Minnesota Solar Energy Industries Association

August 23, 2017

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, MN 55101

RE: **Amended Decision Option for Commission Inquiry into Standby Service Tariffs** – Docket No. E999/CI-15-115

Dear Mr. Wolf:

The Minnesota Solar Energy Industries Association (MnSEIA) received notification of the Department of Commerce's (DOC) and Xcel Energy's (Xcel) Decision Option H1 on Tuesday, August 22, 2017. Regarding Xcel's PV Capacity Credit Rider, MnSEIA continues to support the positions outlined in our commentary, which primarily align with decision options H3a-g.

But in the spirit of collaboration, MnSEIA submits the following revision (Revised Decision Option H1B) to the joint DOC-Xcel Decision Option H1. Both the clean and tracked changed versions are enclosed for ease of access and understandability.

Sincerely,

David Shaffer, esq.
Policy Director
MnSEIA
612-849-0231
dshaffer@mnseia.org

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Decision Option H1B Enclosed

Xcel's Solar PV Capacity Credit Rider

MnSEIA recommends Option H1B, as amended below

Option H1B (amended version of H1 as proposed by DOC and Xcel)

Approve Xcel's Solar PV Capacity Credit Rider, as filed on May 19, 2016 but recalculate Xcel will recalculate the level of the solar capacity credit in the Rider assuming 12 months as the average non-grace period months in the conversion formulate for the kWh based solar capacity credit. Xcel's modified kWh rate will apply to all new qualifying facilities that utilize this rider until and unless a new Solar PV Capacity Credit Rider credit is approved by the Commission. Any customers that interconnect under this rider or that previously interconnected under the standby tariff will receive the current credit amount for a 10-year duration starting from the date of interconnection provided by a fixed credit contract rate.

Require Xcel, following discussions with the DOC and other interested parties, to file a proposed methodology for determining a solar capacity credit within the Solar PV Capacity Credit Rider. The methodology should consider reasonable ways to take into account any difference between the level of the customer's non-coincident (billing) peak and the customer's demand net of solar generation during either Xcel's system peak, or the MISO peak, whichever peak determines the amount of capacity needed on Xcel's system (planning peak) as well as also address the additional issues surrounding the solar capacity credit rider as raised by parties in this docket and listed on page 50 of these briefing papers. Xcel should file its proposal and discussion of the additional issues by May 19, 2018 as well as rationales for why this study is or is not a better indicator of capacity value than previously derived capacity values. This proposal shall be filed in Docket No. E-002/M-13-315 or in a newly assigned docket number.

Additionally Xcel, with input from the Department and other interested parties, commits to conduct a study to determine if there is a mismatch between the net demand of individual customers with solar installations on their individual peak period maximum demands (their non-coincident peak) and their net demand on the days that the system peak demand actually occurs (their contribution to coincident peak) and, if so, how to reflect that difference appropriately in demand billing.

Xcel commits to file the study that compares the average billed demand load of demand-metered customers that have solar installations of 40 kW or greater, with THE SAME 15 MINUTE INTERVAL measurement that is used to determine billed demand, but during the monthly system peak periods for the same customers. This study will be filed concurrently with Xcel's proposed methodology.

The filing and study should assess whether the data shows that there is an issue with how the net demand is metered and if so, how that could be remedied though an appropriate adjustment to the demand charge.

Xcel's Solar PV Capacity Credit Rider

MnSEIA~~The Department and Xcel~~ recommends Option H1B~~1~~, as amended below

Option H1B~~1~~ (amended version of H1 as proposed by DOC and Xcel)

Approve Xcel's Solar PV Capacity Credit Rider, as filed on May 19, 2016 but recalculate ~~Xcel will recalculate~~ the level of the solar capacity credit in the Rider assuming 12 months as the average non-grace period months in the conversion formulate for the kWh based solar capacity credit. ~~Xcel's modified kWh rate will apply to all new qualifying facilities that utilize this rider until and unless a new Solar PV Capacity Credit Rider credit is approved by the Commission. Any customers that interconnect under this rider or that previously interconnected under the standby tariff will receive the current credit amount for a 10-year duration starting from the date of interconnection provided by a fixed credit contract rate.~~

Require Xcel, following discussions with the DOC and other interested parties, to file a proposed methodology for determining ~~the appropriate~~a solar capacity credit within the Solar PV Capacity Credit Rider. The methodology should consider reasonable ways to take into account any difference between the level of the customer's non-coincident (billing) peak and the customer's demand net of solar generation during either Xcel's system peak, or the MISO peak, whichever peak determines the amount of capacity needed on Xcel's system (planning peak)~~.In this filing, Xcel should~~) as well as also address the additional issues surrounding the solar capacity credit rider as raised by parties in this docket and listed on page 50 of these briefing papers. Xcel should file its proposal and discussion of the additional issues by May 19, 2018 as well as rationales for why this study is or is not a better indicator of capacity value than previously derived capacity values. This proposal shall be filed in Docket ~~No.~~ E-002/M-13-315 or in a newly assigned docket number.

Additionally Xcel, with input from the Department and other interested parties, commits to conduct a study to determine if there is a mismatch between the net demand of individual customers with solar installations on their individual peak period maximum demands (their non-coincident peak) and their net demand on the days that the system peak demand actually occurs (their contribution to coincident peak) and, if so, how to reflect that difference appropriately in demand billing.

Xcel commits to file the ~~a~~study that compares the average billed demand load of demand-metered customers that have solar installations of 40~~40~~ kW or greater, with THE SAME 15 MINUTE INTERVAL measurement that is used to determine billed demand, but during the monthly system peak periods for the same customers. This study will be filed concurrently with Xcel's proposed methodology.

The~~ is~~ filing and study should assess whether the data shows that there is an issue with how the net demand is metered and if so, how that could be remedied though an appropriate adjustment to the demand charge.

In this filing, Xcel should also address the additional issues surrounding the solar capacity credit rider as raised by parties in this docket and listed on page 50 of these briefing papers. Xcel should file its proposal and discussion of the additional issues by May 19, 2018, in Docket No. E-002/M-13-315 or in a newly assigned docket number.

Compliance filings and effective date for Xcel solar capacity credit rider (H)

5. Require Xcel, within 30 days of the issuance date of the Order in this matter, to file compliance tariffs reflecting the decisions of the Commission related to Xcel'proposalfor a Solar PV Capacity Credit Rider.

6. Require Xcel to implement its proposed Solar PV Capacity Credit Rider within 90 days of the issuance date of the Commission's Order in this matter. (*Xcel*)

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