

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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**In the Matter of Xcel Energy Energy's Plan
for a Community Solar Garden Program
Pursuant to Minn. Stat. §216B.1641**

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

Comments of TruNorth Solar, LLC

Garden Size

In its May 1, 2015 Notice of Comment Period, the Commission asked parties to comment on a number of questions, including the most of which is responding to Xcel's April 28, 2015 comments concerning the co-location of more than one community solar garden at the same site.

TruNorth Solar has been an active participant in assuring the robust deployment of solar gardens in the state. We agree with Xcel and other developers that in enacting the community garden statute and compelling an above market rate that Xcel must pay for the energy produced by them, the legislature did not intend community solar gardens to turn into utility scale solar farms occupying literally hundreds of green field acres. This isn't community solar gardening. It is, plain and simple, corporate solar farming.

If the legislature had wanted to build more than 500 MW of solar in the state before expiration of the federal 30% investment tax credit (essentially a little over two years from the statute's enactment), we respectfully submit that it would have chosen a different vehicle other than CSGs limited to 1 MW per garden. Limiting gardens to 1 MW would seem an inefficient and expensive method to add solar scale and penetration in the state. We also agree that if the program was not intended so that Xcel would be required to, in effect, pay \$.12/kwh for a 50MW that for all intents and purposes looks identical to another 50 MW solar project for which, based on competitive bids submitted, it pays one-third (or more) less for the identical solar energy.

It is unfortunate that the language in previous Commission's orders seems to have created ambiguity, but the Commission has an obligation first and foremost to carry out the legislature's intent. It should correct its past orders on this question and clarify that community solar gardens are limited to no more than 1 MW per site.

Unsubscribed RECs

While previous Commission orders may have suggested that \$0.02/kWh is warranted, TruNorth supports Xcel paying a REC price of at least \$0.01/KWh for unsubscribed energy.

April 30, 2015 Reply Comments/Other Issues

- TruNorth agrees with items I, II, III, IV from MNSEIA's April 28, 2015 comments. We are equally aware of these engineering and interconnection delays from Xcel. TruNorth has also experienced similar difficulty obtaining clarity on estimated interconnection costs and study fees creating unnecessary uncertainty going into the interconnection process.
- Xcel's interconnection delays are likely directly related to the large volume of common-coupled and large-scale projects submitted. These large projects, e.g., 10 MW – 15 MW or more co-located 1-MW CSGs are complex, and create delays from an engineering study and interconnection review perspective.
- Without a pragmatic and transparent solution to resolve the sizing of common-coupled CSGs and the process by which Xcel Energy is able to review applications for interconnection, TruNorth is very concerned that the program will result in further delays, litigation, and essentially the blocking of 1MW_{AC} CSGs that *are* consistent with the program and statutory intent.
- If co-located and common-coupled projects greater than 10 MW_{AC} are allowed to move forward, engineering study timelines will dramatically delay the projects that developers in good faith limited to 1 MW_{AC} per site. This may mean few or no true community solar projects may be built in the 2015 and 2016, a disaster for the local economy (no construction = no jobs) and terrible for the many Xcel customers counting on these projects and their local benefit.

- TruNorth also believes that the ARR+REC rate ordered by the Commission unfairly compensates for the energy produced by systems benefiting from the natural economies of scale over 10 MW_{AC}.
- TruNorth believes that certainty and fair value for energy produced is crucial to developing financeable community solar. We know that there is growing momentum and investor confidence to make these projects financeable with the ARR methodology. There is, however, an uneven playing field given the amount of co-located projects in excess of 10 MW resulting in a very challenging market place in which to sell subscriptions (i.e., corporate subscribers see the false opportunity to “go-big” with a 10 MW to 50 MW CSG because such projects offer more cost savings than are reasonable with the intent of the program and law).

In addition, considering the size and location in the context of their respective communities, these super-sized gardens are also beginning to create angst within local governments in the metro area over-whelmed by the size and scale of these larger projects. This creates further unnecessary barriers, e.g., NIMBYism, for developers of smaller and integrated CSGs within the community fabric.

TruNorth asks that the Commission impose a 10 MW_{AC} limit to co-locating CSGs. This is consistent with the Department of Commerce, other CSG developers, and the Xcel’s section 10 DG tariff. It would still allow for fair value under the ARR + REC for distributed-sized energy sources. Without these limits, those who have pursued distributed community solar projects consistent with the spirit and intent of the law will be unfairly harmed.

Should the Commission decide that co-located projects over 10MW in size are allowable, TruNorth Solar suggests that the Commission allow Xcel to review these projects through a competitive bid process similar to the competitive solicitation process used by Xcel for large utility-scale solar procurements and its Colorado Solar*Rewards Community program for larger CSGs.

Transfer of ARR to VOS

- TruNorth Solar also recommends that the Commission solidify through an order that the ARR+REC be utilized through December 31st 2016 for reasons of clarity, certainty and fair value for the distributive energy produced. This is critical for project financing, construction, and long-term operability.

Respectfully submitted,

TruNorth Solar, LLC