in an expedited miscellaneous docket to direct a new demand response tariff?

Xcel Energy's 2021-2023 Conservation Improvement Program (CIP) triennial filing⁷ is now due on July 1, 2020, and Minneapolis appreciates that additional DR will be addressed there as well as in the next IRP. We recommend that CIP-approved DR programs and DR programs outside of CIP be coordinated to avoid:

- competing programs⁸*
- potential overlap between similar programs delivered under different regulatory oversight*

Minneapolis agrees with Xcel that it is important to cross-file demand response plans in the relevant dockets, including this docket, 20-421 and the CIP Triennial Docket (20-473) and others.⁹

We also agree with the Minnesota Department of Commerce (Department) that compliance monitoring, including the Department's suggested reporting metrics, could be filed in this docket or in a standalone docket as a favorable way to track progress on the requirement for no less than 400 MW of additional DR.¹⁰

⁴ [Xcel Comments](#), p.6. May 27, 2020.

⁵ Xcel Energy Demand Response Offerings: 2017-2019 Stakeholder Engagement Process Summary Report. Great Plains Institute, Center for Energy and Environment. May 2019. p. 6.

⁶ [Clean Energy Economy Minnesota Comments](#), May 27, 2020.

⁷ Docket 20-473

⁸ See Xcel Energy Demand Response Offerings: 2017-2019 Stakeholder Engagement Process Summary Report. p.19.

⁹ Xcel Comments p.1. May 27, 2020.

¹⁰ [MN Department of Commerce Comments](#), p. 8-9. May 27, 2020.

4) Are there benefits (e.g. clarifying Xcel's plans for incremental demand response) to proceeding with a miscellaneous docket even if the Commission does not ultimately direct Xcel to implement new demand response offerings?

Minneapolis agrees with CEEM that there are benefits associated with a miscellaneous docket to identify stakeholder and market preferences which have evolved since stakeholders last convened. As CEEM pointed out, parties now have the benefit of a more fully developed record related to performance metrics,¹¹ including a better understanding of “the desires of both the Commission and stakeholders to use demand response as a tool for cost-effective alignment of generation and load.”¹²

Minneapolis is concerned that since the DR stakeholder meetings, the presentation on the 2019 Xcel Energy Upper Midwest Portfolio Optimization Study completed by E3 for the 2020-2034 IRP stated that:

Wind, solar, storage and demand response are limited in their ability to provide effective capacity.¹³ (Minneapolis' emphasis)

Minneapolis believes that as variable generation increases and more experience is gained with optimizing DR, the value of DR on our system will increase. Building on CEEM's observation about the performance metrics docket, we note that DR meets multiple performance priorities identified in Docket 17-401, including:

- increasing affordability,*
- cost-effective alignment of load with generation,*
- improving reliability, and*
- improving environmental performance (by reducing the need for natural gas capacity and energy)*

A miscellaneous docket and additional stakeholder engagement could help the Company arrive at a better, more economically efficient plan for DR that perhaps even exceeds the minimum capacity required by the Commission. It would also allow for further exploration of aggregation as was supported by some parties during the Company's stakeholder meetings.¹⁴

5) Are there other issues or concerns related to this matter?

The Commission order specified “no less than 400 MW of additional DR by 2023,”¹⁵ and Minneapolis is pleased that Xcel indicates a willingness to exceed 400 MW on a ‘least cost basis’ as part of the 2020-2034 IRP planning process.¹⁶ We encourage modelers for the IRP not to treat the 400 MW minimum requirement as a maximum cap because the economically efficient level of additional demand management capacity may be more than 400 MW.

In response to Xcel's initial comments, Minneapolis is pleased that Xcel is “in the process of developing an interruptible rate program that would allow increased flexibility, economic pricing and buy-through rates.”¹⁷ City of Minneapolis respectfully recommends that this interruptible offering be included as part of a

¹¹ In the Matter of a Commission Investigation to Identify and Develop Performance Metrics, and Potentially, Incentives for Xcel Energy's Electric Utility Operations, Docket No. E-002/CI-17-401

¹² CEEM Comments. p. 4 May 27, 2020.

