

The Commission met on **Wednesday, June 1, 2022** with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

E-002/M-21-814

E-002/M-20-680

In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2021 and 2022, Tracker True-up and Revised Adjustment Factors

Chair Sieben moved that the Commission adopt the procedural agreement between the Department and Xcel, as found in the Department's May 2, 2022 Reply Comments on pages 4 and 5.

The motion passed 5—0.

E-002/M-21-694

In the Matter of Xcel Energy's 2021 Integrated Distribution System Plan and Request for Certification of Distributed Intelligence and the Resilient Minneapolis Project

Commissioner Schuerger moved that the Commission:

1. Accept Xcel Energy's 2021 IDP Report as in compliance with IDP reporting requirements. Acceptance of the 2021 IDP has no bearing on prudence nor certification under Minn. Stat. § 216B.2425, subd. 3.
2. Require Xcel to file its smart inverter roadmap and related consultant reports in this docket by November 1, 2022.
3. Require Xcel Energy to use both the WACC and societal discount rate in its NWA analysis and discuss the results of the two approaches in a future IDP stakeholder meeting.
4. Modify filing requirement 3.A.5 for future Xcel Energy IDPs as shown in red-line edits:

3.A.5. Discussion of how the distribution system planning is coordinated with the integrated resource plan (including how it informs and is informed by the IRP), and planned modifications or planned changes to the existing process to improve coordination and integration between the two plans, **including:**

- a. **Setting the forecasts for distributed energy resources consistently in its resource plan and its Integrated Distribution Plan.**
 - b. **Conducting advanced forecasting to better project the levels of distributed energy resource deployment at a feeder level, using Xcel's advanced planning tool.**
 - c. **Proactively planning investments in hosting capacity and other necessary system capacity to allow distributed generation and electric vehicle additions consistent with the forecast for distributed energy resources.**
 - d. **Improving non-wires alternatives analysis, including market solicitations for deferral opportunities to make sure Xcel can take advantage of distributed energy resources to address discrete distribution system costs.**
 - e. **Planning for aggregated distributed energy resources to provide system value including energy/capacity during peak hours. (CEV)**
5. Require Xcel Energy, within 90 days of the Commission's Order, to make a compliance filing that outlines key difference between its Colorado and Minnesota distribution system planning processes, including but not limited to a discussion of the following:
- a. Orders, rules, and statutes pertaining to distribution system planning.
 - b. How Xcel Energy conducts DER and load forecasting, including the Company's implementation of LoadSEER.
 - c. How Xcel Energy conducts its NWA analysis.
 - d. How Xcel Energy conducts its Hosting Capacity Analysis.
6. Require Xcel Energy to hold a series of stakeholder meetings to collaborate with interested parties, obtain input, and generate new ideas around a shared vision of the distribution grid of the future. This stakeholder series is intended to provide transparency into the Company's distribution planning process and explore how Minnesota's public policy goals will be realized on the distribution system and impact the Company's future plans.

This stakeholder series should be timed such that stakeholder input can be incorporated into the Company's next IDP filing and next IRP filing, and include at least four meetings. The topics will include, but not be limited to, the following:

- a. Integrated Distribution Planning 101.

- b. Identify the public policy goals that are changing the expectations of the distribution grid and how each public policy is expected to be realized on the grid in the near- and long-term. [For example, examine transportation, building and industrial electrification forecasts and the effects on load profiles in the near-term and long-term.]
- c. How energy efficiency, demand response, and other DER might impact Xcel Energy's planning processes.
- d. How Xcel Energy should consider and incorporate local clean energy goals in its planning processes.
- e. What investments are necessary to achieve the distribution grid of the future, and the criteria Xcel Energy should use to plan and prioritize those investments.
- f. Prioritizing the use of "net load" in its load forecasts and system planning, including developing a methodology for incorporating the load reducing impact of distributed generation into its load forecasts and system planning processes.
- g. Develop a methodology for valuing the load-modifying impacts of demand response in load forecasts and present a load forecast that includes demand response contributions.
- h. Identify appropriate transportation, building, and industrial end use electrification scenarios for inclusion in the 2023 IDP load forecasts.
- i. How Xcel anticipates proactively planning for grid investments to allow distributed generation and EV additions consistent with the DER forecast.
- j. Estimate the potential synergies between interconnection upgrades and planned distribution capital investments, and discuss the anticipated overlap between planned investments and capacity constrained locations on Xcel's distribution system.

