



July 5, 2023

Mr. Will Seuffert
Executive Secretary, Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 5510

RE: Charge Ahead Partnership comments in Docket M-22-432 in regards to the motion to withdraw the petition of Northern States Power Company for approval of its Clean Transportation Portfolio

Dear Mr. Seuffert:

Charge Ahead Partnership (“CAP”) respectfully submits the following comments to the Minnesota Public Utilities Commission (“the Commission”) in reference to Docket M-22-432 in the matter of the petition of Northern States Power Company (“Xcel Energy” or “Xcel”) for approval of an electric vehicle (“EV”) portfolio proposal and the request by the petitioner to withdraw its proposal. Charge Ahead Partnership firmly believes that the Commission should grant Xcel Energy’s motion to withdraw Docket M-22-432 (“EV Portfolio Proposal” or “the proposal”) from Commission consideration.

CAP’s members include businesses, organizations, and individuals that share the common goal of ensuring Minnesota’s charging network is positioned to meet electric vehicle drivers’ expectations of quality service, safety, and the affordable, competitive pricing that they have grown accustomed to with the established refueling network. CAP’s Minnesota members would be affected by Xcel Energy’s EV Portfolio Proposal both as ratepayers and as potential providers of EV charging services. CAP has weighed in on this case before as one of the chorus of voices who successfully encouraged the Commission to consider Xcel’s Clean Transportation Portfolio through a contested proceeding, due to the substantial cost to Xcel ratepayers and the impacts of the proposal on the future of EV charging in the state. Below, please find the comments of CAP in regard to the topics open for comment in the June 22, 2023 notice of withdrawal and comment period. Additionally, CAP’s comments are focused primarily on the public charging network piece of Xcel’s request and not on the Electric School Bus programs.

I. Should the Commission approve Xcel’s motion to withdraw its Clean Transportation Portfolio?

CAP is pleased to see Xcel’s motion to withdraw its Clean Transportation Portfolio and strongly encourages the Commission to grant Xcel’s request in the interests of protecting Minnesota ratepayers and the future development of the EV charging market and network in Minnesota.

A major barrier to private businesses investing in DCFC stations is the threat of electric utilities investing ratepayer funds in EV charging stations without market or competitive forces at play. If electric utilities are permitted to provide DCFC services directly to the public, as they are seeking to do in Minnesota and across the country¹, it would undoubtedly undercut the development of a competitive EV charging

¹ See, e.g., Public Utilities Commission of Nevada Docket No. 22-09006, Arkansas Public Service Commission Docket No. 22-026-TF, Indiana Utility Regulatory Commission Docket No. 45772 and Colorado Public Utilities Commission Docket 23A-0242E.

market in Minnesota. Private businesses cannot compete with regulated electric utilities that have the ability to pass on the costs of their investments in DCFC stations to all of their ratepayers.² Additionally, it is not prudent to utilize ratepayer funding to expand EV charging services when there are private companies eager to invest their own capital. Finally, electric utility investments in charging stations could lead to stranded assets as EV charging technology evolves quickly and could render ratepayer funded EV infrastructure obsolete before the amortization period is complete.

These concerns over utility ownership of EV charging stations are particularly concerning in the case of Xcel Energy, who despite having been granted approval to build 21 DCFC stations by the Commission in April 2022, has zero operating, none beyond the “pre-construction” phase, only four signed site-agreements, and a 40% capital cost increase.³ These shortcomings extend to other states where Xcel operates such as Colorado and New Mexico where Xcel Companies received approval to build EV charging stations in December 2020 and September 2021 respectively but had no stations in operation as of mid-March 2023.⁴ Approving the motion to withdraw would signify a desire from the Commission to have the private sector lead the way rather than a regulated monopoly without experience or expertise providing transportation fueling services. Relying on electric utilities has thus far proved ineffective in seeing more chargers built, in Minnesota and other states, instead stifling the competitive market and private investment eager to invest capital in Minnesota’s EV charging infrastructure.

II. If Xcel’s motion to withdraw is granted, should the Commission require Xcel Energy to file proposals to satisfy the objectives of Minn. Session Laws – 2023, Chapter 60, HF 2310, Article 12, Sec. 12 in a Transportation Electrification Plan to be filed on November 1, 2023?

In 2023, Governor Walz signed HF 2310 into law, which requires Minnesota’s electric utilities to file Transportation Electrification Plans (TEPs) with the Commission at least every four years beginning November 1, 2023.⁵ HF 2310 allows a wide range of services to be included in the TEPs, including utility owned EV charging stations. There is language in the same section regarding partnerships with existing transportation fuel retailers for EV charging, which is encouraging, but these provisions are not mandatory for inclusion in the TEP. Despite some positive provisions, this legislation could discourage private businesses from investing their own capital into EV charging services due to concerns about unfair competition with electric utility-owned charging stations.