¹³ Xcel Energy Upper Midwest Portfolio Optimization Study [presentation slides](#). April 17, 2019. p. 67

¹⁴ AEMA [Petition](#). Attachment A: Xcel Energy Demand Response Offerings: 2017-2019 Stakeholder Engagement Process Summary Report. Great Plains Institute, Center for Energy and Environment. May 2019. p.19.

¹⁵ See the Commission's January 11, 2017 [Order](#). Order Point 10. Docket 15-21.

¹⁶ Xcel Energy Upper Midwest Portfolio Optimization Study [presentation slides](#). April 17, 2019. p. 25

¹⁷ Xcel Energy [Comments](#). p.9. May 27, 2020.

miscellaneous docket such as contemplated by the Petition. In this way, the Minnesota business community served by Xcel will be afforded the opportunity to review and offer focused input on this initial interruptible offering.

The City of Minneapolis looks forward to engaging in additional stakeholder processes if the decision is made convene us on this important topic. We appreciate the opportunity to comment on the AEMA Petition regarding DR progress. Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "K. W. Havey". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mr. Kim W. Havey, LEED AP, AICP
Division of Sustainability

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

CERTIFICATE OF SERVICE

I, Kim W. Havey, of the City of Minneapolis, County of Hennepin, State of Minnesota, affirm that on the 9th day of June 2020, I served a copy of the following via e-mail and/or via U.S. Mail:

Reply Comments of the City of Minneapolis regarding Docket No. 20-421

at the last known mailing addresses and email addresses of said entities/individuals on the attached Service List. If by U.S. Mail, I placed said document in postage prepaid envelope and placed same in the U.S. Post Office in Minneapolis, Minnesota for delivery by the United States Postal Service.



Kim W. Havey

Electronic Service Member(s)

Last Name	First Name	Email	Company Name	Delivery Method	View Trade Secret
Aafedt	David	daafedt@winthrop.com	Winthrop & Weinstine, P.A.	Electronic Service	No
Ambach	Gary	Gambach@slipstreaminc.org	Slipstream, Inc.	Electronic Service	No
Anderson	Christopher	canderson@allete.com	Minnesota Power	Electronic Service	No
Archer	Alison C	aarcher@misoenergy.org	MISO	Electronic Service	No
Ascheman	Mara	mara.k.ascheman@xcelenergy.com	Xcel Energy	Electronic Service	No
Bayles	Jessica L	Jessica.Bayles@stoel.com	Stoel Rives LLP	Electronic Service	No
Bender	David	dbender@earthjustice.org	Earthjustice	Electronic Service	No
Bertram	Tracy	tbertram@ci.becker.mn.us	N/A	Electronic Service	No
Bertrand	James J.	james.bertrand@stinson.com	STINSON LLP	Electronic Service	No
Beyer	Jessica	jbeyer@greatermankato.com	Greater Mankato Growth	Electronic Service	No
Birchard	Melissa E	mbirchard@keyesfox.com	KEYES & FOX LLP	Electronic Service	No
Bjorklund	Ingrid	ingrid@bjorklundlaw.com	Bjorklund Law, PLLC	Electronic Service	No
Bull	Michael J.	mbull@mncee.org	Center for Energy and Environment	Electronic Service	No
Canaday	James	james.canaday@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	No
Carlson	Thomas	thomas.carlson@edf-re.com	EDF Renewable Energy	Electronic Service	No
Coffman	John	john@johncoffman.net	AARP	Electronic Service	No
Commerce Attorneys	Generic Notice	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	Electronic Service	Yes
Conlin	Riley	riley.conlin@stoel.com	Stoel Rives LLP	Electronic Service	No
Crocker	George	gwillc@nawo.org	North American Water Office	Electronic Service	No
Denniston	James	james.r.denniston@xcelenergy.com	Xcel Energy Services, Inc.	Electronic Service	No
Dunbar	Scott F	sdunbar@keyesfox.com	Keyes & Fox LLP	Electronic Service	No
Farrell	John	jfarrell@ilsr.org	Institute for Local Self-Reliance	Electronic Service	No
Ferguson	Sharon	sharon.ferguson@state.mn.us	Department of Commerce	Electronic Service	No
Fiterman	Mike	mikefiterman@libertydiversified.com	Liberty Diversified International	Electronic Service	No
Garvey	Edward	edward.garvey@AESLconsulting.com	AESL Consulting	Electronic Service	No
Gonzalez	Janet	Janet.gonzalez@state.mn.us	Public Utilities Commission	Electronic Service	No

