

October 28, 2020

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101-2147

RE: **Reply Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E002/M-20-606

Dear Mr. Seuffert:

Attached are the Reply Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) *In the Matter of Meter Services Pricing Associated with Distributed Generation*, a petition initially proposed by Northern States Power Company d/b/a Xcel Energy (Xcel or the Company) on September 14, 2020.

Based on our review of Xcel's September 14, 2020 Reply Comments and the Company's replies to Minnesota Public Utilities Commission (Commission) Staff Information Requests, the Department recommends that the Commission approve Xcel's petition as corrected in its Reply Comments. The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/CHRISTOPHER T. DAVIS
Analyst Coordinator

CTD/
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Commerce Department Division of Energy Resources

Docket No. E002/M-20-606

I. BACKGROUND

Currently, Northern States Power Company d/b/a Xcel Energy (Xcel or the Company) has the following monthly metering charges for Excess Generation—Average Retail Utility Energy Service:¹

- \$3.15 per month for a customer with single-phase meter and a production meter;
- \$6.40 per month for a customer with three-phase meter and a production meter;
- \$1.68 per month for a single-phase meter, and *no* production meter; and
- \$2.58 per month for a three-phase meter, and *no* production meter.

On July 17, 2020 Xcel, submitted a petition requesting approval of meter services pricing associated with distributed generation. In its petition, Xcel stated that it proposed to modify the existing metering charges, for three primary purposes:

- Providing consistency with the Minnesota Public Utilities Commission's (Commission) implementation of the Minnesota Distributed Energy Resources (DER) Interconnection Process (MN DIP), which provides customers an up-front payment option for metering charges in certain circumstances;
- Refreshing current rates to reflect changes in metering technology in use, namely the increasing penetration of larger sized distributed generation systems and the corresponding metering technology requirements to accommodate larger systems; and
- Consolidating meter service pricing to enable customers to review the menu of metering service charges that correspond to specific DER configurations.

Further, Xcel stated that the Company based its proposed meter pricing on current costs for DER meters and ancillary services, modified to reflect a bundled services or an upfront cost payment option.

On August 20, 2020, after review and discussion with the Minnesota Department of Commerce, Division of Energy Resources (Department), the Company determined that it had inadvertently left out the annual maintenance cost for 250kW to 10MW Three Phase Production meters. In its August 20, 2020 Errata, Xcel incorporated the correction into Xcel Attachment A (Metering Pricing Work Papers),

¹ Formerly known as Net Energy Billing Service.

Xcel Attachment B (Comparison to Current Rates) and Xcel Attachment C (Tariffs) of its Petition. The affected tariff sheets were:

- Section No. 10, Sheet No. 81 (3RD Revision); and
- Section No. 10, Sheet No. 81.1 (Original).

On September 3, 2020 the Department submitted Comments recommending that the Commission approve Xcel's proposed DER metering charges with the corrections presented in the Company's August 20, 2020 Errata.

On September 10, 2020 Commission Staff issued six information requests (IRs) to Xcel.

On September 14, 2020 Xcel submitted its Reply Comments, which included an edit to tariff Section No. 10, Sheet No. 81 (3rd Revision) and Section No. 10, Sheet No. 81.1.

On September 21, 2020, Xcel submitted its responses to Commission Staff IRs.

II. DEPARTMENT ANALYSIS

The Department reviewed Xcel's Reply Comments to ascertain whether Xcel reasonably responded to Commission Staff's IRs. The Department discusses each of the IRs below.

A. LABOR COSTS FOR ALL SOLAR*REWARDS COMMUNITY DISTRIBUTED ENERGY RESOURCES AND NON-SOLAR*REWARDS COMMUNITY DISTRIBUTED ENERGY RESOURCES SIZED 250 KW AC AND LARGER

In its response to Commission Staff) IR No. 1, Xcel explained that for all Solar*Rewards Community the Company:

bills meter installation related labor cost separately to the customer since it is based on the actual time Company personnel spends on activities associated with installation of the new meter. The Company personnel time includes travel time, time installing the meter and time to complete the acceptance test. Personnel time varies from developer to developer depending on how many trips the Company is required to make to complete the installation based on the individual circumstances of the installation. The following are some examples of causes for additional trips: inaccessible access roads, customer readiness, and failed acceptance test(s).

