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In the Matter of the Petition of Northern States Power Company for Approval of a Public Charging Network, and Electric School Bus Pilot, and Program Modifications MPUC Docket No. E002/M-22-432

In the Matter of the Application of Northern States Power Company, d/b/a Xcel Energy, for Authority to Increase Rates for Electric Service in the State of Minnesota MPUC Docket No. E002/GR-21-630 OAH Docket No. 22-2500-37994

### COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE

Xcel filed a petition on August 2 proposing to significantly expand its investments in electric vehicle (EV) public charging infrastructure and other EV programs, and to include related costs through rebuttal testimony in the contested case for its multi-year rate plan (MYRP). On August 22, the Commission requested comments on what process should be used to evaluate Xcel's petition and proposed cost recovery method. The Department of Commerce submits these comments in response to the Commission's August 22 Notice of Comment Period.

Xcel has known for over four months that the Commission would deny several of the EV proposals currently included in Xcel's MYRP.<sup>1</sup> Xcel now files this proposal in a miscellaneous

<sup>&</sup>lt;sup>1</sup> See In re Xcel Energy's Petition for Approval of Elec. Vehicle Programs as part of Its COVID-19 Pandemic Economic Recovery Investments, Docket Nos. E002/M-20-745, E, G999/M-20-492, Order Approving Public Charging Station Proposal at 10 (Apr. 27, 2022) (Public Charging Pilot Order).

docket and seeks to introduce new projects with new costs through rebuttal testimony. Xcel's proposed procedure does not provide the Department, other parties, and interested persons or organizations the ability or time to review the substance of Xcel's petition and consider the propriety of these significant costs. The Department is unaware of a mechanism to approve rate case costs dependent on review of the prudency of those same costs in an outside docket. Such a procedure would present legal risks and procedural uncertainties.

Xcel's proposal deserves the Commission's undivided attention and significant analysis from interested persons and organizations concerning the proposal's substance, scope, and cost. This type of attention will not be feasible in Xcel's MYRP, where it will be one of many complex issues. Moreover, the limited time to consider Xcel's proposal and only one opportunity for parties to respond, in surrebuttal testimony, may create a contentious atmosphere for an issue that should instead be a collaborative discussion about public utilities' role in Minnesota's changing transportation system. The Department believes that procedural fairness and the public interest would best be served by analyzing Xcel's new EV proposals from its August 2 petition through a notice and comment period in a miscellaneous docket.

#### I. BACKGROUND

On November 1, 2021, Xcel filed its MYRP for 2022-2024, with the possibility of extension to 2025-2026. Administrative Law Judge (ALJ) Christa Moseng set an extended procedural schedule for Xcel's MYRP proceeding to allow for three other rate cases to proceed before it.<sup>2</sup> The parties have been engaging in discovery for several months. Intervening parties, including the Department will submit direct testimony on October 3, 2022; Xcel will submit

<sup>&</sup>lt;sup>2</sup> See In re Application of N. States Power Co., d/b/a Xcel Energy, for Authority to Increase Rates for Elec. Serv. in the State of Minn. (Xcel MYRP), Docket No. E002/GR-21-630, First Prehearing Order (Jan. 19, 2022) (First Prehearing Order).

rebuttal testimony on November 8; and intervening parties will have a last opportunity to respond to Xcel in surrebuttal testimony on December 6. The evidentiary hearing, scheduled for December 13-16, will be limited to the introduction of pre-filed testimony and cross-examination of witnesses on their pre-filed testimony.