CAP acknowledges that Minnesota’s electric utilities will play a critical role in ensuring Minnesota’s grid infrastructure is prepared to support a statewide fast charging network. The most effective way to build out Minnesota’s charging network is through a coordinated partnership between Minnesota’s electric utilities and private, unregulated businesses. CAP acknowledges that Xcel has committed to filing

² See, e.g., Peter G. Scholtz, Assistant Attorney General, Minnesota Office of Attorney General comment letter in Docket No. 22-432. “Xcel’s EV proposals — particularly \$193 million earmarked for an expanded fast-charging network — implicate important public policy questions about whether and under what conditions the Company should be allowed to use its ratepayer-funded monopoly to compete in a new business area,” Scholtz wrote.

³ Department of Commerce’s response to Northern States Power Company’s motion to certify and request to withdraw in MPUC Docket No. E-002/M-22-432, June 14, 2023.

⁴ Department of Commerce’s response to Northern States Power Company’s motion to certify and request to withdraw in MPUC Docket No. E-002/M-22-432, June 14, 2023.

⁵ Session Laws – 2023, Chapter 60, HF 2310, Article 12, Sec. 12

a TEP by November 1, 2023, along with Minnesota's other electric utilities.⁶ In order to continue to support the buildout of the state's EV charging network CAP believes this TEP should focus on necessary investments such as distribution system upgrades or other updates to the electric grid that fall more in-line with Xcel's core competencies. The Commission, through its jurisdiction over electric utilities, should implement regulatory policy to facilitate that partnership through the make-ready model. This model will allow utilities to recover the costs of make-ready infrastructure to prepare charging sites for DCFC stations while unregulated businesses that compete on price and quality of service own and operate publicly available DCFC stations. This will encourage private investment and increase consumer choices in Minnesota's EV charging market.

CAP believes that regulated electric utilities that choose to own EV charging stations should do so through a separate, unregulated entity that cannot be cross subsidized with their regulated business as such, they can compete fairly with other private sector entities in the free market. However, if the Commission approves direct utility ownership of EV charging stations, it should also instruct electric utilities to only own chargers in areas that the private sector has no plans to serve. Just this year, Georgia, Texas and Oklahoma passed legislation that enacts this policy.⁷ Ensuring that Minnesota's EV charging market is based on fair competition and transparency for all EV charging providers will mitigate financial impacts on ratepayers by encouraging private investment.

III. Conclusion

CAP firmly believes that EV charging services and the ownership and operation of charging stations should be left to private companies that compete on price and quality of services. This approach will ensure that the current fuel transition does not unnecessarily burden electric utility ratepayers. Private investment will be essential to create a more positive customer experience for EV drivers, which will support the growth of Minnesota's EV fast charging network. CAP firmly believes that without an emphasis on quality consumer service as well as charging availability, EV adoption rates will lag.

As previously mentioned, electric utilities are increasingly seeking to underwrite their investments in owning and operating DCFC stations by recovering their costs in their customer's electric bills. Electric utilities rate-basing costs associated with building, owning, and operating networks of DCFC fast chargers will adversely affect the entire rate base, regardless of how many customers actually drive an electric vehicle. This would have the largest impact on individuals in low-income and fixed-income communities who are more sensitive to price fluctuations and are less likely to own EVs. To put it another way, rate-basing the costs of EV chargers operates like a regressive tax, particularly on those least able to afford it or directly benefit from it.

As the Commission evaluates the proposal to withdraw and future utility requests regarding EV charging it should consider whether or not it is appropriate for a vertically integrated electric utility, such as Xcel Energy, to expand its monopoly to EV charging services when private businesses are eager to invest. Indeed, the impact on the competitive market for EV charging should be a key consideration as well as the financial impact on ratepayers.

⁶ Northern States Power Company comments in response to the Minnesota Public Utilities Commission June 22, 2023 Notice of Proposed Withdrawal and Comment Period, Docket No. E002/M-22-432, July 5, 2023. <https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={B0592689-0000-C01B-973C-477D7AA95290}&documentTitle=20237-197225-01>

⁷ Georgia Senate Bill 406, <https://www.legis.ga.gov/legislation/64250>, Texas Senate Bill 1002 <https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&Bill=SB1002>, Oklahoma Senate Bill 502 <http://www.oklegislature.gov/BillInfo.aspx?Bill=SB502&session=2300>.

For the reasons previously stated, CAP urges the Commission to approve Xcel Energy's request to withdraw its petition for approval of a public charging network. Thank you for your consideration of CAP's comments. As the commission studies this issue, CAP is prepared to be a resource and welcomes all future opportunities to participate in this process.

Sincerely,

/s/ Jay Smith

Jay Smith

Executive Director

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