

The Commission met on **Thursday, September 14, 2023**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

E-002/GR-21-630

In the Matter of the Application by Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota.

Chair Sieben moved that the Commission:

1. Clarify that the Commission analyzed the facts in the record and exercised its judgment consistent with its quasi-judicial authority in determining a reasonable ROE.
2. Clarify that Xcel Energy's request to waive credit card fees for customers beginning in 2024 is approved.
3. Deny Xcel Large Industrial's request to clarify Ordering Paragraph 135e.

The motion passed 5-0.

Commissioner Tuma moved that the Commission deny Xcel Energy's petition for reconsideration.

The motion passed 5-0.

Chair Sieben moved that the Commission require Xcel Energy to, within 30 days of the date of the Reconsideration Order in this docket, make a compliance filing that includes the following:

- a. Revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date, and including the following information:
 - i. Breakdown of Total Operating Revenues by type;
 - ii. Schedules showing all billing determinants for the retail sales (and sale for resale) of electricity.

These schedules shall include but not be limited to:

- Total revenue by customer class;
 - Total number of customers, the customer charge and total customer charge revenue by customer class; and
 - For each customer class, the total number of energy and demand related billing units, the per unit of cost of energy and cost of demand and the total energy and demand related sales revenues.
- iii. Revised tariff sheets incorporating authorized rate design decisions.
- iv. Proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing.
- b. A revised base cost of energy, supporting schedules, and revised fuel adjustment tariffs to be in effect on the date final rates are implemented.
- c. A summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented.
- d. A computation of the Conservation Cost Recovery Charge (CCRC) based upon the decisions made herein. Direct Xcel Energy to file a schedule detailing the Conservation Improvement Program (CIP) tracker balance at the beginning of interim rates, the revenues (CCRC and CIP Adjustment Factor) and costs recorded during the period of interim rates, and the CIP tracker balance at the time final rates become effective.
- e. If final authorized rates are lower than interim rates, a proposal to make refunds of interim rates, including interest to affected customers.
- f. A schedule showing the calculation of the Company's authorized cost of capital.

The motion passed 5-0.

Chair Sieben moved that the Commission exclude the following documents from the record:

- a. Affidavit of D'Ascendis
- b. Affidavit of Haworth
- c. Affidavit of Johnson
- d. Attachment 1
- e. Attachment 2
- f. Attachment 3
- g. Attachment 4
- h. Attachment 5
- i. Attachment 6
- j. Attachment 7

The motion passed 5-0.

E-999/CI-07-1199; E-999/DI-22-236

In the Matter of Establishing an Estimate of the Costs of Future Carbon Dioxide Regulation on Electricity Generation Under Minnesota Statutes § 216H.06

Commissioner Schuerger moved that the Commission do the following:

1. Establish the range of regulatory costs of carbon dioxide emissions as \$5 to \$75 per short ton effective 2028 and thereafter.
2. Continue using the five modeling scenarios outlined in *In the Matter of Establishing an Estimate of the Costs of Future Carbon Dioxide Regulation on Electricity Generation Under Minnesota Statutes § 216H.06*, Docket No. E-999/CI-07-1199, Order Establishing 2020 and 2021 Estimate of Future Carbon Dioxide Regulation Costs (September 30, 2020), Ordering Paragraph 2.
3. Require utilities to retain the non-internalized portion of the externality costs (i.e., the externality cost minus the regulatory cost) in their modeling scenarios.
4. Require utilities to:
 - a. Model future regulatory costs as dispatch adders under Encompass (or a comparable method using other models)
 - b. Model externality values as post-processing add-ons under Encompass (or a comparable method using other models)
 - c. Identify the future regulatory costs of each scenario as part of its present value of revenue requirement (PVRR); and
 - d. Identify the externality costs of each scenario separately from PVRR.
5. Require utilities to demonstrate in their resource plans how they plan to comply with Minnesota's Carbon-Free Standard¹ and (once finalized) the carbon dioxide (CO₂) regulation promulgated by the federal Environmental Protection Agency (EPA) under the Section 111(b) and (d) of the federal Clean Air Act, 42 U.S.C. § 7411(b) and (d).
6. Update the Commission's Order Updating Environmental Cost Values (January 3, 2018), in Docket No. E-999/CI-14-643, *In the Matter of the Further Investigation into Environmental and Socioeconomic Costs Under Minnesota Statutes Section 216B.2422, Subdivision 3*, to provisionally adopt and apply the draft cost of greenhouse gas emissions valuations presented in the EPA External Review Draft of Report on the Social Cost of Greenhouse Gases released in September 2022, and its successors.

¹ Minnesota Session Laws 2023, Chapter 7, section 10 (February 7, 2023).

7. Direct the Executive Secretary to open comment period(s), as needed, in Docket No. E-999/CI-14-643 to consider a process for:
 - a. application of the draft cost of greenhouse gas emissions valuations presented in the United States Environmental Protection Agency's EPA External Review Draft of Report on the Social Cost of Greenhouse Gases released in September 2022, and its successors [as required by Minn. Stat. § 216B.2422, subd. 3(b)]; and
 - b. adoption of the working group estimates released by the federal Interagency Working Group on the Social Cost of Greenhouse Gases or its successors, [as required by Minn. Stat. § 216B.2422, subd.3(c)].
8. For dockets initiated after the Commission order, or as otherwise ordered by the Commission, apply all regulatory cost assumptions and modeling scenarios ordered in this proceeding to all electricity generation resource acquisition proceedings.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: December 20, 2023



Will Seuffert, Executive Secretary