In 2020, as part of the Commission's request for utility information and proposals to assist in Minnesota's economic recovery from the COVID-19 pandemic, Xcel proposed to construct a 21-station direct current fast-charging (DCFC) network, electrification of Xcel's vehicle fleet, and rebates for light duty, transit bus, and school bus EVs.<sup>3</sup> Xcel also included requests for cost recovery of these proposals in direct testimony for its MYRP.<sup>4</sup> In an April 2022 order in its COVID-19 economic recovery docket, the Commission found that Xcel's 21-station DCFC network pilot adequately balanced the interests of incentivizing drivers to use EVs "while avoiding impediments to a competitive charging market," particularly due to that proposal's status as a pilot, its small size and budget, and its focus on areas where charging options are severely limited.<sup>5</sup> The Commission deferred action on Xcel's proposed EV fleet electrification to a future rate proceeding and denied Xcel's request to offer rebates for light duty vehicles, transit buses, and school buses.<sup>6</sup>

On August 2, 2022, Xcel filed a new EV petition, totaling over 450 pages with attachments, as a new miscellaneous docket filing.<sup>7</sup> The new proposal seeks to vastly increase the amount of

<sup>3</sup> See Public Charging Pilot Order at 2.

<sup>&</sup>lt;sup>4</sup> See Xcel MYRP, Docket No. E002/GR-21-630, Direct Testimony of Kelly A. Bloch at 141-180 (Oct. 25, 2021).

<sup>&</sup>lt;sup>5</sup> Public Charging Pilot Order at 8–9.

<sup>&</sup>lt;sup>6</sup> *Id.* at 9–10.

<sup>&</sup>lt;sup>7</sup> In re Petition of N. States Power Co. for Approval of a Public Charging Network, and Electric School Bus Pilot, and Program Modifications, Docket No. E002/M-22-432, Petition of Northern States Power Co. for Approval of a Public Charging Network, an Electric School Bus Pilot, and Program Modifications (Aug. 2, 2022) ("Xcel Public Charging Network Petition").

Xcel's investment in public charging stations to approximately 730 public charging stations.<sup>8</sup> If approved, Xcel's petition would make Xcel the largest provider of EV fast-charging infrastructure in Minnesota, with Xcel providing 45 percent of the need for public charging by 2026 and 18 percent by 2030 under Xcel's forecast.<sup>9</sup> Xcel also proposed to provide 32 electric school buses and associated charging infrastructure, expand its commercial EV charging pilots, and make changes to its residential EV programs and customer advisory services.<sup>10</sup> For the public charging proposal alone, Xcel's proposal totals \$168.1 million in total capital and \$26.9 million in operations and maintenance (O&M) expenses for 2023-2026.<sup>11</sup> These budgeted amounts do not include the cost for needed upgrades to the Company's existing system—such as transformer upgrades, services conductors, and metering equipment—so the actual capital costs may be much higher.<sup>12</sup> The Department anticipates that Xcel will seek to include capital costs in its rate base and earn an authorized return on the amounts.<sup>13</sup> Xcel proposed to seek recovery of its O&M expenses and capital costs by filing rebuttal testimony in the ongoing contested case for its MYRP.<sup>14</sup>

<sup>&</sup>lt;sup>8</sup> Xcel Public Charging Network Petition at 4.

<sup>&</sup>lt;sup>9</sup> See id. Forecasts of need for public charging infrastructure from other organizations vary with some showing lower public charging need, which could make the public charging market share under Xcel's proposal significantly larger. See EV Charger Deployment Optimization, ELEC. VEHICLE INSTITUTE, at 34 (Figure 21) (Aug. 2022), available at https://www.fuelsinstitute.org/Research/Reports/EV-Charger-Deployment-Optimization (showing approximately 700 required DCFC stations in Minnesota by 2030).

<sup>&</sup>lt;sup>10</sup> Xcel Public Charging Network Petition at 4-5.

<sup>&</sup>lt;sup>11</sup> *Id.* at 19.

<sup>&</sup>lt;sup>12</sup> *Id*.

<sup>&</sup>lt;sup>13</sup> See Xcel Public Charging Network Petition at 95 (requesting waiver of provisions of Xcel's Service Policy to allow Company ownership of EV service connect, EV supply infrastructure, and EV charging equipment install as part of Xcel's public charging network proposal).

<sup>&</sup>lt;sup>14</sup> *Id*. at 11.