Xcel shall make a compliance filing with a summary of the stakeholder process and a list of next steps by August 1, 2023. Xcel must include a summary of the stakeholder series in its next IDP and relevant summary in its next IRP, including how it considered and incorporated stakeholder input.

The motion passed 5—0.

Commissioner Sullivan moved that the Commission

1. Certify the Resilient Minneapolis Project and limit cost recovery to a cost cap of \$9 million unless Xcel can show by clear and convincing evidence that the costs were reasonable, prudent, and beyond their control. This certification does not imply any finding of prudence with respect to the recovery of costs in a petition for rider recovery under Minn. Stat. § 216B.16, subd. 7b(b), or certification or approval of any investments beyond those specifically associated with the Resilient Minneapolis Project.
 - a. File with the Company's annual report on December 1, 2022 in Docket No. E-002/M-21- 694:
 - i. Define and quantify the emergency service capabilities and capacity in more detail and in more concrete terms than Xcel has hitherto provided in its proposal and via discovery responses.
 - ii. Report on the status of the emergency service capacity to ensure that the benefits are or can be realized, and to develop a process and a plan for demonstrating that the benefits can be realized.
 - iii. Define a process for identifying and addressing the potential situation in which either or both of the following conditions arise: the project fails to deliver all or a large portion of Xcel's claimed quantified benefits and / or the claimed unquantified benefits cannot or are unlikely to materialize.
2. Require Xcel to consult with stakeholders, including RMP site partners, on the development of a set of evaluation metrics that allow comparison to other resilience offerings, to be filed with the Company's annual report on December 1, 2022. This set of evaluation metrics shall be included in Xcel's Annual Report to be filed on December 1 from 2022 through 2026 in Docket No. E-002/M-21-694. Xcel shall provide the following information and data to the greatest extent practicable. Where Xcel Energy is not able to do so, it shall explain why. Where applicable, include data in spreadsheet (.xlsx) format. In consultation with stakeholders Xcel shall consider the following reporting elements when developing evaluation metrics:
 - a. Direct Xcel to include optional feedback from site hosts and community partners, using a form Xcel distributes on an annual (or more frequent) basis, which invites partners to discuss their experience participating in the project, its impact on the organization or community, or other information partners wish to share with the Commission.
 - b. Require Xcel to file a .XLS spreadsheet reporting, for each RMP site, the number of union labor jobs or contracts and the number of contracts awarded to women- and minority-owned businesses.

- c. Require Xcel to file a .XLS spreadsheet reporting, for each RMP site, the number of workers trained in the operation of energy systems and the number of energy-related jobs created.
 - d. Require Xcel to record in a .XLS spreadsheet any instances of natural events or Company-orchestrated simulations in which RMP systems switch to “islanded mode” and how the system performs.
 - e. Require Xcel to track in a .XLS spreadsheet or in narrative form how RMP sites’ rooftop solar, BESS, and microgrid are dispatched and optimized daily to mitigate system peaks, manage and shape demand, and integrate more solar generation.
 - f. Require Xcel to report in a .XLS spreadsheet, for any of the RMP site, when a generator is used, for how long, and the generator power capacity and fuel source.
 - g. Direct Xcel to quantify in a .XLS spreadsheet the number and type of HVAC upgrades, building envelope upgrades, energy efficiency measures, and/or demand response programs undertaken at any of the RMP sites, shared at the discretion of RMP site hosts and partners.
 - h. Require metrics development related to resiliency benefits and energy equity and data collection on those topics.
- 3. Direct Xcel to file a letter in this docket to notify the Commission and stakeholders if the Company encounters any significant procurement challenges related to RMP, including delays, low bid numbers, or unexpected costs.
 - 4. Require Xcel to include a discussion of the RMP program in comparison to battery and microgrid programs/projects in Xcel’s service territories in other states, lessons learned from these programs as they move through construction and into operation, and specific details how these lessons are informing RMP project decisions, reducing costs, and/or improving efficacy.
 - a. Require Xcel to include this information in Xcel’s 2023 IDP filing.
 - b. Require Xcel to Include this information in each of Xcel’s annual reports filed in Docket No. E-002/M-21-694.

5. Require Xcel to report on the Resilient Minneapolis Project in its quarterly reports in Docket No. E, G-999/M-20-492.

The motion passed 4—0, with Commissioner Tuma recusing himself.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: August 3, 2022

A handwritten signature in black ink, appearing to read "Will Seuffert", with a long horizontal flourish extending to the right.

Will Seuffert, Executive Secretary