

Date \_\_\_\_\_

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, MN 55101

RE: 2020-2034 Upper Midwest Integrated Resource Plan, Docket No. E002/RP-19-368

Dear Executive Secretary Seuffert:

Thank you for the opportunity to comment on Xcel Energy's latest Integrated Resource Plan (IRP). This letter represents the views of [X] Minnesota local governments within Xcel Energy's service territory, listed below. Collectively, this group represents a substantial portion of Xcel Energy's customer base, as well as the many residents and businesses that comprise our communities.

IRPs are a key avenue for Xcel Energy to receive public input on its long-term plans. Utility operations, and therefore plans, should reflect both market realities and customer demand. We appreciate the opportunity to submit input to clarify customer demand.

Each local government signee has publicly stated goals to reduce greenhouse gas emissions and/or to increase utilization of carbon-free electricity. While individual goals vary, the shared goal of decarbonizing the electricity system for the public good is clear. Decarbonization is also an avenue to address historic inequities in our communities; the signees want to ensure that clean energy projects are a vehicle for investing in historically underserved communities.

We recognize and commend Xcel Energy's commitment to carbon reductions, continued effort to meet these goals, and willingness to undertake new modeling efforts within the IRP process. This letter contains shared suggestions for how Xcel could improve on their existing plans to align with customer demand for decarbonization and to center equity in resource decisions.

Local Government	Carbon Reduction Goal	Energy Goal
Bloomington	75% by 2035	95% reduction in city-wide electricity-related ghg emissions
Eden Prairie	Carbon neutral community-wide by 2050	10% of total consumption renewable (25 MW)
Edina	30% by 2025, 80% by 2050	
Northfield	Carbon-free electricity by 2030, 100% by 2040 (economy-wide)	10% in-boundary renewable electricity (20 MW)
Ramsey County	30% by 2025, 80% by 2050	Energy use reduction: 30% by 2025, 80% by 2050
Red Wing	80% by 2040	100% solar for city operations by 2020, 100% by 2040 community-wide (2.5 MW)
Saint Louis Park	100% carbon neutral by 2040	100% by 2030, 10% in-boundary (37 MW)
Saint Paul	100% carbon neutral by 2050	10% in-boundary renewable electricity (200 MW)

Xcel Energy's Preferred Plan does indicate that the utility will take several actions to support clean energy and decarbonization that are generally in line with the signees' goals. We are particularly supportive of Xcel Energy's decisions to:

- Retire all coal plants by 2030,
- Retire the Cottage Grove and Black Dog 5 gas plants,
- Increase solar and wind generation, and
- Increase energy efficiency and demand response.

However, we believe Xcel Energy can do more to reduce carbon emissions and support underserved communities while maintaining safe, reliable, and affordable service.

### **I. Center equity in the planning process**

In the June 30, 2020 supplemental filing, Xcel Energy included an attachment addressing diversity, equity, and inclusion<sup>1</sup> and we appreciate that these topics are considered in this IRP. Many of our local governments have stated priorities to address racial inequities in our communities through our decisions related to the public services we provide. We have embarked on our own processes to understand how to create safer and more equitable cities, including assessing our policies, programs, budgets, and practices for racial equity impacts.

Electricity generation has historically been a major source of air pollution and emissions in Minnesota, and low income and communities of color have been disproportionately exposed to those pollutants that directly harm human health.<sup>2</sup> Minimizing the adverse socioeconomic effects of utility decisions means protecting communities from the impact of harmful energy production processes *and* addressing the historic impact such processes have had on people of color, while providing equitable access to the clean energy economy as a part of the solution.

### **II. Accelerate retirement of coal plants**

We appreciate the commitment in this IRP from Xcel Energy to retire all coal on the Upper Midwest system by 2030, this supports our local government carbon reduction goals. Some of our communities have more ambitious goals, to reach carbon neutrality or 100% clean energy, which will require an even more rapid phase out of carbon-based electricity generation. We recommend that Xcel Energy model earlier retirement dates to reduce cost to customers as well as negative externalities, including emissions and public health impacts.

### **III. Explore alternatives to new natural gas**

Many of our communities have adopted Climate Action Plans or carbon reduction goals, and we are concerned with the upstream emissions associated with fossil gas. We therefore encourage Xcel Energy to explore a clean energy portfolio – a combination of renewables, energy efficiency, demand, response, and energy storage – to replace the capacity from retired coal plants.

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<sup>1</sup> Attachment C – Inclusion, Diversity, and Equity to the 2020-2034 Upper Midwest Resource Plan Supplement

<sup>2</sup> Minnesota Energy Justice Snapshot: <https://www.naacp.org/wp-content/uploads/2015/09/Minnesota-SnapShot.pdf>

#### **IV. Increase renewable energy, including local generation**

Xcel Energy's base assumption for distributed solar in the Preferred Plan is 660 MW, driven primarily by community solar gardens and the Solar\*Reward incentive, which is currently set to expire in 2021 and Xcel assumes no additional rooftop solar after that time. Collectively, our local governments have goals to add [REDACTED] MW of local/in-boundary renewable generation, representing [REDACTED]% of the total distributed solar in Xcel Energy's assumptions. We recommend that Xcel take local clean energy goals, in addition to state policy and existing incentives, into consideration in forecasting and modeling for the IRP.

#### **V. Better Coordinate Integrated Distribution System and Resource Planning**

With the increase in customer installation of distributed energy resources (DER) – including distributed solar generation, electric vehicles, on-site storage, etc. – utilities should coordinate their resource/generation and distribution system planning to avoid unnecessary complexity and increased costs associated with operating the grid. A more comprehensive electricity planning process, as recommended by the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Energy Officials (NASEO), will help utilities to safely and cost effectively meet current and emerging grid needs such as increased flexibility and resilience and DER integration.<sup>3</sup> It will also help utilities to account for the quantity, location, capabilities, and load shapes of resources added to the distribution system and the bulk power system.

This is of particular importance to cities, in support of their local/in-boundary renewable energy goals, as well as their interest in resilience and reliability. Local governments are also doing infrastructure and asset planning on a more localized scale, which presents a great opportunity for coordination to maximize efficiency and ensure cost effectiveness. There may also be opportunities to identify where DER may be used as assets to the grid and potential alternatives to traditional distribution investments.

#### **VI. Include Beneficial Building Electrification and Grid Flexibility**

Aside from the High Electrification sensitivity, the base scenario assumptions in this IRP include only transportation electrification, not building electrification. A number of our cities have goals to both improve the efficiency of and reduce carbon from buildings, which may involve electrification. If not intentionally managed, however, electrification can lead to increased grid costs, overbuilding of generation capacity, and increased energy burden. When properly designed, new electrified end uses can contribute to reliability, renewable integration, and enable a more flexible grid that can respond to shocks. We therefore recommend that the Commission require Xcel Energy to include beneficial building electrification in the load growth forecast and increased grid flexibility with a more sophisticated modeling software.

#### **VII. Clarification on the 2034-2050 plan for carbon neutrality**

Xcel Energy has made a commitment to achieve carbon-free energy by 2050, and we appreciate the utility's leadership in this area. While the planning period for this IRP extends only through 2034, we would appreciate more details on the subsequent 15-year period in order to have confidence in Xcel Energy's plans to achieve that goal. Our short-term decisions related to climate action will be informed by that information, to realize our cities' long-term carbon reduction goals.

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<sup>3</sup> NARUC-NASEO Task Force on Comprehensive Electricity Planning: <https://www.naruc.org/taskforce/>

Signatories

Name, Title – City

Potential attachments: City resolutions approving signing on to this letter, reference to city carbon and energy goals