#### II. DEPARTMENT COMMENTS ON NOTICED QUESTIONS

In general, the Department believes that a thoughtful discussion and thorough review of Xcel's petition is necessary given its significant scope and costs. The already proceeding contested case for Xcel's MYRP will not present a conducive forum for this discussion and review where Xcel's proposal will be one of many financial and policy proposals at issue in an already massive record for the ALJ to synthesize. Including Xcel's new EV proposals in the MYRP contested case could also prevent or limit the participation of interested persons and organizations (since the intervention deadline has passed) and present procedural obstacles to a full evaluation of the issues given the timing.

Instead, the Department believes that components of Xcel's EV petition that were not previously presented in Xcel's direct testimony in the MYRP should be considered in a notice and comment docket where Xcel can seek approval of deferred accounting or can propose other cost recovery mechanisms. This proposed procedure is consistent with Xcel's past EV proposals, is consistent with how several other policy heavy proposals have been treated recently, <sup>15</sup> and would allow interested parties and organizations to meaningfully participate in review of Xcel's proposal. For the items which were included as part of Xcel's direct testimony in the rate case, the Department agrees that continuing discussion of those items in the MYRP is appropriate.

<sup>&</sup>lt;sup>15</sup> Notably two policy heavy issues that were timely proposed in direct testimony in recent rate case proceedings—Tariff on Bill Financing and service and main extension have been deferred to notice and comment dockets. See In re Application by CenterPoint Energy Res. Corp., d/b/a CenterPoint Energy Minn. Gas for Authority to Increase Nat. Gas Rates in Minn., Docket No. G008/GR-19-524, Order Accepting and Adopting Agreement Setting Rates, and Initiating Development of Conservation Programs for Renters at 15-16 (Mar. 1, 2021); In re Application by CenterPoint Energy Res. Corp., d/b/a CenterPoint Energy Minn. Gas for Authority to Increase Nat. Gas Rates in Minn., Docket No. G008/GR-21-435, Settlement at 18-19 (Mar. 14, 2022) (accepted by Commission at Aug. 18, 2022 agenda meeting – order forthcoming).

The Department addresses each of the specific questions noticed by the Commission in more detail below.

- 1. How should the Commission proceed with evaluating Xcel's EV Portfolio proposal (Docket E002/M-22-432) and Xcel Energy's proposed cost recovery path via the Xcel's pending multi-year rate plan (MYRP) in Docket E002/GR-21-630? Considerations should include, but are not limited to:
  - a. Whether to establish a process for possible cost recovery in Xcel's pending MYRP but evaluate the merits of the EV Portfolio proposal as proposed in Xcel Energy's August 2 filing.

The Department understands the Commission's noticed question to explore whether there are methods for Xcel to pursue cost recovery in the MYRP but evaluate the merits of Xcel's proposed investments in a separate docket. The Department is not aware of a mechanism to establish costs to be recovered in a rate case but defer the question of the prudency, and used and usefulness, of such an investment until a later time. The costs and the merits of proposals are often inextricably linked—an investment may be prudent to provide safe, reliable, and efficient service at one price but not at another.

Moreover, authorizing cost recovery before evaluating the merits may present procedural and legal issues. If the Commission ultimately denies or scales down Xcel's new EV proposals after approving cost recovery, filed rate doctrine claims may be raised and it may be difficult to recoup costs charged to ratepayers for projects that were never used and useful in providing utility service.

While including Xcel's new proposed costs in the rate case presents significant procedural and legal issues, through direct testimony in its MYRP Xcel has included costs for EV programs that the Commission has approved deferred accounting for and indicated are in the public interest. The Department is currently reviewing these costs and will be providing direct testimony on

October 3, 2022 under the established schedule. The Department's supports keeping consideration of the costs and programs included in Xcel's direct testimony in the MYRP in the rate case.

The Department, therefore, recommends that rather than including costs in the MYRP for projects that the Commission has not yet determined to be prudent, in the public interest, or used and useful in providing utility service, the Commission should evaluate the merits of Xcel's new EV petition through notice and comment as discussed further below.

