

Xcel Energy Minnesota Relief Efforts and Programs

Customer Disconnections and Fee Waivers

Beginning in March, we discontinued disconnections for Residential customers.

- Actively reached out to disconnected customers to reconnect them, waiving the reconnection fee and the down payment to get them back online
- Waive late fees for Residential, Small Business and Industrial Customers (residential and small biz were at the request of the commission)
- Following PUC Order, we cannot restart residential disconnections or late fees for res/small business until at least 60 days following the end of the governor's peace time emergency declaration
 - Before we restart residential or small business late fees or disconnections, we must file a transition plan to ease customers into the resumption of collection activities
- Residential disconnections will not resume until at least April 15, 2021 – at the end of the Cold Weather Rule protection

Protective Gear Distribution

- Facemasks ~ 300,000
- Ear Protectors for facemasks ~ 50,000

BIS Rider Temporary Relief Program [Approved: July 2020]

The Company temporarily (through March 2021) expanded our Business Incentive and Sustainability Rider to provide meaningful, swift discounts to commercial customers who need such relief to continue operations and employ their staff.¹ The approximately \$5 million program provides a 25% discount to customers impacted by COVID-19 whose consumption is 25% less than the same period last year as a result of the COVID-19 Pandemic.

Small Business Pandemic and Civil Unrest Recovery Program [Approved November 2020]

The Company proposed an approximately \$2 million temporary program aimed at small businesses who experience material decline in energy demand as a result of the state's pandemic response or recent civil unrest.² To qualify for the program, customers must demonstrate they have experienced a minimum 25 percent peak load reduction compared to their prior monthly peak load for the twelve months preceding February 2020. For non-demand billed customers, load reductions will be estimated based on energy usage. Approved customers will be eligible to receive a 25 percent credit applied to the customer's total monthly base rate charges, excluding customer charges. The credits will be applied from the time of approval through March 31, 2021, at which time the customer's normal rates would resume. Maximum participation in the program is limited to a total of 50 MW of customer loads, measured by the total average load (prior to the impact of the pandemic or civil unrest) of participating customers.

¹ Docket E002/M-20-436

² Docket No. E002/M-20-662

Energy Efficiency

Double energy efficiency rebates for businesses impacted by civil unrest

Offering up to double rebates for businesses impacted by the events of civil unrest this summer. We have almost 50 projects enrolled across Minneapolis & St Paul. Program application deadline extended to July 1, 2021.

- About 1/3 are enrolled in Energy Efficient Buildings and the rest Turn Key.
- About two-thirds of the projects are in Minneapolis.
- Working with community organizations to help get the word out – like CERTS, Lake Street Council, Midway Chamber and will begin reaching out to community organization
- Presented at the annual CERTS meeting and Twin Cities Community Rebuilding Coalition (<https://www.tccrc.org/>)

Increased Low Income Energy Efficiency Spend [Proposed]

We have proposed to spend twice the minimum statutory requirement on our electric and natural gas low-income Conservation Improvement Programs (CIP), or approximately an additional \$6 million for electric programs and \$3 million for gas programs. This incremental funding could allow our partners who provide low-income services to increase staff to reach even more of our customers and help address health and safety issues in the home like vermiculite (asbestos) removal. Increasing energy efficiency activity during the economic slowdown will contribute to lower bills for all customers and create opportunities for customers to replace inoperative or inefficient equipment. Based on estimates from the Midwest Energy Efficiency Alliance, these investments could indirectly support over 2,700 jobs.

LED Bulbs Distribution at Local Food Shelves

Throughout 2020 we distributed 1.5 million LED bulbs to be distributed at Second Harvest Heartland Food Shelves and their affiliates. Each recipient receives a 4-pack of bulbs with an estimated savings of \$20 each year on their electric bill.

CEE Partnership for Enhanced Energy Efficiency in Rental Properties & Workforce Development [Notice given, likely filed in CIP in December]

The Company is working with CEE on a proposal of up to \$6 million to specifically focus on designated Green Zones in Minneapolis, Areas of Concentrated Poverty (ACP 50) zones of St. Paul, and the areas directly impacted by the recent civil unrest. The proposal has two different focus areas: (1) a Rental Energy Efficiency Pilot and (2) an Energy Efficiency Workforce Development Pilot. We describe both below.

