

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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February 11, 2021

**In the Matter of Northern States Power Company’s, d/b/a
Xcel Energy, 2020-2034 Upper Midwest Integrated
Resource Plan**

Docket No. E002/RP-19-368

**COMMENTS OF FRESH ENERGY, COMMUNITY STABILIZATION PROJECT, GREEN &
HEALTHY HOMES INITIATIVE, INQUILINXS UNIDXS POR JUSTICIA, MINNESOTA
HOUSING PARTNERSHIP, NATIONAL HOUSING TRUST, AND NATURAL RESOURCES
DEFENSE COUNCIL**

Fresh Energy, Community Stabilization Project, Green & Healthy Homes Initiative, Inquilinxs Unidxs Por Justicia, Minnesota Housing Partnership, National Housing Trust, and Natural Resources Defense Council (“Energy Efficiency for All partners” or “EEFA partners”) submit these comments in response to the Minnesota Public Utilities Commission’s (the “Commission”) July 3, 2019 *Notice of Comment Period* and December 28, 2020 *Fourth Notice of Extended Comment Period* in Docket No. E002/RP-19-368 regarding Xcel Energy’s (“Xcel” or “the Company”) Integrated Resource Plan (“IRP” or “Plan”).

We recognize that the Company’s Integrated Resource Plan is a significant undertaking, resulting in a complex and multifaceted set of considerations as Xcel charts its course toward 100 percent carbon-free electricity by 2050. In these comments, we provide observations on the Company’s Plan, discuss progress toward and the need for expanded commitments to economic, social, and racial equity for its customers, and offer recommendations to improve future IRPs and other processes (such as Conservation Improvement Program dockets) in the future.

I. DISCUSSION

A. Xcel Energy’s Equity-Related Commitments To Date

As the Company mentions in its June 30, 2020 Supplement, Fresh Energy has been involved in numerous discussions with Xcel regarding opportunities to advance economic, social, and racial equity for its customers through the IRP and in other venues. Through our EEFA work, Community Stabilization Project, Green & Healthy Homes Initiative, Inquilinxs Unidxs Por Justicia, Minnesota Housing Partnership, National Housing Trust, and Natural Resources Defense Council, and other EEFA partners

have been integral to these conversations as well. We have appreciated the opportunity to engage directly with the Company on these topics, and are glad to see the Company moving forward with several of the recommendations raised during those discussions.

Specifically, we commend the Company for the following:

- Committing to double its Conservation Improvement Program (CIP) budget for energy efficiency programs serving under-resourced customers (also known as “low-income spending”¹);²
- Proposing new/expanded CIP programs serving under-resourced individuals, multifamily buildings, and under-resourced communities in the Company’s service territory;³
- Evaluating opportunities to expand access to the benefits of solar energy;⁴ and
- Proposing a new assistance program to provide bill relief to customers facing hardship in light of the COVID-19 pandemic.⁵

All of these actions align with priorities that we have brought forth to Xcel in discussions and various dockets in recent years, and we are glad to see these positive steps being taken. We look forward to seeing continued and expanded progress in the above areas.

In its Supplement, Xcel also describes its current initiatives toward diversity, equity, and inclusion in its workforce and among its suppliers and vendors, and ensuring a just and equitable workforce transition.⁶ Fresh Energy appreciated the opportunity to work closely with Xcel through the Commission’s Energy Utility Diversity Group (EUDG) in 2019,⁷ which explored the critical topics of increasing racial and gender diversity in the utility workforce, while also ensuring a just and equitable transition for communities and workers who are currently economically dependent on fossil fuels. We look forward to continuing to work with the Company to support and grow these critical initiatives as the clean energy transition continues.

Further, Xcel’s Supplement notes efforts toward locational equity and electric reliability.⁸ We appreciate the Company’s work to develop a “heat map” prototype based on conversations with Fresh Energy in the performance-based metrics docket,⁹ and we agree with Xcel that this approach could work in other contexts and look forward to continued engagement with the Company and other interested parties and community groups regarding this approach. Using U.S. Census data, the Company’s heat map prototype could provide critical information on whether certain communities, in particular under-resourced communities and communities of color, face disproportionately higher occurrences of electric reliability issues, and in future

¹ In these comments, we use the term “low-income” in referring to the minimum spending requirement in Minn. Stat. § 216B.241 subd. 7 and related rules, and where applicable to the Company’s programs. When possible, we will use the term “under-resourced” as preferred terminology from our community partners to refer to these households.

² Xcel Energy COVID-19 Relief & Recovery Report at 17. Docket No. E,G999/CI-20-492.