Xcel's clarification did not require any changes to the Company's proposed tariff pages.

*B. 250 KW TO 10 MW—THREE PHASE PRODUCTION METER OR POINT OF INTERCONNECTION METER FOR SOLAR*REWARDS COMMUNITY UPFRONT METERING PRICE OF \$2740.*

In response to Commission Staff IR No. 2, Xcel noted that its petition's Attachment A explained that for these customers the upfront meter costs included the meter and the meter enclosure, and that Attachment A of its petition included the bill of materials contributing to the cost.

Xcel also stated that:

DERs greater than 250 kW require real-time metering due to their size and dynamic energy production. The upfront cost of this metering technology is \$2,740 and results in a monthly metering cost of \$28.43. When added to the mobile network charge, and customer accounting & assistance costs and rounded to the nearest dollar, the result was a \$59.00 monthly charge. On August 20, 2020, the Company filed to amend its Petition to include annual maintenance and increase the monthly charge to \$72.00, similar to its proposal for Solar*Reward Community DERs. When the \$2,740 cost is paid upfront, the associated monthly charge is \$44.00.

Xcel's clarification did not require any changes to the Company's proposed tariff pages.

C. TYPO IN SECTION NO. 10, SHEET NO. 81 (3RD REVISION)

In response to Commission Staff IR No. 3, Xcel corrected the typo in its Reply Comments by removing the notation that references only the monthly mobile network costs. The resulting proposed tariff includes a notation that references both the monthly mobile network cost and annual maintenance costs. The corrected tariffs are provided as Attachment A to the Company's September 14, 2020 Reply Comments in this docket.

The Department notes that Xcel corrected the typo in its proposed tariffs submitted September 14, 2020.

*D. WHY SEC. 10; 3RD REVISED SHEET NO. 81 AND ORIGINAL SHEET NO. 81.1 SEPARATES OUT SOLAR*REWARDS COMMUNITY AS SEPARATE ROWS*

In response to Commission Staff IR No. 4, Xcel stated that:

The metering technology used for all Solar*Rewards Community DERs under 250kW results in a charge of \$12.00 charge. The metering technology for non-Solar*Reward Community DERs is segmented into under 100kW and 100kW to 249.99kW. Therefore, a separate line for Solar Rewards Community is required. Technically, the same meter technology is used for all DERs from 250kW to 10MW, but for consistency we continue to recommend separate lines in the tariff for all Solar*Reward Community DERs.

Xcel's clarification did not require any changes to the Company's proposed tariff pages.

E. MONTHLY \$25 MOBILE NETWORK SERVICE CHARGE

In response to Commission Staff IR No. 5, Xcel stated that:

[t]he mobile network service is a service provided by Verizon and it enables the communication of meter readings to the Company. The monthly charge from Verizon is \$25 for up to 1 GB of data for each meter with a cellular modem. To our knowledge, this is the first instance of the Company seeking approval for the mobile network service as the Company's existing tariff does not have a provision for mobile network service as the existing DER tariffs were not specifically designed for systems or 250 kW and greater. The Company's comprehensive meter charge request in this docket is in part a response to relatively recent customer interest in installing DER system greater than 250 kW.

Xcel's clarification did not require any changes to the Company's proposed tariff pages.

F. IMPACT OF XCEL'S ADVANCED GRID INTELLIGENCE AND SECURITY (AGIS) INITIATIVE ON METERING COSTS AND CHARGES

In response to Commission Staff IR No. 6, Xcel stated that:

The meters contemplated in this pricing proposal are distinct from the AMI technology that is a part of the AGIS initiative. For metering applications outside of the planned FAN footprint, we do not anticipate any impact to the metering costs and charges. The Company has not done an analysis at this time on the impact for these applications for the metering costs and charges within the planned FAN footprint.^[2]

Xcel's clarification did not require any changes to the Company's proposed tariff pages.

III. CONCLUSION AND RECOMMENDATIONS

Based on our review, the Department recommends that the Commission approve Xcel's proposed DER metering charges with the corrected tariff sheets presented in its September 14, 2020 Reply Comments.

/ar

² FAN refers to a Field Area Network. FAN is a secure two-way communication network that provides wireless communications across Xcel's service area – to, from, and among, field devices and its information systems