



January 31, 2014

Eric F. Swanson
Direct Dial: (612) 604-6511
Direct Fax: (612) 604-6811
eswanson@winthrop.com

VIA E-FILING AND U.S. MAIL

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

RE: In the Matter of the Implementation of Solar Energy Standards Pursuant to 2013
Amendments to Minnesota Statutes, Section 216B.1691
MPUC Docket No. E-999/CI-13-542

Dear Dr. Haar:

Enclosed please find Invenergy Solar Development LLC's Initial Comments in the above-referenced docket. This document has been filed with the E-Docket system and served on the attached service list. Also enclosed is our Affidavit of Service.

Very truly yours,

WINTHROP & WEINSTINE, P.A.

/s/ Eric F. Swanson

Eric F. Swanson

Enclosures

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First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ross	Abbey	abbey@fresh-energy.org	Fresh Energy	408 Saint Peter St Ste 220 St. Paul, MN 55102-1125	Electronic Service	No	SPL_SL_13-542_Interested Parties
Michael	Allen	michael.allen@allenergysolar.com	All Energy Solar	721 W 26th st Suite 211 Minneapolis, Minnesota 55405	Electronic Service	No	SPL_SL_13-542_Interested Parties
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	SPL_SL_13-542_Interested Parties
John	Aune	johna@bluehorizonsolar.com	Blue Horizon Energy	7246 Washington Ave S Eden Prairie, MN 55344	Paper Service	No	SPL_SL_13-542_Interested Parties
Peter	Beithon	pbeithon@otpc.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380496	Electronic Service	No	SPL_SL_13-542_Interested Parties
Sara	Bergan	sebergan@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	SPL_SL_13-542_Interested Parties
William A.	Blazar	bblazar@mnchamber.com	Minnesota Chamber Of Commerce	Suite 1500 400 Robert Street North St. Paul, MN 55101	Electronic Service	No	SPL_SL_13-542_Interested Parties
Michael J.	Bull	N/A	Center for Energy and Environment	212 Third Avenue North, Suite 560 Minneapolis, MN 55401	Paper Service	No	SPL_SL_13-542_Interested Parties
Jessica	Burdette	jessica.burdette@state.mn.us	Department of Commerce	85 7th Place East Suite 500 St. Paul, MN 55101	Electronic Service	No	SPL_SL_13-542_Interested Parties
Joel	Cannon	jcannon@tenksolar.com	Tenk Solar, Inc.	9549 Penn Avenue S Bloomington, MN 55431	Electronic Service	No	SPL_SL_13-542_Interested Parties

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
John J.	Carroll	jcarroll@newportpartners.com	Newport Partners, LLC	9 Cushing, Suite 200 Irvine, California 92618	Electronic Service	No	SPL_SL_13-542_Interested Parties
Steve W.	Chriss	Stephen.chriss@walmart.com	Wal-Mart	2001 Southeast 10th St. Bentonville, AZ 72716-5530	Paper Service	No	SPL_SL_13-542_Interested Parties
Steve	Coleman	scoleman@appliedenergyinnovations.org	Applied Energy Innovations	4000 Minnehaha Ave S Minneapolis, MN 55406	Paper Service	No	SPL_SL_13-542_Interested Parties
Lisa	Daniels	lisadaniels@windustry.org	Windustry	201 Ridgewood Avenue Minneapolis, MN 55403	Paper Service	No	SPL_SL_13-542_Interested Parties
Chris	Davis	christopher.davis@state.mn.us	Department of Commerce	Suite 500 85 Seventh Place East St. Paul, MN 551012198	Electronic Service	No	SPL_SL_13-542_Interested Parties
Dustin	Denison	dustin@appliedenergyinnovations.org	Applied Energy Innovations	4000 Minnehaha Ave S Minneapolis, MN 55406	Electronic Service	No	SPL_SL_13-542_Interested Parties
Ian	Dobson	ian.dobson@ag.state.mn.us	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, BRM Tower St. Paul, MN 55101	Electronic Service	Yes	SPL_SL_13-542_Interested Parties
Dan	Donkers	N/A	Saint Paul - Ramsey County Public Health	Environmental Health Section 2785 White Bear Ave. Suite 350 Maplewood, MN 55109	Paper Service	No	SPL_SL_13-542_Interested Parties
Bill	Droessler	N/A	Izaak Walton League of America-MWO	1619 Dayton Ave Ste 202 Saint Paul, MN 55104	Paper Service	No	SPL_SL_13-542_Interested Parties