³ Xcel Energy Request to Modify Existing Programs and Request to Add New Programs. Docket No. E,G002/CIP-20-473.

⁴ Xcel Energy COVID-19 Relief & Recovery Report at 13. Docket No. E,G999/CI-20-492.

⁵ Xcel Energy COVID-19 Relief & Recovery Response and Petition. Docket No. E002/M-20-760.

⁶ Supplement, Attachment C, at 2-7.

⁷ Docket No. E,G-999/CI-19-336

⁸ Supplement, Attachment C, at 11-12.

⁹ Docket No. E002/CI-17-401

applications, could provide insights into the ability of these communities to enroll in CIP programs, access distributed generation, expand electric vehicle charging, or increase all-electric technologies in homes, and any necessary utility infrastructure improvements that may be necessary.

As we noted in our comments on Xcel's proposed CIP program modifications, however, much work remains to be done to establish inclusive processes and equitable outcomes throughout the energy system. While the actions discussed above are a good start, in these comments we will provide additional recommendations to promote equity and environmental justice throughout Xcel's service territory, including modifying the Company's IRP to remove sections that are in direct conflict with these critical priorities, going forward.

B. Equity and Environmental Justice Considerations

Fundamental to our Energy Efficiency for All (EEFA) work are the imperatives of racial equity and environmental justice. Fresh Energy, for example, has defined equity as “the elimination of barriers to full participation in the *process*, and access to the full benefits of the *outcome*.” This intentionally broad definition is designed to reflect the unique needs of any given individual, group, or community, and acknowledge that fully realizing this definition of equity in practice will inherently require different levels of investment (such as time, outreach and education, or financial support) for certain groups, especially those who have been historically under-resourced or marginalized.

Our EEFA efforts are also focused on exploring and advancing opportunities to incorporate the Principles of Environmental Justice¹⁰ and the Principles of Working Together¹¹ in our work. The Principles of Environmental Justice are a foundational framework for the priorities of the environmental justice movement, while the Principles of Working Together establish core values and agreements for multi-organizational partnerships with an emphasis on grassroots leadership. These sets of Principles were brought forth in our discussions by EEFA partner Community Stabilization Project.

While the actions listed in Section A above show positive signs of equitable *outcomes*, we believe there is an equivalent need to focus intentional action on equitable *process* in the Company's IRP and future processes. This emphasis on access to decision-making processes and engagement with all stakeholders is often referred to in some contexts as “procedural justice.”¹²

Procedural justice

We believe that, in this proceeding, Xcel Energy should commit to several actions in furtherance of procedural justice in future IRPs and other dockets (such as Conservation Improvement Program planning): 1) Xcel should conduct deeper engagement with renters, affordable rental property owners, Black, Indigenous, and people of color (BIPOC) communities, environmental justice communities, and under-resourced groups and individuals in developing and reviewing plans and programs to better

¹⁰ <https://www.ejnet.org/ej/principles.html>

¹¹ <https://www.ejnet.org/ej/workingtogether.pdf>

¹² See, e.g., Jenkins, Kirsten, et al. 2016. “Energy Justice: A Conceptual Review.” *Energy Research & Social Science* 11: 174-182.LG

understand needs, identify gaps, and develop solutions; 2) provide financial support and other resources (for example, childcare for participating parents) for individuals to participate in focus groups, listening sessions, working groups, and ongoing discussions on topics regarding Xcel's programs and key processes; 3) provide funding for impacted individuals to participate in docket processes; and 4) report on progress related to procedural justice (e.g. groups engaged, how the engagement influenced Xcel's plans and programs, planned future engagement with impacted groups, etc.).

All of these actions would help ensure that more impacted individuals have a seat at the table in energy decision-making, and are directly influencing and setting their own energy future.

Environmental justice

Building upon procedural justice, and in the spirit of the Principles of Environmental Justice and Principles of Working Together mentioned above, we believe Xcel should support and commit to the formation of an "environmental justice accountability board" that the Company would actively work with, and ultimately, be accountable to. The accountability board would consist of community members in Xcel's service territory, including BIPOC individuals, under-resourced individuals, renters, and environmental justice advocates. This forum could complement existing bodies like the Minneapolis Clean Energy Partnership, but with a focus on ensuring representation from, and environmental justice-focused solutions for, communities throughout Xcel's service territory.

The environmental justice accountability board could develop and pilot solutions to advance equity and environmental justice throughout Xcel's utility services, such as an equity-based framework to ensure that climate justice is centered in plans and programs going forward. Similar concepts have been advanced at the state level in other areas,¹³ and we believe Xcel Energy would be a leader in establishing such a group at the utility level in Minnesota.

