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To: PUC

Attn: Burl Haar

Date: 2/20/14

From: Matt Hughes, Cooperative Networks

Fax Number: 651.297.7073

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Burl Haar 2/21/14
Burl Haar, Executive Secretary/Date



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February 20, 2014

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: Establishing a Distributed Solar Value Methodology
Docket No. E999/M-14-65

Dear Dr. Haar:

Thank you for the opportunity to comment on the Department of Commerce proposed Value of Solar (VOS) Methodology submission.

Cooperative Network is a trade association of various kinds of cooperative businesses in Minnesota and Wisconsin, including electric cooperatives. While we are clearly aware that electric cooperatives are exempt from the legislation passed in the 2013 session regarding establishing a distributed solar value methodology, we are interested in remaining engaged in this ongoing process and discussion.

It is important to note that we have many of the same members as the Minnesota Rural Electric Association (MREA), and agree with the comments MREA submitted on February 13. In particular, we would like to emphasize two points. First, the objective of this process should be to determine the actual value of solar to the utilities, not to assign a value in the hope of encouraging solar installations that might not otherwise occur. Second, the use of the NYMEX natural gas futures prices as a gauge of fuel costs and hence, ultimate value of solar, is perplexing and flawed. It is Minnesota utilities that will be affected by the results of this proceeding. Data from the Midcontinent Independent System Operator (MISO) would reflect the environment in which Minnesota utilities operate.

In short, we have, and continue to weigh in on this process, cautioning against inappropriately inflated values and calling for consistent transparency in the development process. Valuing solar accurately is critical as this process moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Hughes", written in a cursive style.

Matt Hughes
Minnesota Managing Director
Cooperative Network