

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

Katie Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph Sullivan	Commissioner
John Tuma	Commissioner

June 9, 2020

**In the Matter of AEMA’s Petition Requesting a
Miscellaneous Docket to Direct Xcel Energy to
Implement 400 MW of Demand Response by 2023**

Docket No. E002/M-20-421

REPLY COMMENTS OF FRESH ENERGY

Fresh Energy submits these reply comments in response to the Commission’s April 24, 2020 *Notice of Comment Period* regarding the Advanced Energy Management Association’s (“AMEA”) petition requesting a miscellaneous docket to direct Xcel Energy (“Xcel”) to implement 400 MW of Demand Response (“DR”) by 2023.

First, we appreciate AMEA raising this issue to ensure there is a venue for stakeholders to understand the timing and program details of Xcel’s 400 MW DR procurement, as required by Xcel’s 2017 Integrated Resource Plan (“IRP”) order.¹ Xcel’s procurement and/or development of new DR is an important opportunity to continue adding flexibility to Xcel’s system, which will become increasingly critical as the Company adds more wind and solar, and as electrification evolves the load shape. As we stated in our comments in Xcel’s performance metrics docket:

As new loads are brought online through electrification of transportation and heating, flexibility and the ability to proactively shape load – through demand response controlled by the utility, as well as through time-of-use rates to incentivize behavior – can serve as critical tools to match load with generation. As renewables makeup an increasingly larger share of electricity generation, with wind blowing most strongly at night and solar available during the day, it is in the public interest to encourage the utility to shift electricity demand to the times when renewable electricity is available

¹ *Order Approving Plan with Modifications and Establishing Requirements for Future Resource Plan Filings*, January 11, 2017, Docket No. E-002/RP15-21, Order Point 10 at 11.

and at its lowest cost. The ability to match load with generation will benefit customers and utility alike as electricity demand and generation continue to evolve.²

Therefore, we appreciate Xcel's comments explicitly recognizing that new "non-traditional" DR is distinct from traditional summer peak-focused programs and aimed at creating flexibility for a high-renewables system.³ Similarly, Table 2 in Xcel's comments lists a number of non-traditional DR in development,⁴ and Xcel states that new non-traditional offerings will be part of its compliance with its 400 MWs of new DR. Xcel does not provide estimates of how much of a portion of its new DR will be made up of non-traditional offerings, but does state that at least some will be included in its upcoming 2021-2023 Minnesota Triennial CIP filing.⁵ While it seems reasonable that Xcel does not have full details of these new non-traditional DR programs, we encourage Xcel to continue or increase focus on these programs and begin rolling them out, even if in pilot form. It will be important for Xcel to be far enough along on the development and/or procurement and the experience curve for these types of flexibility-focused DR programs so that they are in place concurrently with Xcel's expansion of variable generation.

Fresh Energy also appreciates the Department of Commerce's ("DOC") thorough and well-reasoned comments, and generally agrees with DOC's analysis that:

Overall, the Department supports AEMA's efforts to ensure that Xcel remains in compliance with the Commission's orders. However, at this time the Department does not have reason to conclude that Xcel is not on track to meet its demand response obligations. Further, two filings will shortly be available that are expected to provide additional and updated information about the status of Xcel's demand response procurement.⁶

Similarly, we support DOC's conclusion that "it is reasonable for the Commission to establish a compliance filing requirement for Xcel - either in this docket, in a new standalone docket, or as part of the 2019 IRP docket - to monitor Xcel's progress in achieving its demand response requirements,"⁷ as well as the list of information DOC recommends the compliance filing should have. We also agree that the February 1, 2021 and 2022 dates are reasonable and still leave the option for parties to raise issues if they arise in between compliance filings. Moreover, because the compliance filings would be mostly consolidating

² Fresh Energy, *Initial Comments of Fresh Energy in Response to the Commission's April 5, 2019 Notice*, Docket No. E-002/CI-17-401, May 6, 2019 at 3.

³ Xcel, *Comments*, Docket No. E-002/M-20-421, May 27, 2020 ("*Xcel Comments*") at 4.

⁴ *Id.* at 7.

⁵ *Id.* at 9-10.

⁶ DOC, *Comments*, Docket No. E-002/M-20-421, May 27, 2020 at 6.

⁷ *Id.* at 8.

existing information and providing status updates, DOC's suggested approach should address Xcel's concern regarding the resource and time cost from a new proceeding.⁸

/s/ Allen Gleckner

Allen Gleckner

Sr. Director Energy Markets & Regulatory Affairs

Fresh Energy

408 St. Peter Street, Suite 220

St. Paul, MN 55102

gleckner@fresh-energy.org

651-726-7570

⁸ *Xcel Comments* at 11.