



September 19, 2019

**VIA E-FILING**

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, MN 55101-2147

Re: In the Matter of Utilities' Annual Reports on Progress In Achieving the Solar Energy Standard – Minnesota Power's SolarSense Program Extension Request  
**Docket No. E999/M-19-276**

Dear Mr. Wolf;

Minnesota Power (or the "Company") respectfully submits to the Minnesota Public Utilities Commission ("Commission") a request to extend the current SolarSense Program one year.

During the 2013 legislative session, Minn. Stat. §216B.1691, the statute establishing Minnesota's Renewable Energy Standard ("RES"), was amended to include a Solar Energy Standard ("SES") that requires 1.5 percent of a public utility's retail sales, net of customer exclusions, to come from solar energy resources by 2020. The SES includes a provision that requires at least 10 percent of the 1.5 percent SES to come from solar energy generated by or procured from solar photovoltaic ("PV") devices with a nameplate capacity of 40 kilowatts ("kW") or less ("Small Scale Carve-Out").<sup>1</sup>

Minnesota Power has a long-standing history of supporting customer adoption of renewable energy technologies, offering rebates through its comprehensive Conservation Improvement Program ("CIP") since 2004.<sup>2</sup> However, due to limits on renewable energy spending within CIP and differences in the customer exemptions between the CIP and SES statutes, the Company proposed that a customer solar energy program outside of CIP was needed. The Company filed a request with the Commission to significantly expand its SolarSense Customer Solar program outside of CIP on June 1, 2016, in an effort to comply with the state SES mandate.<sup>3</sup>

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<sup>1</sup> The SES statute was amended during the 2017 legislative session to increase the Small Scale Carve-Out of the SES from 20 kW or less to 40 kW or less for a public utility with between 50,000 and 200,000 retail electric customers.

<sup>2</sup> Minn. Stat. §216B.2411, subd. 1(a) allows utilities to spend up to 5% of the utility's minimum spending requirement on distributed generation projects. Minn. Stat. §216B.2411 subd. 1(b), allows utilities to request authority to exceed the 5% limit, up to a 10% cap, to meet customer demand for installation of qualifying solar energy projects.

<sup>3</sup> Docket No. E015/M-16-485

On February 10, 2017, the Commission issued an Order approving Minnesota Power's proposal to expand the SolarSense Customer Solar program, more than tripling the Company's spending on renewable energy programs. The expanded program, which includes incentives for customer-sited solar installations, an innovative low income solar pilot program, and a solar research and development program, was approved with funding through the 2019 calendar year.

The Company has received positive feedback from customers, solar installers and stakeholders on the expanded SolarSense program. While the Company is in position to comply with the Small Scale Carve-Out of the SES,<sup>4</sup> Minnesota Power feels that it is important to continue to offer programs that encourage customer-sited solar installations in an effort to meet customer desires. As of August 2019, the Company's SolarSense incentives were fully allocated for the year with 14 customers currently on the waitlist.

Consistent with the one year extension approved for all Minnesota utility CIP programs, a one year extension of the SolarSense program is appropriate. An extension would allow Minnesota Power to properly evaluate the existing SolarSense structure, modify existing programs and budgets as needed and avoid a gap in renewable program offerings.

Minnesota Power respectfully requests Commission approval to extend the 2019 SolarSense Customer Solar Program and budget, as shown in Table 1 below, into the 2020 calendar year. Minnesota Power proposes to recover costs associated with the 2020 program extension through the solar factor within the Renewable Resources Rider, consistent with treatment of costs incurred from the 2017 to 2019 program years. Further, the Company continues to request flexibility to distribute funds between program years and adjust the program to be responsive to market conditions as needed.<sup>5</sup>

**Table 1: SolarSense Customer Solar Program Budget**

	2017	2018	2019	Proposed 2020
<b>Customer Incentives</b>	\$530,355	\$609,910	\$701,395	\$701,395
<b>Low Income Solar Pilot Program</b>	\$55,000	\$55,000	\$55,000	\$55,000
<b>Research and Development</b>	\$45,000	\$45,000	\$45,000	\$45,000
<b>Program Development and Delivery</b>	\$186,650	\$191,330	\$196,150	\$196,150
<b>TOTAL ANNUAL BUDGET</b>	<b>\$817,005</b>	<b>\$901,240</b>	<b>\$997,545</b>	<b>\$997,545</b>

Minnesota Power views solar energy as an important and growing part of the renewable energy landscape and each of the projects and programs included in the SolarSense Customer Solar Program represent the Company's holistic approach to providing

<sup>4</sup> Minnesota Power's 2018 SES Progress Report. Docket No. E999/M-19-276

<sup>5</sup> Minnesota Power has not to-date filed a solar factor.

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customers with solar energy options that work for them. Through this submittal, the Company requests to extend its current program through the 2020 calendar year.

If you have any questions regarding this filing, please contact me at (218) 355-3602 or [avang@mnpower.com](mailto:avang@mnpower.com).

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'A. Vang', with a stylized flourish at the end.

Ana Vang  
*Public Policy Advisor*

AV:sr