

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

Katie J. Sieben	Chair
Daniel Lipschultz	Commissioner
Valerie Means	Commissioner
Matt Schuerger	Commissioner
John Tuma	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 MOTION TO RECONSIDER XCEL ENERGY'S SECTION 9 TARIFF REVISIONS

May 19, 2019

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

I. RECONSIDERATION REQUEST ON TARIFF REVISION

The Minnesota Solar Energy Industries Association (MnSEIA) submits the following motion to reconsider the tariff revisions being adopted for Xcel Energy's (Xcel's) Community Solar Garden (CSG) program.¹ Our reconsideration request discusses the outcome of the recent tariff revisions, as well as Xcel Energy's lack of timeliness regarding Interconnection deadlines. Specifically, MnSEIA wishes to elaborate on the significant financial impacts of Xcel Energy's lack of commitment to their timeline.

Much of the CSG Developer Group's Commentary reflects MnSEIA's initial filing on the Section 9 Tariff revisions. We agreed with them on the independent engineer mediator item, the deposit, the parent guarantee, and the establishment of a financial penalty for Xcel if they do not follow their own tariff timelines.² The CSG Developer Group specifically called for an opportunity to discuss the program more, and we intend to do so. MnSEIA, however, respectfully requests that the Public Utilities Commission reconsider the tariff revisions to Xcel's timeliness.

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

² COMMENTS, CSG DEVELOPER GROUP, Docket No. E-002/M-13-867, Doc. Id 20192-150140-01 at 1-5 (Feb. 8, 2019).

i. **Adherence to Xcel's Interconnection Deadlines Was Not Addressed at the Hearing**

MnSEIA would like to highlight that while other items at this hearing received commentary and public discourse, this particular item did not have much, if any, discussion around it. For that reason alone, MnSEIA believes it warrants further consideration.

ii. **Significant Financial Impact to the Industry Results from Lack of Adherence to Xcel's Interconnection Deadlines, Warranting PUC Review**

MnSEIA also seeks to highlight that periodically, Xcel's inability to abide by their own deadlines has been detrimental to the industry, yet there is no real recourse from a missed tariff deadline. An example of one such contentious time was when Xcel Energy's need for long-lead time telemetry equipment resulted in delays that could have pushed projects passed the original end-date for the Investment Tax credit.³ There would be no avenue for recourse for developers affected. Conversely, if a developer misses a timeline, their application can be removed from the queue. This is quite the disparity in impact. Fortunately, items of delay have been lessened since 2015.

That said, the problems of delay, however, are now reappearing, and it is happening at a very inopportune time. As detailed in the comments of Environmental Law and Policy Center, Fresh Energy, Institute for Local Self-Reliance, and MnSEIA, one such instance is a study that was delivered February 18, 2019. This study was due September 5, 2018, but no explanation was provided for the five-month delay. This unacceptable lag is only one example. None of the sixteen interconnection study results due in February were delivered within the timeline required by the tariff.⁴ Other examples include MnSEIA members and other developers receiving build out dates that are already into 2020 even if the developers have reached substantial completion on their end.

As the Federal Investment Tax Credit steps down from 30% to 26% in 2020, then to 22% in 2021 and finally 10% in 2022, timing is of the essence – just like it was in 2015. Our developers inform us that the average 1MW garden is about a \$2 million project. If, for example, a garden receives the 2020 ITC step down instead of the 2019 rate, then the project would stand to lose \$80,000 in tax savings. This is quite the expense. More importantly, it is quite a liability to have contingent upon the utility's performance, especially when the only penalty to a utility's nonperformance is some negative publicity. Xcel's concern for their own deadlines must become paramount in order to ensure that gardens are turned on in a predictable fashion.

³ Frank Jossi, Midwest Renewable Energy News (Dec. 23, 2015) *available at*: <https://energynews.us/2015/12/23/midwest/tax-credit-extension-removes-drop-dead-date-for-community-solar/>

⁴ COMMENTS OF ELPC, FRESH ENERGY, ILSR, AND MNSEIA, Docket No. E-002/M-13-867, Doc. Id 20194-151931-01 (April 12, 2019).

II. REQUEST FOR RELIEF

There are currently no real repercussions if Xcel Energy fails to meet their Interconnection Deadlines. This issue must be reconsidered, including consideration of late fees or another penalty imposed on Xcel Energy for not following its own tariff timelines and for providing overly onerous building schedules. This level of disregard for the costs of their actions must be followed with a sanction in the future. We value the opportunity to highlight the necessity of punctual reporting and accountability to Xcel's Community Solar Garden program stakeholders on behalf of the industry.

Thank you for considering our motion for reconsideration.

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