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August 30, 2022

Mr. Will Seuffert

Executive Secretary

Minnesota Public Utilities Commission

121 7th Place East,

Suite 350 St. Paul, MN 5510

**Re: Xcel Energy Electric Vehicle Infrastructure Petition (Docket# 22-432)**

Dear Mr. Seuffert,

Center of the American Experiment believes the best course for ratepayers and stakeholders is to consider Docket M-22-432 (EV Infrastructure Petition) separately from Docket GR-21-630 (MYRP). We urge the Public Utilities Commission (hereafter “the Commission”) to consider the EV Infrastructure Petition in a contested case hearing overseen by an administrative law judge.

American Experiment believes the contested case hearing is necessary because the EV charging plan will have a significant impact on ratepayer costs.

Minnesota families and businesses are already struggling with high electricity costs as electricity rates in June 2022 reached new all-time highs.<sup>1</sup> Unfortunately, Xcel’s proposal would compound these hardships.

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<https://www.eia.gov/electricity/data/browser/#/topic/7?agg=0,1&geo=000004&endsec=8&freq=M&start=200101&end=202206&ctype=linechart&ltype=pin&rtype=s&maptype=0&rse=0&pin=>

American Experiment determined that Xcel's \$170 million EV charging plan would ultimately cost Minnesota families and businesses an additional \$259.8 million over an assumed 10-year time horizon.

This includes an additional \$71 million in corporate profits for Xcel Energy's shareholders, assuming a 52-48 equity-debt split with an assumed rate of return of 10.2 percent for equity and 4.8 percent for debt. It also assumes an additional \$18.7 million in additional property tax payments over ten years.

American Experiment firmly believes that increasing the cost of electricity for low and middle-income families to pay for electric vehicle charging stations is unjust and unreasonable because these families, as a rule, cannot afford electric cars. As a result, this initiative is a wealth transfer from working families to affluent ones. It is the opposite of environmental justice.

The transmission and distribution of electricity are natural monopolies, but the provision of electric vehicle charging stations is not. Tesla did not need a government-approved rate of return to establish a robust charging network, and neither does Xcel Energy.

If Xcel Energy wishes to participate in the public electric vehicle charging industry, it should do so through an unregulated subsidiary and not as a regulated monopoly. The company should not be allowed to cynically use the funds of captive ratepayers to pad its rate base and increase its corporate profits under the guise of reducing greenhouse gas emissions.

Therefore, American Experiment urges the Commission to consider this petition separately with ample opportunities for the public to weigh in.

**About Center of the American Experiment.** We represent thousands of Minnesota families in every corner of Minnesota. Our mission is to create and advocate for policies that make Minnesota a freer, more prosperous, and better-governed state. Our quarterly magazine, *Thinking Minnesota*, has a circulation of more than 115,000 households.

Thank you for considering the voices of thousands of Minnesotans who want to make our state a freer and more prosperous place to live.

Sincerely,



Isaac Orr

Policy Fellow

Center of the American Experiment

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