Guerrero	Todd J.	todd.guerrero@kutakrock.com	Kutak Rock LLP	Electronic Service	No
Hamilton	J Drake	hamilton@fresh-energy.org	Fresh Energy	Electronic Service	No
Hamilton	Katherine	katherine@aem-alliance.org	Advanced Energy Management Alliance	Electronic Service	No
Havey	Kim	kim.havey@minneapolismn.gov	City of Minneapolis	Electronic Service	No
Hayet	Philip	phayet@jkenn.com	J. Kennedy and Associates, Inc.	Electronic Service	No
Hellwig	Kimberly	kimberly.hellwig@stoel.com	Stoel Rives LLP	Electronic Service	No
Henkel	Annete	mui@mutilityinvestors.org	Minnesota Utility Investors	Electronic Service	No
Hentges	Patrick	phentges@mankatomn.gov	City Of Mankato	Electronic Service	No
Hoppe	Michael	il23@mtn.org	Local Union 23, I.B.E.W.	Electronic Service	No
Jenkins	Alan	aj@jenkinsatlaw.com	Jenkins at Law	Electronic Service	No
Jensen	Linda	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	Electronic Service	No
Johnson	Richard	Rick.Johnson@lawmoss.com	Moss & Barnett	Electronic Service	No
Johnson Phillips	Sarah	sarah.phillips@stoel.com	Stoel Rives LLP	Electronic Service	No
Kaufman	Mark J.	mkaufman@ibewlocal949.org	IBEW Local Union 949	Electronic Service	No
Kenworthy	William	will@votesolar.org	N/A	Electronic Service	No
Koehler	Thomas	TGK@IBEW160.org	Local Union #160, IBEW	Electronic Service	No
Kohlasch	Frank	frank.kohlasch@state.mn.us	MN Pollution Control Agency	Electronic Service	No
Krikava	Michael	mkrikava@taftlaw.com	Taft Stettinius & Hollister LLP	Electronic Service	No
Laney	Carmel	carmel.laney@stoel.com	Stoel Rives LLP	Electronic Service	No
Larson	Douglas	dlarson@dakotaelectric.com	Dakota Electric Association	Electronic Service	No
Larson	Peder	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.	Electronic Service	No
Levenson Falk	Annie	annief@cupminnesota.org	Citizens Utility Board of Minnesota	Electronic Service	No
Maini	Kavita	kmairi@wi.rr.com	KM Energy Consulting, LLC	Electronic Service	No
Marshall	Emily	emarshall@mojlaw.com	Miller O'Brien Jensen, PA	Electronic Service	No
Marshall	Pam	pam@energycents.org	Energy CENTS Coalition	Electronic Service	No
Martinka	Mary	mary.a.martinka@xcelenergy.com	Xcel Energy Inc	Electronic Service	No
Maxwell	Daryl	dmaxwell@hydro.mb.ca	Manitoba Hydro	Electronic Service	No
McNair	Taylor	taylor@gridlab.org	N/A	Electronic Service	No
Meloy	Brian	brian.meloy@stinson.com	STINSON LLP	Electronic Service	No
Meyer	Joseph	joseph.meyer@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	No

