



October 29, 2013

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: In The Matter of XCEL'S PROPOSAL TO CONTINUE THE INTERIM SOLAR
STANDBY SERVICE CAPACITY CREDIT

Docket E-002/M-13-315

Dear Dr. Haar:

We provide these comments on behalf of the Minnesota Solar Energy Industry Association ("MnSEIA") on the proposed Effective Load Carrying Capability ("ELCC") value. MnSEIA is a membership association comprised of 55 organizations involved in photovoltaic, and solar thermal energy. MnSEIA promotes the use of solar energy, because solar energy serves the public interest of the state, and helps create a sustainable future for Minnesota.

In the months to come, the Minnesota Public Utilities Commission ("PUC") must determine an intermediate, and a final ELCC value for solar energy. While we believe the value the Solar Rate Reform Group ("SRRG") and the Department of Commerce ("The Department") originally calculated for the ELCC is the correct ELCC value, today we contend that The Department's currently recommended intermediate ELCC value of \$5.15 per kW-month should be adopted as both the interim and the final ELCC value. Adopting the \$5.15 value is reasonable, and avoids undue delay of this docket and other, future PUC solar energy dockets.

Background

Xcel Energy proposed an ELCC study in its Reply Comments in Docket No. E002/GR-10-971.¹ Later, on April 25, 2013, the PUC ordered Xcel to commence an ELCC study.² On May 1st, Xcel submitted its initial study. Xcel's starting ELCC estimate was \$2.00 per kW-month.³

¹ May. 1. 2013, *Solar Effective Load Carrying Capability (ELCC) Study*, Docket No. E002/CI-13-315, at Cover Page.

² *Id.*

³ May. 10. 2013, *Comments of the Solar Rate Reform*, Docket No. E002/CI-13-315, Document ID No. 20135-86894-01, at 2 [hereinafter *SRRG Comments*].



After the other parties had an opportunity to respond to Xcel’s comments, the Department recommended a value of \$5.15 per kW-month.⁴ The \$5.15 per kW-month value reflects a middle ground between Xcel’s lower value and The Department’s higher value of \$8.35 per kW-month.⁵ Both the Department and SRRG initially recommended \$8.35 per kW-month.⁶

On October 1st Xcel submitted additional comments.⁷ In its comments Xcel accepted the \$5.15 interim value, but argued that the interim rate should not be used until after the Value of Solar Rate (“VOSR”) is determined.⁸

Comments

The PUC Should Adopt the Department’s Intermediate ELCC Value of \$5.15 Per kW-month As The Final ELCC Value Because the Value is Reasonable, and Accepting the Value Prevents Undue Delay of This Docket and Other PUC Dockets.

The \$5.15 per kW-month intermediate value is a reasonable value to apply for the next twenty years. The \$5.15 per kW-month value was a direct byproduct of a compromise. The Department took the mean of its own higher number and Xcel’s lower number.⁹ The mean of the two values is the \$5.15 per kW-month value. Although this \$5.15 per kW-month value is not a “scientific way” *per-se* of determining the ELCC value, any ELCC value can be computed with multiple different methodologies.

As the docket’s previous comments suggest, there is no set of scientifically sound parameters that both parties can agree on.¹⁰ Instead, a compromise, or averaging approach, between methodologies may be more indicative of the real ELCC value than any individual methodology that either Xcel, or the Department and SRRG would produce. We believe a compromise approach is a reasonable solution to a dispute over methodological differences.

This issue of methodological differences is not contained solely to the intermediate value calculation, but also impacts the final value, because the final value will be calculated in a

⁴ May. 10. 2013, *Reply Comments of the Department of Commerce Comments, Division of Energy Resources*, Docket No. 13-315, Document ID No. 20135-86892-01, at 6 [hereinafter *DER Comments*].

⁵ *Id.*

⁶ *Id.*

⁷ Oct. 1. 2013, *Rate For Large Solar Photovoltaic Installations*, Docket No. E002/CI-13-315, Document ID. 201310-91998-01, at Cover Page.

⁸ *Id.*

⁹ *DER Comments* at 6.

¹⁰ *SRRG Comments* at 2.



similar manner. Therefore, the PUC should recognize that not only is the \$5.15 per kW-month value reasonable for the intermediate ELCC value, but it is reasonable for the final ELCC value too.

Furthermore, adopting the intermediate ELCC value as the final 20-year ELCC value will expedite this, and other PUC solar energy dockets. This docket has been open long enough that an intermediate ELCC value is no longer necessary. The docket has currently been open for five months, and the need for an intermediate value is decreasing with each passing day.

The Department is already soliciting comments on the VOSR, which will more than likely include an ELCC value. Once the Department approves the VOSR, the PUC will be tasked with applying the VOSR. But the PUC will have difficulty initiating any VOSR dockets without first having a final ELCC value.

Delaying this, the VOSR docket, and other solar energy dockets, will negatively impact the solar industry and Minnesota's sustainable future. Although we would prefer a more accurate ELCC value, the ability to start installing solar installations sooner is more valuable to the solar industry. Minnesota's sustainable future development is slowed if the solar installers are unable to install because of undue delay. Therefore, MnSEIA contends that to prevent undue delay of this docket, and for the upcoming solar dockets, the PUC should adopt the intermediate value of \$5.15 per kW-month for its final ELCC value.

Thank you for the opportunity to provide comments on the ELCC value. We at MnSEIA, as is consistent with our comments, believe that the intermediate ELCC value of \$5.15 per kW-month that the Department put forward should be adopted as the Final ELCC value. The value should be applied for the next twenty years. We feel this way because accepting the \$5.15 value is reasonable, and will prevent undue delay of this, and future, PUC solar energy dockets.

Regards,

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