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Betsy	Engelking	betsy@geronimoenergy.com	Geronimo Energy	7650 Edinborough Way Suite 725 Edina, MN 55435	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Nathan	Franzen	nathan@geronimoenergy.com	Geronimo Energy	7650 Edinborough Way Suite 725 Edina, MN 55435	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Benjamin	Gerber	bgerber@mnchamber.com	Minnesota Chamber of Commerce	400 Robert Street North Suite 1500 St. Paul, Minnesota 55101	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Elizabeth	Goodpaster	bgoodpaster@mncenter.org	MN Center for Environmental Advocacy	Suite 206 26 East Exchange Street St. Paul, MN 551011667	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Bill	Grant	Bill.Grant@state.mn.us	Minnesota Department of Commerce	85 7th Place East, Suite 500 St. Paul, MN 55101	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Lloyd	Grooms	lgrooms@winthrop.com	Winthrop and Weinstine	Suite 3500 225 South Sixth Street Minneapolis, MN 554024629	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	SPL_SL_13- 542_Interested Parties
Tony	Hainault	anthony.hainault@co.hennepin.mn.us	Hennepin County DES	701 4th Ave S Ste 700 Minneapolis, MN 55415-1842	Electronic Service	No	SPL_SL_13- 542_Interested Parties

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
J Drake	Hamilton	hamilton@fresh-energy.org	Fresh Energy	408 St Peter St Saint Paul, MN 55101	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Samuel	Hanson	N/A	Briggs And Morgan, P.A.	2200 IDS Center E 80 South Eighth Street Minneapolis, MN 55402	Paper Service	No	SPL_SL_13- 542_Interested Parties
Jack	Hays	jack.hays@westwoodps.com	Westwood Professional Services	7699 Anagram Drive Eden Prairie, MN 55344	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Brandon	Heath	bheath@misoenergy.org	MISO Energy	1125 Energy Park Drive St. Paul, MN 55108-5001	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Lynn	Hinkle	lhinkle@mnseia.org	Minnesota Solar Energy Industries Association	2512 33rd Ave South #2 Minneapolis, MN 55406	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Holly	Hinman	holly.r.hinman@xcelenergy.com	Xcel Energy	414 Nicollet Mall, 6th Floor Minneapolis, MN 55401	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Margaret	Hodnik	mhodnik@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Jan	Hubbard	Jan@AppliedEnergyInnovations.org	Applied Energy Innovations, LLC	4000 Minnehaha Avenue South Minneapolis, MN 55406	Paper Service	No	SPL_SL_13- 542_Interested Parties
Anne	Hunt	anne.hunt@ci.stpaul.mn.us	City of Saint Paul	390 City Hall 15 West Kellogg Boulevard Saint Paul, MN 55102	Electronic Service	No	SPL_SL_13- 542_Interested Parties