# b. Whether to establish a different process for cost recovery outside of Xcel's pending rate case.

Xcel has options available to seek cost recovery outside of the rate case. Xcel has received deferred accounting for previous EV proposals and the Commission has expanded the items included in Xcel's EV tracker. Additionally, Xcel may seek other methods to recover EV costs at the Legislature.

Existing processes provide Xcel with the means to recover costs for these investments outside of its MYRP, and the Commission need not bend the standard procedures for contested cases to wedge Xcel's untimely proposal into an ongoing contested case.

c. How to handle cost recovery considerations for 2025 and 2026. Currently the MYRP is proposed for 2022-2024 with the possibility of an extension in 2025 and 2026.

The Department has not yet determined whether it will recommend an extension of Xcel's MYRP to 2025 and 2026. The Department will address this issue in its direct testimony in the

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<sup>&</sup>lt;sup>16</sup> See, e.g., In re Xcel Energy's Petition for Approval of Elec. Vehicle Pilot Programs, Docket No. E002/M-18-643, Order Approving Pilots with Modifications, Authorizing Deferred Accounting, and Setting Reporting Requirements at 19–20 (July 17, 2019); In re Xcel Energy's Petition for Approval of a Residential Elec.-Vehicle Serv. Pilot Program, Docket No. E002/M-17-817, Order Approving Pilot Program, Granting Variance, and Requiring Annual Reports at 6 (Sept. 9, 2018); In re N. States Power Co. d/b/a Xcel Energy's Petition for Approval of Residential Elec. Vehicle Charging Tariff, Docket No. E002/M-15-111, Petition at 9 (Jan. 30, 2015) (petition granted by Commission with minor modifications on June 22, 2015).

MYRP to be filed on October 3. Again, deferred accounting would allow Xcel to track and seek recovery of costs for 2025 and 2026 in addition to the other years.

- d. Timing considerations related to Xcel's MYRP and the EV Portfolio; including but not limited to:
  - i. Methods for participation in the MYRP given the deadline for intervention in Xcel's pending rate case has passed.

Xcel's proposal to introduce cost recovery for its new EV proposals in the MYRP at this late stage would limit the ability of interested persons and organizations to be involved with review, would prejudice the current parties to the MYRP, and would not serve the public interest.

The deadline for intervention as a party in Xcel's MYRP lapsed over four-months ago on April 29, 2022.<sup>17</sup> If Xcel is permitted to include its new EV program proposal and costs in its MYRP, the only available avenue to participate in Xcel's proposal for interested persons or organizations who have not already intervened will be as a non-party under the Office of Administrative Hearing's (OAH) rules.

Non-parties have significantly less ability to review the issues and advocate for their interests in OAH proceedings. Parties have the "right to present evidence, rebuttal testimony, and argument with respect to the issues, and to cross-examine witnesses." Whereas participation for non-parties is limited and subject to the ALJ's approval and, at times, additional criteria. The tools for participation of parties versus non-parties in rate cases are laid out below:

<sup>18</sup> Minn. R. 1400.7100, subp. 1.

<sup>&</sup>lt;sup>17</sup> First Prehearing Order at 3.

Parties	Non-Party Participants
Serve discovery (Minn. R. 1400.6700) <sup>19</sup>	Offer testimony or evidence, subject to the approval of the ALJ (Minn. R. 1400.7150, subp. 1)
Conduct depositions (Minn. R. 1400.6900)	Question witnesses "if deemed necessary for the development of a full and complete record," subject to the approval of the ALJ (Minn. R. 1400.7150, subp. 2)
Right to present evidence (Minn. R. 1400.7100, subp. 1)	Offer public comments in writing or orally at a public hearing
Request and participate in mediation and settlement conferences (Minn. R. 1400.5950, 1400.6500)	
Present witnesses and cross-examine the witnesses of the other party (Minn. R. 1400.7200, 1400.7100, subp. 1)	
Request subpoenas for the production of documents or attendance of witnesses (Minn. R. 1400.7000)	
Submit post-hearing briefs (Minn. R. 1400.7100, subp. 1; First Prehearing Order)	
File exceptions to the ALJ's report and recommendation (Minn. R. 7829.2700)	
Present oral argument to the Commission following the ALJ's report and recommendation (Minn. R. 7829.2700, subp. 3)	

