



October 29, 2018

Stacy Miller  
Solar Policy Specialist, Clean Energy Technologies  
Minnesota Department of Commerce  
85 7<sup>th</sup> Place East  
Suite 500  
St. Paul, MN 55101 – 2198

**Re: Comments on Draft of Proposed Solar Rewards Program**

Dear Ms. Miller,

Please find the enclosed comments from the Minnesota Solar Energy Industries Association for your consideration.

David Shaffer, Esq.  
MnSEIA  
Executive Director  
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Solar\* Rewards Comments  
*Enclosed*

**THE MINNESOTA SOLAR ENERGY INDUSTRIES ASSOCIATION'S  
COMMENTARY ON THE SOLAR REWARDS PROGRAM UPDATE**

**I. COMMENTS**

The Minnesota Solar Energy Industries Association (MnSEIA) is generally supportive of the proposal outlined by Xcel Energy (“Xcel”) and that is being evaluated by the Minnesota Department of Commerce (the “Department”). MnSEIA does, however, have a few points it would like to raise.

**Continued Stakeholder Engagement**

Generally speaking, if incentive rates are going to continue to change in the future, MnSEIA would hope that the Department and Xcel would be amenable to future group discussions in advance of any change. This year, our members felt valued and listened to, especially given the modifications to Xcel’s proposal prior to filing it with the Department. Having an opportunity to weigh in is very valuable, and we hope similar discussions and comment periods are available with any future potential rate decrease.

**The Department’s October 12<sup>th</sup> Filing**

We would also like to highlight items that are specifically referenced in the Department’s a page or section of the Department’s “Analysis Recommendations and Proposed Decision,” dated October 12<sup>th</sup>, 2018 and filed in Minnesota Public Utilities Commission Docket No. E002/13-1015.

On page six, the filing highlights that Xcel collects a \$250 fee for each approved applicant. The company also reported income of \$117,500 from these fees in 2017. MnSEIA is unclear on how this money is spent and where it is allocated. According to Table 3 this \$117,500 is not listed. That much money, however, represents a significant financial program contribution. We request the Department inquire into the fees money and determine whether the funds are being appropriately spent.

On page nine, MnSEIA contends that for the very first year of the low-income incentive, the carve out should be capped at 10% of total funding, with the expectation to revisit the allocation cap after understanding how well it is adopted in 2019.

Furthermore, on page ten, MnSEIA contends that multifamily low income projects should be required to not only forfeit future incentive payments, but also to payback the upfront incentive money if they fail to meet the requirements set forth to show that the appropriate percentage of the energy savings benefit is going to actual tenants within the first five years.

Page fifteen of the filing highlights Fresh Energy’s request for additional information in annual reports. More information is certainly needed, but we feel it should go much further than only annual reporting requires. The Solar Reward Program can - and should - be 100% transparent, so when the time comes for bi-annual updates, everyone is working from the same set of information and accurate data can be shared. Weekly reports can automatically be sent out

to the installer community or a specific listserv. This can be an automatic report that is sent out through your Salesforce Database. No additional person-power would be required. As part of these weekly reports, Xcel should not only show if there is additional information requested, but also the details of what additional information is requested. In many cases, additional information requests are not for electrical upgrades but are rather for wrong names on electric bills, or incorrect spellings. These issues should be shared with the installer community: not only to help minimize them, but also to make this process smoother going forward.

The weekly reports should also list all interconnection upgrades, what the needed upgrades are, and a breakdown of the costs. Currently the customer or the installer is not provided with a breakdown of upgrade costs. In many cases the description of work to be performed is listed as “other” and then described as “transformer upgrades due to solar installation.” There is concern that some consumers are paying more than others for similar upgrades and this suggested change would allow for a more transparent process and better pricing for all Xcel customers.

Additionally, the weekly reports should include each applicants reserved rebate dollars and or expected year 1 production, as well as, their past actual rebate dollars received. This would enable the installation community to replicate Xcel’s rebate math and would benefit the industry generally.

MnSEIA contends that weekly reports are important for our members, and their customers to see how long it is taking projects to get through the interconnection process and the installation stage. This reporting requirement will ensure that Xcel is getting projects through the interconnection process in the required 15 business days, but would also will allow Xcel to see projects that should be cancelled or removed due to poor installer paperwork submission. This level of transparency will help both parties involved to be better at their own processes.

On page twenty-five, Section D of the filing, MnSEIA notes Xcel is asking for a significant increase in their IT Enhancements. The enhancements to the interconnection standards are for all distributed generation up to 10MW. Solar\* Rewards has a cap on their system sizes of 40kW. It is not appropriate that the small-scale solar program take 100% of the financial burden to pay for these upgrades. The expenses should be proportionate to the total number of applications installed for each market segment within the new IC Standards. The “Solar\* Rewards” program should not be used as an incentive pool to help process 10MW combined heat and power applications, wind facilities or even non-solar rewards solar projects. Furthermore, if those funds are allocated to Xcel, then we would hope that our reporting requirements and other IT changes (like automatically removing non-existent or cancelled applications from the queue) would also go into full effect.

On page thirty-one of the filing, every project that applies for a rebate with Solar\* Rewards gets an expected PV Watts production number (year 1 expected production). This number, which is listed in Xcel’s database, is used to allocate the funds for that project. Knowing what the allocated dollars should be for each customer is currently readily available. At the end of every year, an individual check is sent to each Solar\* Rewards customer for their individual

energy production. MnSEIA and its members are concerned with Xcel's statement that they do not know the individual actual rebate dollar amounts that go out to each customer individually, but are rather only the aggregate amount. We believe that this information is available and that this should be something Xcel reports back to the installer community or listserv.

This annual reporting requirement will ensure that Xcel is properly allocating funds and that there is not a large amount of unspent funds that never have the opportunity to be allocated to projects. This also would provide invaluable solar production information that Xcel could share with their teams to better understand solar production, and how and where they are getting the most PV penetration on their grid. This would allow for increased transparency and insight into how and where they should look to make future infrastructure upgrades, as well.

Understanding this issue is important, because unspent dollars could be a significant amount of money. Even 10% of the proposed \$60,000,000 Solar\* Rewards budget would allow for an entire additional year of Solar\* Rewards funding, so we feel it is critical to know how well funds are allocated and what is spent.

Thank you for the opportunity to comment.

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