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ralph	Jacobson	N/A	Innovative Power Systems, Inc.	1413 Hunting Valley Rd Ste 1 Saint Paul, MN 55109-1555	Paper Service	No	SPL_SL_13-542_Interested Parties
Dwight	Jelle	dkjelle@gmail.com	Best Power International, LLC	P.O. 5126 Hopkins, MN 55343	Electronic Service	No	SPL_SL_13-542_Interested Parties
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2265 Roswell Road Suite 100 Marietta, GA 30062	Electronic Service	No	SPL_SL_13-542_Interested Parties
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street St. Paul, MN 551012134	Electronic Service	No	SPL_SL_13-542_Interested Parties
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	90 South 7th Street Suite #4800 Minneapolis, MN 554024129	Electronic Service	No	SPL_SL_13-542_Interested Parties
Mara	Koeller	mara.n.koeller@xcelenergy.com	Xcel Energy	414 Nicollet Mall 5th Floor Minneapolis, MN 55401	Electronic Service	No	SPL_SL_13-542_Interested Parties
Jon	Kramer	jk2surf@aol.com	Sundial Solar	4708 york ave. S Minneapolis, MN 55410	Electronic Service	No	SPL_SL_13-542_Interested Parties
Allen	Krug	allen.krug@xcelenergy.com	Xcel Energy	414 Nicollet Mall-7th fl Minneapolis, MN 55401	Electronic Service	No	SPL_SL_13-542_Interested Parties
Amy	Liberkowski	amy.a.liberkowski@xcelenergy.com	Xcel Energy	414 Nicollet Mall 7th Floor Minneapolis, MN 554011993	Electronic Service	No	SPL_SL_13-542_Interested Parties
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	SPL_SL_13-542_Interested Parties

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Bob	Long	rlong@larkinhoffman.com	Larkin Hoffman (Silicon Energy)	1500 Wells Fargo Plaza 7900 Xerxes Ave S Bloomington, MN 55431	Paper Service	No	SPL_SL_13- 542_Interested Parties
Rebecca	Lundberg	rebecca.lundberg@powerfullygreen.com	Powerfully Green	11451 Oregon Ave N Champlin, MN 55316	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Paula	Maccabee	Pmaccabee@justchangela w.com	Just Change Law Offices	1961 Selby Avenue St. Paul, MN 55104	Paper Service	No	SPL_SL_13- 542_Interested Parties
Casey	Maccullum	casey@appliedenergyinnovations.org	Applied Energy Innovations	4000 Minnehaha Ave S Minneapolis, MN 55406	Paper Service	No	SPL_SL_13- 542_Interested Parties
Susan	Mackenzie	susan.mackenzie@state.mn.us	Public Utilities Commission	Suite 350121 7th Place East St. Paul, MN 551012147	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Natalie	McIntire	natalie.mcintire@gmail.com	Wind on the Wires	570 Asbury St Ste 201 St. Paul, MN 55104-1850	Paper Service	No	SPL_SL_13- 542_Interested Parties
Brian	Millberg	Brian.Millberg@minneapolismn.gov	City of Minneapolis	350 South 5th St, #315 Minneapolis, MN 55415	Paper Service	No	SPL_SL_13- 542_Interested Parties
Stacy	Miller	stacy.miller@state.mn.us	Department of Commerce	State Energy Office 85 7th Place East, Suite 500 St. Paul, MN 55101	Electronic Service	No	SPL_SL_13- 542_Interested Parties

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Martin	Morud	mmorud@trunorthsolar.com	Tru North Solar	5115 45th Ave S Minneapolis, MN 55417	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Michael	Noble	noble@fresh-energy.org	Fresh Energy	Hamm Bldg., Suite 220 408 St. Peter Street St. Paul, MN 55102	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Rolf	Nordstrom	rnordstrom@gpisd.net	Great Plains Institute	2801 21ST AVE S STE 220 Minneapolis, MN 55407-1229	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Kate	O'Connell	kate.oconnell@state.mn.us	Department of Commerce	Suite 50085 Seventh Place East St. Paul, MN 551012198	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Charlie	Pickard	cpickard@aladdinsolar.com	Aladdin Solar	1215 Lilac Lane Excelsior, MN 55331	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Donna	Pickard	dpickard@aladdinsolar.com	Aladdin Solar	1215 Lilac Lane Excelsior, MN 55331	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Gayle	Prest	gayle.prest@minneapolismn.gov	City of Mpls Sustainability	350 South 5th St, #315 Minneapolis, MN 55415	Paper Service	No	SPL_SL_13- 542_Interested Parties
Kent	Ragsdale	kentragdale@alliantenergy.com	Alliant Energy-Interstate Power and Light Company	P.O. Box 351 200 First Street, SE Cedar Rapids, IA 524060351	Electronic Service	No	SPL_SL_13- 542_Interested Parties

