

**MP Camp Ripley, Docket No. 15-773
Agenda Meeting November 3, 2016**

Revised Decision Options

Land appraisal

1. Approve the project land lease payment amounts for recovery that were initially proposed by the Company and included in its initial August 21, 2015 filing. (*Minnesota Power*)
2. Require the Company to adjust the project land lease payment amounts to be recovered from ratepayers to reflect the independent land appraisal values filed by the Company in its April 25 compliance filing. Under this decision option, the recoverable portion of O&M expense will be reduced by \$19,059 per year. (*Department*)

Allocation of costs between exempt and non-exempt customers

- 3.00 Find that MP's alternative method for allocating costs between SES-exempt and non-exempt (solar-paying) customers, as revised in MP's July 18, 2016 reply comments, reasonably allocates SES project costs between exempt and non-exempt customers at this time. The Commission reserves the right to: (1) revise the FPE and SEA Riders following MP's filing of its VOS calculation, part of MP's required compliance filing in Docket No. E-015/M-15-825; and/or (2) adopt a method for allocating capacity benefits as part of the Commission's decision in MP's rate case filed on November 2, 2016.

Allocation of capacity benefits

3. Accept the commitment by MP in its July 18, 2016 reply comments to develop and provide in its 2016 rate case a methodology for allocating the Camp Ripley solar capacity benefits between solar-exempt and non-exempt solar-paying customers. (*Minnesota Power, Department*)

Solar Energy Adjustment (SEA) Rider calculation

4. Approve the Company's compliance proposal for revisions to its existing FPE Rider, as shown in Attachment 5 of its April 25 compliance filing, and the Company's proposed Solar Energy Adjustment (SEA) Rider, as shown in Attachment 6 of its April 25 compliance filing, as modified by its July 18, 2016 reply comments:
 - a. Approve a revision to the tariff language and calculation of the SEA Rider so that the SEA Rider tariff language (on page 96.1) reads as follows:
 - (f) Calculate the simple average of actual non-solar cost (\$/MWh) for the first two of the preceding three months by dividing total monthly costs of non-solar generation by total monthly non-solar MWh sales.
(*Minnesota Power, Department*)

5. Deny the Company's proposal for revisions to the Company's existing FPE Rider as shown in Attachment 5 of its April 25 compliance filing and the Company's proposal for a Solar Energy Adjustment (SEA) Rider as shown in Attachment 6 of its April 25 compliance filing.
(*Fresh Energy*)

VOS components

6. Require the Company to quantify all VOS components for the Camp Ripley project and to incorporate the components that are applicable into the Class Cost of Service Study (CCOSS) submitted in the Company's next rate case. (*OAG*)
7. Find that the Company's April 25 compliance filing does not meet the requirements of the Commission's February 24, 2016 Order, Order Point 7, and require the Company:
 - a. to re-submit its compliance filing with quantitative analysis and evaluation of the eight VOS Methodology components for the Camp Ripley project; and
 - b. to include as part of its re-submitted compliance filing a "show cause" as to why each of the eight VOS components should not be included in the FPE adjustment for the SEA Rider as applied to the Camp Ripley project.
(*Fresh Energy*)
8. Find that the VOS Methodology remains an approved standard for determining the value of distributed solar projects where applicable and that MP's analysis of its applicability in this specific instance carries no implications **for how the VOS Methodology is to be applied or in any way limits limiting** its full **application**, implementation and quantification in other cases. (*staff suggestion, if the Commission finds it appropriate*)