As shown by the chart above, by intervening and being granted party status, interested individuals and organizations gain substantially more tools to vindicate their rights and advocate

<sup>&</sup>lt;sup>19</sup> While ALJ Moseng allowed a non-party to serve discovery on Xcel following the denial of a petition for intervention, the Department believes this to be an unusual authorization as OAH's discovery rules refer specifically to the rights of a "party." *See* Minn. R. 1400.6700; *Xcel MYRP*, Docket No. E002/GR-21-630, Order Denying Petition to Intervene (Feb. 23, 2022).

for their interests in contested cases. While there are limited methods for non-party participation, these are left to the discretion of the ALJ and, for some methods, only permitted when "deemed necessary." <sup>20</sup> Xcel's late substitution of its new, unapproved EV proposals would not allow interested stakeholders to participate fully in the determination of the reasonableness of these substantial investments or their costs. The Commission's decision on Xcel's petition may affect the plans and economic interests of potential competitors and other stakeholders, particularly regarding Xcel's public charging infrastructure proposal. Leaving those interests to be voiced through only public comments and limited participation in the evidentiary hearing (if deemed necessary by the ALJ) would be insufficient and leave the record in the MYRP lacking potentially probative evidence for the Commission's consideration.

Lastly, even if the ALJ were to extend the time for intervention in the MYRP, this would not change the fact that additional parties, as well as current parties, would have less than a month to retain counsel (if needed), conduct discovery, retain experts, and produce testimony.

# ii. Whether the schedule in the rate case provides sufficient time to review and develop cost recovery proposals.

The schedule in the rate case does not provide sufficient time to review Xcel's proposals, and Xcel's proposal to submit its plan in rebuttal testimony would prejudice the parties in the MYRP. Additionally, the use of rebuttal testimony to introduce substantially new evidence is procedurally improper, goes against specific requirements in the ALJ's First Prehearing Order, and lacks good cause.

Xcel's new EV proposal will require substantial work (and time) to thoroughly review. Xcel's petition and attachments total over 450 pages, include tariff revisions, variance requests, a

<sup>&</sup>lt;sup>20</sup> See Minn. R. 1400.7150.

cost-benefit analysis, and other technical data and assumptions that will require significant analysis. Xcel's proposal to include its EV petition costs in unresponsive rebuttal testimony would not provide parties adequate time for review. Schedules in rate case proceedings are carefully timed to provide adequate opportunity for discovery in response to the Company's initial rate increase application, significantly less time for rebuttal testimony from the Company, and even less time for surrebuttal testimony from intervening parties. This MYRP schedule follows that design, with several months for intervenors to conduct discovery on Xcel's application, 36 days for Xcel to serve discovery regarding the intervenors direct testimony and file its rebuttal testimony, and 28 days for intervenors to respond in surrebuttal.<sup>21</sup> These decreasing timeframes assume a narrowing of issues, not the massive expansion of novel costs and complex issues proposed by the Company with the relatively shortest amount of time for intervenors to respond in surrebuttal testimony.

Even if intervenors were to submit direct testimony on Xcel's EV petition without Xcel's official inclusion of it in testimony, this would provide only one month of time for investigation, review, and drafting testimony. In addition, Xcel has not produced as detailed financial schedules to support its proposed costs as would normally be included in a rate case, making the Department's review more difficult.<sup>22</sup> Xcel also states that it plans to update its CCOSS but has not included an updated CCOSS model for analysis.<sup>23</sup>

<sup>&</sup>lt;sup>21</sup> Note that 28 days for surrebuttal is longer than normal due to the Thanksgiving holidays falling in the middle of the period.

<sup>&</sup>lt;sup>22</sup> Xcel's petition simply lists three capital accounts that will be used and states only that "O&M expense from the plan will be placed in the appropriate FERC account." *See* Xcel Public Charging Network Petition at 11.

