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Xcel Energy Information Request No. 1  
Docket No.: E002/C-19-203  
Response To: MN Public Utilities Commission  
Requestor: Susan Mackenzie  
Date Received: April 16, 2019

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Question:

Could SunShare’s Schiller Project be reinstated in the queue at the Lester Prairie substation without harming other CSG projects in the queue at the same substation? Why or why not?

Response:

No. SunShare’s Schiller Project cannot be reinstated in the queue at the Lester Prairie substation without requiring a restudy and causing uncertainty for four active projects in the queue. These restudies would result in changing interconnection costs (ultimately shifting upgrade costs up or down the queue) and likely reducing capacity for the last project in the queue due to limited transformer capacity at the substation. We provide further detail regarding these facts below.

**Substation Queue**

The Substation Queue as of April 4, 2019 is publicly available at [www.xcelenergy.com](http://www.xcelenergy.com),<sup>1</sup> and shows status of the queue for the substation. This information is reflected in Table 1 below, along with some additional information.

**Table 1: Lester Prairie Substation Project Queue**

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<sup>1</sup>[https://www.xcelenergy.com/working\\_with\\_us/renewable\\_developer\\_resource\\_center/solar\\_rewards\\_community\\_developer\\_resources](https://www.xcelenergy.com/working_with_us/renewable_developer_resource_center/solar_rewards_community_developer_resources) under “Substation DG Queue – 4/4/19 (XLS)”

**[PROTECTED DATA BEGINS**

**(Third-party confidential is marked in highlighted portion)**

Substation Queue Position	Original Deemed Complete	Expedited Ready Date	SRC#	Feeder / Feeder Queue Position <sup>2</sup>	Status
SQ1		1/5/16	SRC039062	F1-FQ1	Active 3/15/18
SQ2		1/5/16	SRC041654, SRC04153, SRC041658, SRC041657, SRC0141656	F1-FQ2	Active 10/26/17
<i>Schiller Project</i>	<i>12/18/15</i>	<i>1/13/16</i>	<i>N/A</i>	<i>F2</i>	<i>Cancelled by Xcel Energy on April 26, 2017, due to lack of LA payment and execution.</i>
SQ3			SRC064254	F1-FQ3	In Construction – construction almost complete
SQ4			SRC062821	F2-FQ1	Interconnection Agreement Submitted to Developer following restudies by Xcel Energy
SQ5			SRC064854	F2-FQ2	Interconnection Agreement Submitted to Developer following restudies by Xcel Energy
SQ6			SRC068979	F1-FQ4	Engineering Scoping Study in process

**PROTECTED DATA ENDS]**

Solar\*Rewards Community projects are reviewed in sequential order determined by queue position. Therefore, for example, the SQ3 project is impacted by the studies performed for SQ1 and SQ2 projects. If a project is removed, such as SQ3, then SQ4 and subsequent in queue projects would need to be restudied. Similarly, if a project is retroactively inserted into the middle of the above queue, any project behind it would need to be restudied. These restudies could impact the number of miles of reconductoring or substation upgrades that are needed for specific projects in queue and which project is the cost causer for each specific upgrade.

SunShare’s Schiller Project cannot be reinstated ahead of the SQ3 project at Lester Prairie substation without impacting others in queue in terms of cost causation for

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<sup>2</sup> The Lester Prairie substation has two feeders, and these share a common substation transformer. These feeders are numbered as F1 and F2 here, but this numbering does not reflect the actual feeder numbers. The feeder queue position is shown for each of these feeders in this table with a FQ designation.

interconnection facilities, in capacity and in certainty of current or tendered Interconnection Agreements. Once a project is removed from the queue, its position in the queue is replaced with those that would have been behind it. In the case of Lester Prairie substation, in the time since the Schiller Project was cancelled and removed from the queue, four other projects have applied for the Solar\*Rewards Community program in this queue. If the Schiller Project were to be re-inserted into the queue ahead of the SQ3 project, each of current SQ3, SQ4, SQ5 and SQ6 projects would require a restudy impacting the capacity or costs for these projects. What the actual consequences and any harm for SQ3-SQ6 projects would be can only be determined by a study analysis. However, the construction for SQ3 is almost complete, and a restudy at this time after construction has nearly been completed might result in us being in an uncharted field in trying to determine if we need to perform additional work in order to accommodate this project. This determination might be made after SQ3 achieves commercial operation.

SunShare noted in its March 28, 2019 Reply Comments that according to a hosting capacity screen completed in December 2018, there was capacity available at Lester Prairie substation for a 3 MW site. We do not believe this is relevant information for three reasons: 1.) the location they chose for the capacity screen was much closer to the substation than the location for the Schiller Project, so the screening results are not applicable to the location of the Schiller Project; 2.) the SQ6 project has now entered the queue after the December 2018 capacity screen was issued, so that capacity screen does not reflect the current queue; and, 3.) actual available capacity and indicative costs for the Schiller Project can only be determined by first knowing its applicable queue position and then by performing an engineering study based on current network conditions.