The inclusion of environmental justice and health frameworks is required in IRPs in some other jurisdictions, including in the Midwest. For example, the Michigan Department of Environment, Great Lakes, and Energy's review of utility IRPs "must include considerations of environmental justice and health impacts."¹⁴ An environmental justice accountability board could help support this type of critical analysis in future IRPs and other cases.

Diversity and inclusion at Xcel Energy

In its Supplement, the Company states that "[a]t the end of 2019, Xcel Energy's female representation was 23 percent of the workforce and minority representation was 15.4 percent of the workforce...Xcel's female representation of leaders was 20.7 percent and minority representation of leaders was 9.8 percent."¹⁵ The Company also states that it "aims to increase these numbers" in its workforce diversity, and "is looking at all

¹³ See, e.g., Michigan Department of Environment, Great Lakes, and Energy, "Climate justice leaders will develop equity-based framework to guide MI Healthy Climate Plan." Feb 1, 2021. Available at https://www.michigan.gov/egle/0,9429,7-135-3308_3323-551060--rss,00.html

¹⁴ Executive Directive 2020-10, The Office of Governor Gretchen Whitmer. Available at https://www.michigan.gov/whitmer/0,9309,7-387-90499_90704-540278--00.html

¹⁵ Supplement, Attachment C, at 2-3.

of our talent processes...to ensure no bias exists” in ensuring BIPOC and female representation in leadership.¹⁶

We appreciate the Company’s efforts in this regard; however, we believe that Xcel should state clear goals for diversity in its workforce and leadership, based on clear and tangible metrics (for example, demographic information of Xcel Energy’s service territory, or alternatively, demographic information of the State of Minnesota). We also believe that Xcel should develop and report (or more regularly report on, if already developed) comprehensive recruitment, hiring, retention, and advancement strategies in furtherance of its diversity goals, including both utility staff and board. We suggest that regular reporting could take place in the EUDG docket¹⁷ and strategies could be included in future IRPs.

As Xcel Energy expands efforts on its own internal diverse workforce, the Company should also consider its role in the broader Minnesota clean energy workforce.¹⁸ Xcel Energy has the ability to create job and career opportunities, including for under-resourced and BIPOC communities, both internally and for the many programs the Company runs. For instance, energy efficiency jobs are the largest clean energy employer in the state, and the Company should prioritize contracting and working with diverse entities. The Company should explore and discuss best practices and opportunities to increase vendor and supplier diversity with interested parties and community partners.

C. Other Comments on Xcel Energy’s 2020-2034 Integrated Resource Plan

Xcel’s 2020-2034 IRP includes the Company’s plan to meet its commitment to an 80 percent carbon reduction by 2030 and a goal of 100 percent carbon-free electricity by 2050, proposes increased levels of energy efficiency (though we note that CIP programs serving under-resourced customers are still undersized relative to need, demand, and demonstrated potential¹⁹), and an increase in renewable electricity. We applaud Xcel for taking these important steps; however, even deeper investments in energy efficiency and renewable energy (especially programs for under-resourced communities) should be made, and we echo other parties’ strong concerns regarding the Company’s proposed gas plant.

Xcel has proposed to retire all of its coal generation by 2030 and reduce operations at some units prior to retirement.²⁰ This decision has numerous public health, environmental, and economic benefits, but in particular, will benefit BIPOC communities in Minnesota, as these communities are disproportionately harmed by air pollution from fossil fuel-burning power plants and other facilities.²¹

The health impacts of fossil fuel-burning power plants warrant even higher scrutiny in light of the COVID-

¹⁶ *Id.*

¹⁷ Docket No. E,G-999/CI-19-336

¹⁸ <https://www.cleanjobsmidwest.com/state/minnesota>

¹⁹ Comments of Fresh Energy, National Housing Trust, and Natural Resources Defense Council at 3-4 (“Xcel’s planned savings from the ‘low-income’ segment as well as its multifamily programs fall short of the program potential (i.e., a subset of maximum achievable potential) in each of these areas as determined by the Minnesota Energy Efficiency Potential Study (2020-2029).” Docket No. E,G002/CIP-20-473. August 12, 2020.

²⁰ Supplement at 2.