Miller	Stacy	stacy.miller@minneapolismn.gov	City of Minneapolis	Electronic Service	No
Moeller	David	dmoeller@allete.com	Minnesota Power	Electronic Service	No
Moratzka	Andrew	andrew.moratzka@stoel.com	Stoel Rives LLP	Electronic Service	No
Mulholland	Evan	emulholland@mncenter.org	Minnesota Center for Environmental Advocacy	Electronic Service	No
Muller	Alan	alan@greendel.org	Energy & Environmental Consulting	Electronic Service	No
Nelson	Heidi	Heidi.nelson@stoel.com	Stoel Rives LLP	Electronic Service	No
Nelson	Carl	cnelson@mncee.org	Center for Energy and Environment	Electronic Service	No
Newberger	J	Jnewberger1@yahoo.com	State Rep	Electronic Service	No
Niles	David	david.niles@avantenergy.com	Minnesota Municipal Power Agency	Electronic Service	No
O'Brien	M. William	bobrien@mojlaw.com	Miller O'Brien Jensen, P.A.	Electronic Service	No
O'Connell	Ric	ric@gridlab.org	GridLab	Electronic Service	No
Overland	Carol A.	overland@legalelectric.org	Legalelectric - Overland Law Office	Electronic Service	No
Palmer Denig	Jessica	jessica.palmer-Denig@state.mn.us	Office of Administrative Hearings	Electronic Service	No
Porter	J. Gregory	greg.porter@nngco.com	Northern Natural Gas Company	Electronic Service	No
Pruszinske	Greg	gpruszinske@ci.becker.mn.us	City of Becker	Electronic Service	No
Reese	Peter	peter@littysolar.com	N/A	Electronic Service	No
Residential Utilities Division	Generic Notice	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	Yes
Reuther	Kevin	kreuther@mncenter.org	MN Center for Environmental Advocacy	Electronic Service	No
Savelkoul	Richard	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	Electronic Service	No
Schedin	Larry L.	Larry@LLSResources.com	LLS Resources, LLC	Electronic Service	No
Schlesinger	Jacob J.	jschlesinger@keyesfox.com	Keyes & Fox LLP	Electronic Service	No
Seuffert	Will	Will.Seuffert@state.mn.us	Public Utilities Commission	Electronic Service	Yes
Shaddix Elling	Janet	jshaddix@janetshaddix.com	Shaddix And Associates	Electronic Service	No
Smith	Ken	ken.smith@districtenergy.com	District Energy St. Paul Inc.	Electronic Service	No
Smith	Joshua	joshua.smith@sierraclub.org	N/A	Electronic Service	No
Smith	Jessie	jseim@piic.org	Prairie Island Indian Community	Electronic Service	No
Soholt	Beth H.	bsoholt@windonthewires.org	Wind on the Wires	Electronic Service	No
Sommer	Anna	ASommer@energyfuturesgroup.com	Energy Futures Group	Electronic Service	No
Spurr	Mark	mspurr@fvbenergy.com	International District Energy Association	Electronic Service	No
Starns	Byron E.	byron.starns@stinson.com	STINSON LLP	Electronic Service	No

Strommen	James M	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	Electronic Service	No
Swanson	Eric	eswanson@winthrop.com	Winthrop & Weinstine	Electronic Service	No
Sweet	Lynnette	Regulatory.records@xcelenergy.com	Xcel Energy	Electronic Service	No
Tiffany	Douglas	tiffa002@umn.edu	University of Minnesota	Electronic Service	No
Tynes	Thomas	jjazynka@energyfreedomcoalition.com	Energy Freedom Coalition of America	Electronic Service	No
Veith	Lisa	lisa.veith@ci.stpaul.mn.us	City of St. Paul	Electronic Service	No
Voeck	Julie	julie.voeck@nee.com	NextEra Energy Resources, LLC	Electronic Service	No
Williams	Samantha	swilliams@nrdc.org	Natural Resources Defense Council	Electronic Service	No
Williams	Laurie	laurie.williams@sierraclub.org	Sierra Club	Electronic Service	No
Windler	Joseph	jwindler@winthrop.com	Winthrop & Weinstine	Electronic Service	No
Zomer	Patrick	Patrick.Zomer@lawmoss.com	Moss & Barnett a Professional Association	Electronic Service	No