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Enio	Ricci	ericci@invenergyllc.com	Invenergy LLC	17830 New Hampshire Ave Ste 300 Ashton, MD 20861	Paper Service	No	SPL_SL_13- 542_Interested Parties
Michelle	Rosier	michelle.rosier@sierraclub.org	Sierra Club	2327 E. Franklin Avenue Minneapolis, MN 554061024	Paper Service	No	SPL_SL_13- 542_Interested Parties
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	12 S 6th St Ste 1137 Minneapolis, MN 55402	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Matthew J.	Schuerger P.E.	mjsreg@earthlink.net	Energy Systems Consulting Services, LLC	PO Box 16129 St. Paul, MN 55116	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	Ste 122 9100 W Bloomington Frwy Bloomington, MN 55431	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Gary	Shaver	N/A	Silicon Energy	3506 124th St NE Marysville, WA 98271	Paper Service	No	SPL_SL_13- 542_Interested Parties
Erin	Shea	bademaileshea@silicon-energy.com	Silicon Energy	11168 Sumter Circle Bloomington, MN 55438	Paper Service	No	SPL_SL_13- 542_Interested Parties
Doug	Shoemaker	dougs@mnRenewables.org	MRES	2928 5th Avenue South Minneapolis, MN 55408	Paper Service	No	SPL_SL_13- 542_Interested Parties
Chanti	Sourignavong	chantipal.sourignavong@honeywell.com	Honeywell	1985 Douglas Drive North MN10-111A Golden Valley, MN 55422-3992	Paper Service	No	SPL_SL_13- 542_Interested Parties

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Erin	Stojan Ruccolo	ruccolo@fresh-energy.org	Fresh Energy	408 Saint Peter St Ste 220 Saint Paul, MN 55102-1125	Electronic Service	No	SPL_SL_13- 542_Interested Parties
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Deb	Sundin	deb.sundin@xcelenergy.com	Xcel Energy	414 Nicollet Mall Minneapolis, MN 55401	Electronic Service	No	SPL_SL_13- 542_Interested Parties
SaGonna	Thompson	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Lise	Trudeau	lise.trudeau@state.mn.us	Department of Commerce	85 7th Place East Suite 500 Saint Paul, MN 55101	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Jason	Willett	jason.willett@metc.state.mn.us	Metropolitan Council	390 Robert St N Saint Paul, MN 55101-1805	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Daniel	Williams	DanWilliams.mg@gmail.com	Powerfully Green	11451 Oregon Avenue N Champlin, MN 55316	Electronic Service	No	SPL_SL_13- 542_Interested Parties
Robyn	Woeste	robynwoeste@alliantenergy.com	Interstate Power and Light Company	200 First St SE Cedar Rapids, IA 52401	Electronic Service	No	SPL_SL_13- 542_Interested Parties

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

121 Seventh Place East, Suite 350
St. Paul, Minnesota 55101-2147

Beverly Jones Heydinger	Chair
David C. Boyd	Commissioner
Nancy Lange	Commissioner
J. Dennis O'Brien	Commissioner
Betsy Wergin	Commissioner

In the Matter of the Implementation of
Solar Energy Standards Pursuant to 2013
Amendments to Minnesota Statutes,
Section 216B.1691

MPUC Docket No. E-999/CI-13-542

**INITIAL COMMENTS OF
INVENERGY SOLAR
DEVELOPMENT LLC**

Invenergy Solar Development LLC (“Invenergy”) respectfully files these Initial Comments in accordance with the Minnesota Public Utilities Commission’s (“Commission”) December 30, 2013 Notice of Comment Period in the above-captioned docket. Invenergy appreciates the thoughtful process the Commission has established to best ensure that Minnesota’s implementation of the State’s new Solar Energy Standard (“SES”) comports with the broad public interest. Invenergy looks forward to partnering the Commission and all interested stakeholders so that Minnesota utilities can meet or exceed the SES in the most cost-effective manner possible for the utilities and their ratepayers.