The capacity screen does indicate that there is a finite transformer capacity of 12.14 MW at the substation. The two feeders at issue share a common substation transformer. With an active list of 10 MW in the queue, if the Schiller Project would be allowed to now be inserted into the middle of the queue then the Schiller Project likely would take capacity from the current SQ6 project, causing real harm to another developer at the Lester Prairie substation.

We do not see how the Commission can make a determination to reinsert the Schiller Project into the middle of the queue without allowing these other developers that would be behind it in queue to first be heard on this issue as such a determination would likely impact them.

## **Feeder Queue**

It is also important to note the position of each project in queue on a particular feeder. As reflected in Table 1 above, when the Schiller Project was cancelled, it was the first project on that feeder (labeled as F2 in Table 1 above). Two additional projects (SQ4 and SQ5) have replaced the Schiller Project in the queue for this specific feeder. If these SQ4 and SQ5 projects go forward, they will take on the full cost of upgrades at the feeder level. These projects also utilized our Synergy model, representing a more accurate level of load flow calculations than models conducted by the Company in previous study analyses. As a result of the new model, the indicative cost estimates for SQ4 and SQ5 are significant, and we believe that this modeling produces more accurate results.

### **Steps Needed to Add the Schiller Project Back in Queue**

If the Company were to place the Schiller Project ahead of the current SQ3 project, the following would occur.

1. The Schiller Project would be restudied using current modeling and load conditions.
2. The Schiller Project would still not be eligible for the Solar\*Rewards Community program because under the Settlement Agreement (par. 1) it was required to achieve Mechanical Completion for the Schiller Project by **[PROTECTED DATA BEGINS PROTECTED DATA ENDS]**, a date a long time ago. Under our tariff (Sheet 9-67.1):  
If Mechanical Completion is not achieved within this twenty-four (24) month period (including any day-for-day extension referenced above), then the Company will return the deposit and the garden operator, if it still intends to proceed with the project, will need to reapply and submit a new application fee and deposit. Additionally, in this situation, if applicant already has an executed Interconnection Agreement, then that Interconnection Agreement may not be used for a project as part of the Solar\*Rewards Community program, and such project shall immediately lose its queue position in the interconnection queue.
3. The current SQ3 project (which would become the SQ4 project), will likely already be in commercial operation, would need to be restudied to determine whether or not the Schiller Project should have been assessed certain substation upgrade costs as a project “ahead in queue”, or whether Schiller project’s reinstatement causes additional upgrades that would be newly assigned to this project.
4. The current SQ4 & SQ5 projects (which would become the SQ5 & SQ6 projects) would need to be restudied as projects now “behind in queue”.
5. The current SQ6 project (which would become the SQ7 project) would have its current in-progress study halted if not already provided to it, and it would be restudied after completion of the restudies for those ahead of it in queue. It would likely receive a no-capacity notice following this restudy based on the limited capacity of the substation transformer as discussed above.

To ensure fairness, the program does not allow this type of queue hopping and instead requires submitting a new application under the current program rules. The bill credit rate under the ARR (Applicable Retail Rate) and program rules initially available to the Schiller Project allowing co-location up to 5 MW are no longer available to new applications. Instead, any new application would be subject to the 1 MW capacity limit per co-located site and would be subject to the VOS Vintage Rate in place at the time that it is Deemed Complete. Allowing the Schiller Project to proceed now under its prior applications, after not timely signing and funding the Interconnection Agreements after several extensions and warnings, and after failing to timely submit the current dispute, would afford SunShare an unfair market advantage over other developers in the competitive market. If SunShare wants to proceed in this queue, it would be most fair to the other parties in the queue to require SunShare to follow the same program rules as other developers and reapply with a new application under the current program rules and applicable VOS Vintage bill credit rate and take its sequential spot at the end of the queue once it is eligible to join the queue under the new application.

We do not believe that allowing the Schiller Project to be reinstated back in the middle of the queue would be a reasonable or practical decision given the active projects in queue and the possible harm to them as a result of this action.

The information in this filing designated as Non-Public information pursuant to Minnesota Statute §§ 13.37, subd. 1(b) and 13.02, subd. 9. In particular, the information designated as Non-Public is private data of business customers. This information is also protected by the Commission orders as to what constitutes private account information or Customer Energy Usage Data in Docket No. E,G999/CI-12-1344. The non-public information in Table 1 is Third-party confidential information as it contains information for other developers. All of the information marked as non-public is subject to efforts from the customer to maintain its secrecy. This information derives independent economic value, actual or potential, to Xcel Energy, its customers, suppliers, and competitors, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

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