<sup>&</sup>lt;sup>23</sup> *Id.* at 11.

Timing aside, including Xcel's new EV proposals in rebuttal testimony is procedurally improper. Rebuttal testimony is a type of rebuttal evidence that is used to "disprove or contradict the evidence presented by an opposing party." Xcel's proposed testimony will not disprove or contradict the testimony of other parties at all and instead will seek to replace its denied EV rebate proposals (currently included in direct testimony) with new public charging infrastructure costs. <sup>25</sup> This would not be rebuttal testimony but a new, untimely proposal for cost recovery.

Finally, Xcel's proposal to include its new EV proposals in rebuttal testimony lacks good cause. The First Prehearing Order requires that a party seeking to introduce information "that reasonably should have been included in an earlier round of testimony" obtain affirmative approval from the ALJ for "good cause." Xcel has not attempted to follow the ALJ's procedure for including untimely information in testimony. To date, Xcel has neither sought nor received approval from the ALJ to offer its new EV proposals in rebuttal testimony. Xcel did not even cross-file its new EV petition in the rate case docket.

Xcel cannot show good cause for its delay. The Commission approved Xcel's 21 station DCFC pilot and denied Xcel's proposed rebates at a March 24, 2022 meeting and issued its written order on April 27, 2022. Over four-months after the Commission's oral decision, Xcel filed its new EV proposal, stating that it would include capital and O&M expenses, as well as updates to its CCOSS, with rebuttal testimony.<sup>27</sup> Notably, Xcel could have sought to file its new EV

<sup>&</sup>lt;sup>24</sup> Black's Law Dictionary, Evidence, Rebuttal Evidence (11th Ed. 2019).

<sup>&</sup>lt;sup>25</sup> Xcel was denied \$150 million in capital costs for EV rebates and is now requesting \$55 in additional capital costs for 2022 to 2024 and \$2.5 to \$3.0 million in additional O&M expenses per year. *See* Xcel Public Charging Network Petition at 10 (Table 2).

<sup>&</sup>lt;sup>26</sup> First Prehearing Order ¶ 30 ("Information shall not be included in testimony that reasonably should have been included in an earlier round of testimony, absent affirmative approval of the Administrative Law Judge for good cause shown by the offering party.").

<sup>&</sup>lt;sup>27</sup> Xcel Public Charging Network Petition at 11-12 (Aug. 2, 2022).

proposals as supplemental direct testimony, a procedural mechanism that Xcel availed itself of in the MYRP for its Distributed Intelligence (DI) proposals.<sup>28</sup> Timely supplemental direct testimony would have allowed for the current parties to the rate case to more thoroughly analyze Xcel's proposed cost recovery, although it would not have solved the problem of the intervention deadline. That Xcel seeks to include its new EV proposals in rebuttal testimony significantly prejudices the parties' ability to investigate Xcel's proposals and cost recovery for hundreds of millions of dollars.<sup>29</sup>

# iii. Timing for Commission decisions on cost recovery and EV portfolio decision given the Commission Order on Xcel's pending rate case is expected by June 30, 2023.

The timing for Xcel's proposals and the Commission's decision in Xcel's MYRP do not align for the reasons discussed above.

## 2. Which Commission procedure (see Minn. R. Ch. 7829) should be used to evaluate the merits of Xcel's EV Portfolio proposal?

The Department recommends that the Commission treat Xcel's new EV petition as a miscellaneous filing and notice a comment period on the merits of the proposal with considerations for potential cost recovery outside of a rate case. The Department suggests that initial comments be due in early March 2023.

Using a notice and comment period would be consistent with how the merits of Xcel's EV proposals have been evaluated in the past, would allow the Commission to have greater focus on the proposals than crowding them in with numerous other issues in the MYRP, and would provide

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<sup>&</sup>lt;sup>28</sup> See Xcel MYRP, Docket No. E002/GR-21-630, Supplemental Direct Testimony and Schedules of Michael O. Remington (July 29, 2022).