Invenergy brings a wealth of experience to this debate. Invenergy and its affiliates develop, own, and operate power generation facilities across North America and Europe. The Invenergy companies have a proven track record of establishing and maintaining longstanding, mutually beneficial relationships with utilities, suppliers, and the

communities in which its projects are located, including here in Minnesota with Xcel and the Cannon Falls community.

Invenergy and its affiliates have developed over 7,500 MWs of utility-scale renewable and natural gas-fueled power generation facilities in the United States, Canada, and Europe. This includes more than 5,700 MWs of projects in operation, with more than 1,800 MWs under contract or in construction. Invenergy LLC is also North America's largest independent wind power generation company. Invenergy's senior executives - each with an average experience of 25 years in energy generation - have worked together as a core group for over two decades. The company's expertise includes a complete range of fully integrated in-house capabilities: Project Development, Permitting, Transmission, Interconnection, Energy Marketing, Finance, Engineering, Project Construction, Operations and Maintenance.

Invenergy's solar operations include the 20 MW Grand Ridge Solar facility in Illinois. Grand Ridge Solar is contracted on a long-term basis with Commonwealth Edison. Invenergy has also recently completed two 10 MW solar projects in Ontario and those projects are now in commercial operation.

With this background and experience, Invenergy responds to the Commission's questions, as set forth in its December 30, 2013 Notice, as follows:

1. The Commission determined that the shelf life of a REC is the first year of generation plus an additional four years. However, a 2013 addition to Minn. Stat. § 216B.1691, subd. 2f(f) states: "Notwithstanding any law to the contrary, a solar renewable energy credit associated with a solar photovoltaic device installed and generating electricity in Minnesota after August 1, 2013, but before 2020 *may be used to meet the solar energy standard* established under this subdivision." (Emphasis in original.)

- a. Should the Commission clarify that an S-REC that meets the requirements under subd. 2(f) has no shelf life for purposes of meeting the SES?

RESPONSE: No. However, clarification around how S-RECs are treated following the 2020 SES deadline would be helpful to the industry. It is unclear whether the S-REC requirement continues into perpetuity, once the standard has been met, or if an S-REC sunsets at 2020 upon satisfying the SES requirement.

- b. Subd. 2(f) is silent on the shelf life of a S-REC that is installed and generating after August 1, 2013 but before 2020 located outside of Minnesota. Should the Commission consider clarifying that S-RECs that meet the timeframe in Subd. 2(f) but are located outside of Minnesota also have no shelf life? Why or why not?

RESPONSE: Regardless of the Commission's answer to 1.a., above, the Commission should draw no distinction between S-RECs related to solar generation located within Minnesota and S-RECs related to solar generation located outside of Minnesota delivered to the Midwest Renewable Energy Tracking System ("M-RETS"), similar to RECs under the Renewable Energy Standard ("RES"). The SES should treat all eligible solar generation equally and should not ascribe more or less credit to solar generated in Minnesota or elsewhere within M-RETS.

Further, the SES statute itself draws no distinction based on geographic location of the solar generation. Minn. Stat. §216B.1691, subd. 2f (a) states:

In addition to the requirements of subdivisions 2a and 2b, each public utility shall generate or procure sufficient electricity generated by solar energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is generated by solar energy (emphasis added).

Drawing any distinction between in-state and out-of-state solar generation would not only raise serious legal concerns, due to potential Commerce Clause issues, but would artificially suppress competition and drive up the cost of SES compliance and ultimately the cost to ratepayers. Such a SES compliance requirement runs directly counter to the public interest given that S-RECs delivered to M-RETS, either in Minnesota or elsewhere, provide the lowest cost alternative for SES compliance and ultimately for the state's ratepayers.

