

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

Daniel Lipschultz
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Commissioner
Commissioner
Commissioner
Commissioner

**In the Matter of the Petition for
approval of Northern States Power
Company, dba Xcel Energy, for
approval of its Community Solar
Garden Program**

**MINNESOTA SOLAR ENERGY
INDUSTRIES ASSOCIATION'S
REPLY COMMENTS ON XCEL
ENERGY'S SECTION 9 TARIFF
REVISIONS**

February 21, 2019

Docket No. E-002/M-13-867

**COMMENTS OF THE MINNESOTA SOLAR ENERGY
INDUSTRIES ASSOCIATION**

The Minnesota Solar Energy Industries Association (MnSEIA) offers the following reply comments concerning Xcel Energy's (Xcel) Community Solar Garden (CSG) program changes arising from the Section 9 Tariff revisions filed on December 14, 2018.¹ Our reply comments will discuss the outcome of the recent SR*C meeting and its impact on our position in regards to the deposit, as well as, total support of the CSG Developer Group's comments. Specifically, MnSEIA fully endorses an open comment period of programmatic changes.

**A. After The SR*C Meeting It is Clear That Xcel Energy's Change In Program
Deposit Allocation Is Inappropriate And Should Be Precluded.**

At the Thursday, February 14, 2019 SR*C Working Group meeting, MnSEIA requested Xcel articulate its intentions for the new deposit language. Xcel's application of the deposit language will substantially hamper developer financing by turning the upfront deposit, which was initially designed to be a way to ensure that projects are "real," into a developer incurred expense. This effectively alters a refundable item into a cost on financial documents and results in unnecessary hardship for the developer. All of our prior oppositional points from our initial commentary remain.²

¹ OTHER – TARIFF PETITION, XCEL ENERGY, Docket No. E-002/M-13-867, Doc. Id 201812-148510-01 (Dec. 14, 2018) [Hereinafter, *Tariff Petition*].

² COMMENTS, MNSEIA, Docket No. E-002/M-13-867, Doc. Id 20192-150129-01 at 1-3

B. MnSEIA Fully Supports the CSG Developer Group’s Commentary.

Much of the CSG Developer Group’s Commentary echoes MnSEIA’s initial filing on the Section 9 Tariff changes. We agree with them on the Independent Engineer, the deposit, the parent guarantee, and the imposition of late fees or some other penalty on Xcel for not following its own tariffed timelines.³

But the CSG Developer Group specifically calls for an opportunity to discuss the program more. In their commentary the CSG Developer Group states “Given that the programmatic changes included in Xcel’s tariff revisions and in light of the recent and relevant decisions in this docket, CSG Developer Group respectfully requests that the Commission open a comment period to address potential program improvements that could be made for the future benefit of the program and its participants.”⁴ This statement rings true to MnSEIA.

This program has had a very storied past. At the beginning of the program, Xcel started with its initial program design and developers could build effectively unlimited colocated 1MW gardens at Applicable Retail Rate using the initial rules. Then there was the 2015 settlement agreement; gardens were dropped to 5MW of colocated gardens and additional program rules for viability of applications went into effect. As part of the settlement, gardens started having to prove they were or were not colocated, and eventually gardens were dropped to 1MW in size. Starting in 2017, the program transitioned to the Value of Solar, and Xcel’s application and methodology has been routinely disputed by MnSEIA and others. Now there is a transition to the new interconnection standards process and additional program rules are going into effect. With each one of the changes highlighted above, there have also been program alterations.

One of the nice things about these transitions has been the hard work of the SR*C Working group. Some really great program changes and alterations have been handled in that group, and while the Commission must deal with the most controversial items the group cannot handle, the SR*C Working Group has been a tremendous value to this program’s constantly changing rules, regulations and goals. With that said, a lot of the work that the SR*C Work group has done, as well as the items brought to the Commission, have been reactionary. They have been fixes to the program as it evolves.

So there is a lot of merit to the idea of having a comment period to reflect on where this program is and where Minnesota wants it to go. It could be a relook at the program to ensure the patchwork of CSG regulatory policy changes has resulted into the best program possible. MnSEIA currently has only a handful of gripes with the implementation of the program, but the

(Feb. 8, 2019).

³ COMMENTS, CSG DEVELOPER GROUP, Docket No. E-002/M-13-867, Doc. Id 20192-150140-01 at 1-5 (Feb. 8, 2019).

⁴ *Id.* at 5.

points the CSG Developer group raises are items worth exploring. Some of these items, like electric vehicles, seem uncontroversial and fixable, if we get guidance from the Commission and work with Xcel on program details.⁵ In short, there may be ways to make today's good program even better at no cost to Xcel or ratepayers and that is worth exploring in a more directed way.

The most important part of this process, however, is timing. An important aspect of scheduling a comment period and process like this is Minnesota Public Utilities Commission staff time. There are so many requests on PUC staff and MnSEIA wants to be cognizant of that with such an open and broad comment period.

So we suggest that comment period begin as soon as possible, pending staff workload, and it should be broken up into an initial inquiry into possible program changes. Thereafter, the Commission should cull the ideas down into possible program changes that it considers are worth exploring. Those items then should be discussed and developed, when possible, in the SR*C Work Group. Any conflicts in the SR*C Working Group on the points should be handled by the Commission as they arise. This way MnSEIA, developers and Xcel can further work on developing the program together and save on Commission staff time.

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⁵ COMMENTS, CSG DEVELOPER GROUP, Docket No. E-002/M-13-867, Doc. Id 20192-150140-01 at 5 (Feb. 8, 2019).