

## Staff Briefing Papers

Meeting Date	September 24, 2020	Agenda Item *2
Company	Xcel Energy	
	<b>E002/M-19-186</b>	
Docket No.	<b>In the Matter of Xcel Energy's Petition for Approval of Modifications to the Residential EV Subscription Service Pilot Program</b>	
Issues	Should the Commission approve Xcel Energy's proposed modifications to its EV Subscription Service Pilot?	
Staff	Hanna Terwilliger <a href="mailto:hanna.terwilliger@state.mn.us">hanna.terwilliger@state.mn.us</a>	651-201-2243

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Relevant Documents	Date
Xcel Energy – Initial Filing	July 15, 2020
<b>Initial Comments</b>	
Department of Commerce (Department)	August 17, 2020
ChargePoint	August 17, 2020
Xcel Large Industrials (XLI)	August 17, 2020
Fresh Energy, Minnesota Center for Environmental Advocacy, Sierra Club, and Union of Concerned Scientists (CEG)	August 17, 2020
Greenlots	August 17, 2020
<b>Reply Comments</b>	
Xcel Energy	August 27, 2020

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

## Background

In 2017, Xcel proposed a Residential EV Service Pilot which aimed to reduce the upfront expense of installing a secondary meter, instead using the embedded submeter in a Level 2 EV charger to record consumption. The Commission approved the pilot on May 9, 2018.

After stakeholder outreach, Xcel expressed a desire to test out other rate designs using the same technology, and filed the present pilot on February 22, 2019.

The Commission approved Xcel's pilot in its October 7, 2019 Order, and denied a petition for reconsideration from the Xcel Large Industrials (XLI) in its December 23, 2019 Order. XLI subsequently appealed the Commission's decision, and is currently awaiting a decision at the Minnesota Court of Appeals.

In light of the COVID-19 Pandemic, on July 15, 2020, Xcel requested two modifications to the pilot.

## Xcel's Request

In its petition, Xcel made two modification requests: extending the pilot term by one year, and expanding enrollment by 50 participants.

In late March, Governor Walz's Stay-At-Home order went into effect as a result of the COVID-19 pandemic. As a result, customer driving behavior experienced significant declines, and Xcel indicated customers may not be seeing the benefit of the pilot, as assumptions were based on pre-pandemic driving behavior. The Stay-At-Home order impacted customer enrollment as well, due to the closure of auto dealerships, a major source of pilot participants.<sup>1</sup>

Originally, the pilot was intended to run for three years, with customers enrolled in a 24-month contract. In order to gauge the impacts of the pilot without the impact of the COVID-19 pandemic, Xcel requested to add an additional year to the pilot term. Expanding the length of the pilot by once year would also allow new participants to join. Xcel proposed to maintain the 24-month term for *new* participants. Existing participants will be given the option to extend their pilot term by one year, to align with the new overall length. Xcel does not believe it needs a tariff change, as the existing language states, "[t]he initial contract period will normally be for 24 months."<sup>2</sup>

Prior to June 1, 2020, Xcel had 54 participants enrolled in the pilot, out of 100 possible. The Company requested the Commission increase the pilot enrollment cap by 50 customers to 150 participants total. Xcel explained enrolling new customers would allow it to have full sets of data after the initial impacts of the pandemic have subsided. It noted it has not experienced significant attrition, with only one participant dropping out and an additional 4 enrollees delaying participation due to decreased driving. The Company did not anticipate significant incremental costs to the program or material impacts to non-participants as the pilot is designed to have all expenses covered by participants.<sup>3</sup>

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<sup>1</sup> Xcel, Petition, p. 3

<sup>2</sup> Xcel, Petition, pp. 4-5

<sup>3</sup> Xcel, Petition, p. 5

Finally, Xcel informed the Commission it intended to give customers enrolled before June 1, 2020 a \$50 bill credit. The Company will not seek cost recovery for the bill credits, and is not asking for any Commission action.<sup>4</sup>

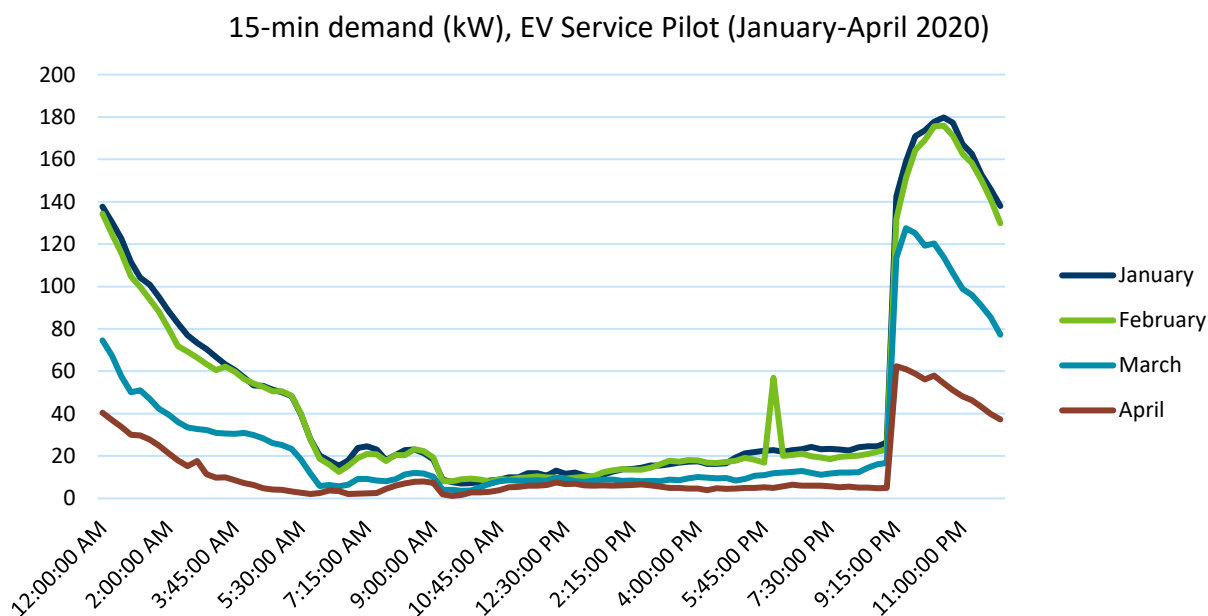
## Party Comments

Greenlots, ChargePoint, Clean Energy Groups, and the Department all filed comments supporting Xcel's proposed modifications.

XLI filed a letter reminding the Commission its October 7, 2019, and December 23, 2019 Orders are currently before the Minnesota Court of Appeals, and urging "the Commission to be cognizant of this as it considers Xcel's present requests."<sup>5</sup>

## Staff Analysis

Staff provides the following graph created from data in Xcel's annual reports indicating the drop off in EV charging demand as the COVID-19 Pandemic impacted Minnesota. Data is from Xcel's EV service pilot, as the Subscription Pilot only began in February of this year, but indicates the large reduction in charging as driving diminished during the Stay-at-Home order.



All parties and Xcel agree on the modifications, as such Staff recommends approval.

## Decision Options

1. Approve Xcel's requests to extend the term of the Pilot for an additional 12 months and offer participants enrolled in the Pilot as of June 1, 2020 the opportunity to extend the term of their customer agreements by an additional 12 months.
2. Approve Xcel's request to add 50 participants to the Pilot, increasing the number of participation slots to a total of 150.

<sup>4</sup> Xcel, Petition, pp. 2-3

<sup>5</sup> XLI, Letter, p. 1