The Rental Energy Efficiency Pilot is an enhanced energy efficiency offering that aims to make significant energy efficiency investments in rental properties that will focus on comprehensive weatherization project scopes including lighting, water efficiency, envelope, and mechanical systems. The Pilot will also address health and safety measures related to energy efficiency work scopes (pre-weatherization) are included: ventilation, combustion safety, electrical wiring updates, asbestos remediation, and additional pre-weatherization measures as allowed by DER. Additionally, 0% financing will be available to provide first-dollar costs to property owner when needed. Our recommended pilot program is meant to address the specific goals around equity raised by partners in Minneapolis and Saint Paul the past few years, while navigating program barriers like income qualification.

The Energy Efficiency Workforce Development Pilot proposes to work with community partners to develop a more diverse and equitable energy efficiency workforce. Specifically, CEE will establish a training program for paid apprenticeship positions with particular attention on hiring women and racial minorities, and priority given to applicants residing in Minneapolis's Green Zones and St. Paul's Area of Concentrated Poverty. At the end of their term, apprentices will be placed with existing insulation companies or could receive assistance in starting their own insulation company.

Workforce and Training Development Program [Proposed]

First, we propose to issue a Request for Proposals (RFP) for workforce and skills training and development programs targeted to development of the necessary skills for minority and women to enter apprentice programs targeted for the utility industry and building trades. While the details are still under development, we propose to issue a total of up to \$4 million toward the winning bid(s) with the goal of offering training opportunities to under-served communities for energy-related careers. We are currently conducting outreach and listening session with organizations within the community that provide workforce training or have workforce training programs to learn about their programs and get feedback on critical design elements to include in the RFP.

Corporate Donations – Relief and Recovery Focused

Student Learning Pod Donation

Xcel Energy along with several other Twin Cities corporations (Andersen Windows, Securian Corporation, and US Bank) collectively donated \$1 million (\$300,000 from Xcel Energy) to help fund distance learning support for Black and minority students at 'learning pods' through the North Star Network, an initiative of the African American Community Response Team and Summit Academy.³ The learning pods are expected to serve several hundred students this year and will be located at local churches and community centers and have tutoring, and other support to make distance learning more effective. The learning pods will include Chromebooks, Internet access, and instruction. In addition, free meals, outdoor activities, enrichment experiences and mental health support will be provided to supplement study time.

Renewable Initiatives

Solar*Rewards Expansion [Proposed]

We propose extending our Solar*Rewards program to businesses who had structural damage or other impacts from the recent civil unrest. This would allow these customers to more affordably consider solar energy as part of their rebuilding efforts.

Today, a portion of Solar*Rewards program funding is dedicated to qualifying multi-family/non-profit/government customers serving primarily low-income customers.⁴ We propose to extend the Solar*Rewards income-qualified incentives to commercial electric customers who are making repairs and purchases as a result of civil-unrest damage, or who explain and attest to significant business

³ Learning pods are currently located at the Broadway YMCA, the Blaisdell YMCA, and Best Academy and there are plans to expand to more locations including St. Paul.

⁴ These customers are eligible for 10-year production incentives of \$0.06 per kWh and up-front incentives of \$1 per watt that allows customers to buy down the cost of onsite solar systems. As an example, for a 40 kW (DC) system, this would amount to \$40,000 towards a system, plus around \$3,000 in annual incentives.

impacts of more than \$50,000 due to the widespread acts of property damage and subsequent business impacts in portions of the Twin Cities area in May and June 2020.

As this extension would be considered a program modification, we would propose to the Department of Commerce to extend eligibility to these customers through June 2021. As part of our request, we would also propose that funds to the expanded eligibility group of impacted commercial customers would not count toward our income-qualified Solar*Rewards carve-out, so that there is no adverse effect to the current program population.⁵ Finally, we note we will earmark any unspent Solar*Rewards 2020 funds (those 2020 funds not allocated by December 31, 2020) specifically toward rebates that fall under the impacted commercial customer program extension criteria – allowing impacted customers additional time to apply for funding; any rollover funds not allocated to qualifying civil unrest projects by June 2021 would be released to all other Solar*Rewards participants as part of the 2021 program year.