2. Minn. Stat. § 216B.1691, subd. 7 states that if the Commission finds noncompliance, it “may order the electric utility to construct facilities, purchase energy generated by eligible energy technology, purchase renewable energy credits, or engage in other activities to achieve compliance. If an electric utility fails to comply with an order under this subdivision, the commission may impose a financial penalty on the electric utility in an amount not to exceed the estimated cost of the electric utility to achieve compliance.” The Commission has received informal inquiries asking whether this provision also applies to the SES or just the RES.

a. Should the Commission issue a clarification?

RESPONSE: Yes. The Commission should clarify that this provision applies to the SES, as provided for in Minn. Stat. §216B.1691, subd. 2f (b). If a utility fails to comply and is assessed a financial penalty, the funds should be used in a manner that provides certainty to the solar industry and promotes development of solar resources.

b. If so, does the provision apply to the SES given that the first sentence of subdivision 7 states that the Commission shall regularly investigate whether a utility is in compliance with subdivisions 2 and 2a, not 2f? Does the 2013 addition of subd. 2f (b) “The solar energy standard established in this subdivision is subject to all the provisions of this section governing a utility’s standard obligation under subdivision 2a” relevant to this question?

RESPONSE: See above. By stating that “all the provisions of this section” that govern a utility’s standard obligation, the statute extends the Commission’s authority to deal with non-compliance to the SES as well as the RES.

3. Minn. Stat. § 216B.1691, subd. 2f(g) states that beginning on July 1, 2014 and each July 1 through 2020, each public utility shall file a report with the Commission reporting its progress in meeting the SES.

a. The Commission has already established a biennial process whereby the Department and others investigate compliance with the RES, and then the Commission issues a finding on current RES compliance as well as likelihood of future compliance with the RES. The next biennial process will start with the filing of information by June 1, 2014. Should the SES be included in or excluded from this biennial process at this time?

RESPONSE: The SES should be included in the biennial process at this time. However, the Commission may wish to revisit and modify this process at a later date, should this approach be determined to be ineffective.

b. What information should be included in utilities’ annual reports on the SES? In its August 29, 2013 comments in this docket at page 5, the Department recommended the following: “Reporting could be included with the utilities annual RES reporting (June 1st for the previous calendar year), and should include the annual Minnesota retail sales, annual excluded customer sales, and annual solar generation.” Please comment on this recommendation.

RESPONSE: The utilities’ annual reports should also include, at a minimum, information to reflecting the location of their solar resources or the generation point of their S-RECs satisfying the SES on a state level.

c. Should utilities also be required to list efforts to meet the standard, obstacles anticipated, and potential solutions to the obstacles, as required for biennial reports under Minn. Stat. § 216B.1691? Should utilities be required to comment on the anticipated mix of utility scale versus smaller solar projects that will be used to meet the standard?

RESPONSE: Invenergy takes no position at this time.

4. Minn. Stat. § 216B.1691, subd. 4(d) states that “The commission shall require all electric utilities to participate in a commission-approved credit-tracking system *or systems.*” Minnesota’s RES applies to 16 utilities. In contrast, Minnesota’s SES applies to only 4 utilities. Should the Commission consider an additional tracking system specifically for the SES? In addition, the Commission has received comments in the past that some small units that would be eligible for the RES are not registered in MRETS. Should the Commission consider an additional tracking system for small units that are eligible for the RES? (Emphasis in original.)

RESPONSE: No, consistent with our response to item 1.b., solar resources that are delivered to M-RETS are eligible to satisfy the SES requirements. An additional tracking system would introduce additional costs to ratepayers, may introduce inconsistencies into the compliance tracking process, and add an additional administrative layer to the compliance process. Solar resources delivered to M-RETS provide the lowest cost alternative for SES compliance and ultimately for the state’s ratepayers.

5. Are there other topics related to how the SES provision of the statute, subdivision 2f, should be read in light of its inclusion in Minn. Stat. § 216B.1691?

RESPONSE: Invenergy offers no additional topics for consideration at this time.

Dated: January 31, 2014

WINTHROP & WEINSTINE, P.A.

By: /s/ Eric F. Swanson
Eric F. Swanson

225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402
(612) 604-6400

**ATTORNEYS FOR INVENERGY
SOLAR DEVELOPMENT LLC**