<sup>&</sup>lt;sup>29</sup> See Xcel Public Charging Network Petition at 19 (Table 3).

interested persons and organizations the ability to participate on more equal footing with the parties to the MYRP.

Given the limited time for review of Xcel's new EV proposals, it is not clear whether contested material facts would arise that would necessitate a contested case. Using a notice and comment process provides a more accessible method for interested persons or organizations and a less confrontational format for the parties to explore the issues and develop a record for Commission consideration. Participants, however, would retain the ability to request that the Commission refer the matter for a contested case, or the Commission may do so on its own motion.<sup>30</sup>

Regarding timing, the Department proposes that initial comments be due in early March 2023 to allow time for the Commission and Department to devote appropriate resources to review Xcel's proposal and to allow interested stakeholders to provide input. The Commission's calendar is already quite full during Fall 2022 and early Winter 2023. During this time, among other things, the Commission is planning to consider Minnesota Power's rate case at an agenda meeting, to conduct the expedited docket on improving ratepayer protection from natural gas price spikes, to hold public hearings in Xcel's gas and electric rate cases, and to engage in technical conferences regarding the Natural Gas Innovation Act.

Additional time would also allow potentially interested persons or organizations to have more meaningful involvement. Because Xcel's new EV petition proposes substantial investments in a relatively new area of EV infrastructure for Xcel (DCFC stations), other persons or entities interests may be more greatly impacted by Xcel's new EV proposal than previous proposals. A

<sup>&</sup>lt;sup>30</sup> See Minn. R. 7829.1000.

March 2023 date for initial comments would give these potential participants time to review Xcel's filing and become more familiar with the Commission's procedures.

The additional time will also provide the opportunity to gain greater familiarity with the investments in EV charging and implications for EV adoption contained in the federal Infrastructure Investment and Jobs Act and the Inflation Reduction Act and to understand how these federal initiatives interplay with Xcel's proposal and may affect forecasted EV adoption and charging needs.<sup>31</sup> Lastly, the Department intends to use the time before the filing of initial comments to engage informally with stakeholders and the Company.

Given the scope of Xcel's proposal, the amount of Xcel's requested cost recovery, and the fact that Xcel's proposal would be a novel use of utility infrastructure, the additional time will be put to good use and result in a more thorough review of these significant costs and important policy issues.

#### **CONCLUSION**

Rather than including Xcel's new proposals in the ongoing contested case for the MYRP, the more appropriate method for this scope and type of novel investment is for Xcel to either seek approval for cost recovery following completion of the capital project or seek approval of deferred accounting, which Xcel has received for its EV proposals in the past. Xcel's proposal to include its new EV proposals in rebuttal testimony in its MYRP would prejudice the parties and not serve the public interest by providing insufficient time for review of significant costs and public policy

<sup>&</sup>lt;sup>31</sup> See, e.g. U.S. Dep't of Transp., *The Bipartisan Infrastructure Law Will Deliver for Minnesota* <a href="https://www.transportation.gov/sites/dot.gov/files/2021-11/BIL\_Minnesota.pdf">https://www.transportation.gov/sites/dot.gov/files/2021-11/BIL\_Minnesota.pdf</a> ("Under the Bipartisan Infrastructure Law, Minnesota would expect to receive about \$68 million over five years to support the expansion of an EV charging network . . . [and] have the opportunity to apply for grants out of the \$2.5 billion available for EV charging."); *Plug-In Electric Drive Vehicle Credit (IRC 30D)*, IRS.gov, <a href="https://www.irs.gov/businesses/plug-in-electric-vehicle-credit-irc-30-and-irc-30d">https://www.irs.gov/businesses/plug-in-electric-vehicle-credit-irc-30-and-irc-30d</a> (explaining changes to EV tax credits from the Inflation Reduction Act).

considerations. The Department proposes that Xcel's new EV proposals be reviewed in a notice and comment proceeding to provide a more accessible format for interested persons and organizations and sufficient time for a thorough review of the significant costs and important policy issues presented by Xcel's petition.

Dated: September 7, 2022 Respectfully submitted,

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