To-date, the Company has allocated 70 percent of our 2020 Solar*Rewards budget. That leaves approximately \$4 million for onsite solar projects through the end of the year.⁶ We expect approximately \$3 million of the remaining 2020 budget to be allocated, which would leave approximately \$1 million available to civil unrest impacted commercial customers. As an example, if the full \$1 million were fully utilized, that would incentivize about thirty 20 kW systems or fifteen 40 kW systems that otherwise might have a difficult time finding the financial resources to add solar to their building.

Low-Income Rooftop Solar [Proposed]

We propose a \$3 million residential rooftop solar pilot program opportunity specifically for low-income customers, where the Company will own the solar installations, retain the resulting Solar Renewable Energy Credits (RECs) associated with the generation, and provide participants a monthly incentive for use of their roof space.

Besides lowering bills for participants, the pilot would engage around 20-30 individuals to install the rooftop systems on a part-time or as-needed basis. We believe this pilot can be an important part of a solution to address the Commission's concerns about accessibility of the community solar garden program and other solar generation resources to low-income customers.

While we are still working through the details of this program, we recognize the importance of community involvement in this process and want to be sure we direct these benefits to our underserved communities. Accordingly, we are still working through program design and potential locations with community organizations and stakeholders like Energy Cents Coalition (ECC) and anticipate a filing requesting approval of the program in mid-2021.

Sherco Solar [Proposed]

We are proposing to develop solar photovoltaic (PV) capacity and an integrated battery energy storage unit at our Sherco site in Becker, Minnesota. Given the increasing delays and interconnection costs we are seeing in the MISO queue process, we propose to avoid these complications by interconnecting the

⁵ October 9, 2019 Commissioner of Commerce Decision, Docket No. E002/M-13-1015. A minimum of 10 percent allocation and a maximum of 20 percent allocation must be reserved for the income-qualified program.

⁶ Available funding as of the start of October 2020.

solar PV at the Sherco substation to coincide with the retirement of Sherco Unit 2, which is scheduled for December 31, 2023. In addition to the solar array and battery storage unit, we also will need two three to four-mile 345 kV transmission lines to support the generation. Portions of the work required to complete the proposed project – such as land acquisition and transformer procurement – are already underway. Other tasks, including permit applications, could be started as early as early 2021 following field study work and conceptual design. Although the capacity proposed will not come online prior to the end of 2023, due to the time required for engineering design, site and route permitting, solar array equipment procurement and construction and commissioning, the necessary regulatory processes need to begin soon.

Minneapolis Non-Wires Alternative Pilot Project [Proposed]

As outlined in previous filings in this docket, we have been working with the City of Minneapolis to fulfill their desire for an NWA project located within the city. We are currently clarifying our pilot objectives, working with the City to refine their objectives, and developing a corresponding Project Proposal Template and scoring worksheet that we will use in partnership with City staff and community groups to identify and rank potential pilot project sites within the City.

The Project Proposal Template will outline potential technologies that will meet the Company’s and the City’s objectives, such as solar plus storage for increased resilience. The Template will also step City staff and the North and South Green Zone community groups through a process to identify and outline potential project locations and describe the specific benefits the project would bring to the community. For example, a community group might identify a specific building in the community where increased resiliency would help ensure safety and facilitate improved delivery of essential services or housing of essential goods during times of need. This template will help identify additional details and scope; however, we continue to expect our initial projection of an investment in the \$4 to \$8 million range would allow for a mix of technologies and opportunity for learning.

We provide the expected timeline for this initiative below:

Step	Timeframe
Distribute Project Proposal template to North and South Green Zones and City Staff	Dec 1, 2020
Project Proposals Due to Xcel Energy	Feb 28, 2021
Project Scoring/Selection	May 1, 2021
Proposal filing submitted to the Commission	July 1, 2021

Customer Payment Assistance

Residential Payment Plan Credit Program [Proposed]

The Company submitted a \$17.5 million Payment Plan Credit Program proposal (Docket E002/M-20-760) aimed at residential customers with the largest past-due amounts. As proposed, the program would provide bill credits of up to 75 percent of a customer’s liability. To incent customers to enter into a payment plan, they would receive an upfront 25 percent credit on their arrearage and the other 50 percent of their balance would be applied in equal monthly credits for the remaining period of the repayment plan (up to twelve months).

We anticipate this program would serve about 12,000 residential customers with a current average balance between \$1,000 to \$4,000 — and credits would range between \$750 and \$3,000. The goal is to help get customers current on their bills by the time Cold Weather Rule protections expire April 15, 2021.