



Novel Energy Solutions  
1628 2<sup>nd</sup> Ave SE  
Rochester, MN 55904  
Mark Margiotta 617-538-5599  
[www.NovelEnergySolutions.com](http://www.NovelEnergySolutions.com)

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

July 12, 2016

RE: ORDER OPENING INVESTIGATION, DELEGATING AUTHORITY,  
AND FINDING THAT TARIFFS MUST BE APPROVED BEFORE  
BECOMING EFFECTIVE – PUC Docket No. E-999/PR-16-09

Dear Mr. Wolf,

Please find attached a petition for clarification in regards to the Minnesota Public Utilities Commission order in the above referenced docket.

Respectfully submitted,

Mark Margiotta  
Novel Energy Solutions

**STATE OF MINNESOTA  
BEFORE THE  
PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
Matthew Schuenger	Commissioner
John Tuma	Commissioner

**RE: ORDER OPENING INVESTIGATION, DELEGATING AUTHORITY,  
AND FINDING THAT TARIFFS MUST BE APPROVED BEFORE  
BECOMING EFFECTIVE – PETITION FOR CLARIFICATION**

**PUC Docket No. E-999/PR-16-09**

**Background:**

On May 12, 2016, the Commission issued a notice establishing a comment period for two issues related to distributed generation cost recovery fees: (1) whether the Commission should investigate the fees and other tariff provisions filed in docket E-999/PR-16-09, as requested by the objecting parties and (2) whether the Commission should suspend the operation of proposed fees filed under the 2015 amendments to Minn. Stat. § 216B.164, subd. 3 (a), pending final Commission action on them.

Novel Energy Solutions (NES) was one of seven developers and industry groups that provided comments supporting the Commission’s investigation and suspension of the proposed cost recovery fees.

On June 27, 2016 the Minnesota Public Utilities Commission (the “Commission”) filed an order in the above referenced docket regarding cost recovery charges allowable under Minnesota Statute 216B.164 subd. 3(a). The Commission ordered the opening of “a generic investigation (a) to investigate the appropriate methodology or methodologies for establishing electric cooperatives’ fees under Minnesota Statute 216B.164, subd. 3; and

(b) to review and determine whether the specific fees charged or filed by electric cooperative associations under Minnesota Statute 216B.164, subd. 3 comply with the requirements of Minnesota Statute 216B.164.”

Additionally, the Commission found “that co-generation and small-power-production tariffs—including those setting the fees newly authorized under Minn. Stat. § 216B.164, subd. 3 (a)—must be reviewed and approved by the Commission before becoming effective, as provided under Minn. R. 7835.0300.”

### **Discussion:**

While highlighted in the Commission’s Findings and Conclusions, the Order does not specifically address the question of the effectiveness of the cost recovery fees, which has led to confusion in the marketplace. Specifically, NES and its potential distributed generation customers are unsure if solar arrays interconnected before the Commission deems the fees to be effective will be subject to said fees in the future.

For example, an REA provided one of our customers a notification of their intent to impose Distributed Generation (DG) Grid Access Charge fees for all installations after June 1, 2016. This notification came as an attachment to Schedule D, the “Uniform Statewide Contract for Cogeneration and Small Power Production Facilities”.

The fees as currently proposed threaten the viability of cogeneration and small-power production facilities, and as such, customers are rightly hesitant to move forward. This creates a significant impact on our business, as a large portion of our solar arrays are interconnected to REAs. Further, for our customers, they are potentially missing additional economic benefits they would receive by installing solar.

As the investigation may proceed for an extended period of time, we would like to stress the importance of bringing clarity to the matter in the near term, given the current negative impacts on our business described above.

**Petition for Clarification:**

NES respectfully requests the Commission clarify in its Order that tariffs imposed under Minn. Stat. § 216B.164, subd. 3 (a) will not be in effect for any co-generation or small-power-production facilities interconnected before the Commission reviews and approves the cost recovery fees.

Mark Margiotta  
Novel Energy Solutions  
[mark.margiotta@novelenergy.biz](mailto:mark.margiotta@novelenergy.biz)  
617-538-5599