²¹ *See, e.g.*, NAACP, “Fumes Across the Fence-Line: The Health Impacts of Air Pollution from Oil & Gas Facilities on African American Communities.” November 2017. Available at https://www.naacp.org/wp-content/uploads/2017/11/Fumes-Across-the-Fence-Line_NAACP-and-CATF-Study.pdf

19 pandemic, an acute respiratory syndrome which in many cases becomes severe. Data has shown the disproportionate impacts of COVID-19 on communities of color due to inequitable access to healthcare and other forms of systemic and structural racism.²² Communities of color have also endured disproportionate economic impacts due to the pandemic: Black and Latinx Minnesotans are more likely to work in essential industries (which are often underpaid, lack health benefits, and have few worksite protections) and less likely to be in jobs that allow them to work from home.²³ Latinx and multiracial Minnesotans are more vulnerable to layoffs and, through the course of the pandemic, 58% of Black workers and 46% of Indigenous workers have filed for unemployment insurance benefits.²⁴

For all of these reasons, Xcel's proposed gas plant is inequitable for BIPOC and under-resourced communities. A new carbon-emitting gas plant would put Minnesotans at risk of continued pollution, including BIPOC communities who are already suffering disproportionately. Further, BIPOC and under-resourced communities are most at risk of impacts to ratepayers due to stranded assets and uneconomic operations, as Xcel phases out fossil fuel generation and the cost of renewable energy continues to decline. Xcel's proposal to include a new gas plant is in direct tension with the Company's stated commitments to and progress on equity. Xcel's IRP should be doubling down on more energy efficiency and renewable energy, especially in BIPOC and under-resourced communities, rather than putting these communities at further risk. Energy efficiency²⁵ and renewable energy are key for driving reductions in indoor and outdoor pollutants and are critical for reducing health and economic burdens on communities,^{26, 27} rather than exacerbating these burdens. We join the Clean Energy Organizations (CEOs) in strongly urging the Commission to modify Xcel's IRP to remove the proposed gas plant.

II. RECOMMENDATIONS

Fresh Energy, Community Stabilization Project, Green & Healthy Homes Initiative, Inquilinx Unidxs Por Justicia, Minnesota Housing Partnership, National Housing Trust, and Natural Resources Defense Council recommend that the Commission:

1. Direct Xcel Energy to adopt practices in furtherance of procedural justice, including: deeper engagement with renters, affordable rental property owners, BIPOC communities, and under-resourced individuals, providing resources for engagement and participation, and providing financial support for impacted individuals to participate in dockets and decision-making processes;
2. Direct Xcel Energy to support the formation of an environmental justice accountability board, which would develop environmental justice-focused initiatives to be incorporated throughout the utility;

²² Collen Walsh, The Harvard Gazette, "COVID-19 targets communities of color." April 14, 2020. Available at <https://news.harvard.edu/gazette/story/2020/04/health-care-disparities-in-the-age-of-coronavirus/>

²³ Community Resiliency and Recovery Work Group, Minnesota COVID-19 Dashboard. Available at <https://mn.gov/covid19/data/data-by-race-ethnicity/index.jsp>

²⁴ *Id.*

²⁵ See "Energy Efficiency and Health," American Council for an Energy Efficient Economy (ACEEE). Available at <https://www.aceee.org/sites/default/files/ee-health-1008.pdf>

²⁶ See "Health Resources," E4TheFuture. <https://e4thefuture.org/health-resources/>

²⁷ See "The Multiple Benefits of Energy Efficiency and Renewable Energy," U.S. Environmental Protection Agency. Available at https://www.epa.gov/sites/production/files/2018-07/documents/mbg_1_multiplebenefits.pdf

3. Direct Xcel Energy to develop and report on (or more regularly report on, if already developed) comprehensive recruitment, hiring, retention, and advancement goals and strategies for staff and board, as well as deepening its supplier and vendor diversity efforts; and
4. Modify the Company's IRP to remove the proposed gas plant, which will disproportionately harm Minnesota BIPOC and under-resourced communities, and direct Xcel to instead focus on equitable energy efficiency and renewable energy investments.

/s/ Ben Passer

Lead Director, Energy Access and Equity
Fresh Energy
408 St. Peter Street, Suite 220
St. Paul, MN 55102
(651) 726-7567
passer@fresh-energy.org

Metric Giles
Executive Director
Community Stabilization Project

Ruth Ann Norton
President & CEO
Green & Healthy Homes Initiative

Inquilinx Unidxs Por Justicia

Elizabeth Glidden
Deputy Executive Director and Director
of Policy
Minnesota Housing Partnership

Annika (Brink) Brindel
Midwest Director of Energy Efficiency
Policy, EEFA
National Housing Trust

Laura Goldberg
Midwest Regional Director, Energy
Efficiency for All
Natural Resources Defense Council