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October 1, 2016

**VIA ELECTRONIC FILING**

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

Re: Minnesota Power's Community Solar Garden Pilot Program  
Docket No. E-015/M-15-825

Dear Mr. Wolf:

Minnesota Power hereby electronically submits its Compliance Filing to meet the requirements of Order Points 8 and 10 of the Minnesota Public Utilities Commission's July 27, 2016 Order in the above-referenced Docket. Attached as Exhibit A is the Independent Facilitator's report of the Company's stakeholder process to gain input on the drafting of a Request for Proposal ("RFP") for three non-utility community solar gardens, each up to one megawatt in size. Also attached to this filing, as Exhibit B, is the draft RFP per Order Point 8.

Please contact me at 218-355-3202 with any questions regarding this matter.

Respectfully,

A handwritten signature in black ink, appearing to read 'Jennifer J. Peterson'.

Jennifer J. Peterson

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

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In the Matter of the Petition by Minnesota Power for  
Approval of a Community Solar Garden Pilot Program

Docket No. E015/M-15-825

**COMPLIANCE FILING**

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**I. INTRODUCTION**

On September 10, 2015, Minnesota Power (“the Company”) filed a Petition with the Minnesota Public Utilities Commission (“Commission”) seeking approval of a Community Solar Garden (“CSG”) Pilot Program and associated cost recovery pursuant to Minn. Stat. § 216B.1645. On July 27, 2016, the Commission issued an Order in this Docket approving the Company’s proposed CSG Pilot Program, as modified. The Order required additional compliance requirements for Minnesota Power, including submittal of a draft Request for Proposal (“RFP”) to the Commission for three non-utility CSGs, each up to one megawatt (“MW”) in size, and a discussion with stakeholders about how pricing information on public-facing programs can be made public in the future. These two items represent Order Points 8 and 10, respectfully. This compliance filing details the process of stakeholder engagement that was used to establish the attached draft RFP for additional non-utility CSGs.

## **II. THE STAKEHOLDER ENGAGEMENT PROCESS TO ESTABLISH AN RFP FOR NON-UTILITY COMMUNITY SOLAR GARDENS**

Order Point 8 of the Commission’s July 27 Order states that, “By October 1, 2016, and in consultation with interested stakeholders, Minnesota Power shall draft an RFP for three non-utility community solar gardens, each up to 1 MW, and file the draft RFP with the Commission.” This Order Point was intended to balance interest in opening CSGs to new ownership and development models with the roll-out of Minnesota Power’s CSG Pilot Program. In order to comply with this Order Point, the Company retained an independent facilitator to host multiple stakeholder meetings in each region of its service territory: North (Virginia, Minn.), Central (Baxter, Minn.) and East (Duluth, Minn.).

### **A. Selecting an Independent Facilitator**

In an effort to encourage a transparent, open and inclusive process for stakeholder feedback, Minnesota Power elected to hire an independent facilitator to manage the stakeholder process. Additionally, the Company undertook efforts to ensure the process was stakeholder-driven and convened a selection committee to choose the independent facilitator. The selection committee was comprised of five community members, each having an equal vote in choosing the winning proposal. Selection committee members volunteered their time and were not compensated for their participation in this effort. The five voting selection committee members were City of Duluth Property and Facilities Manager, Erik Birkeland; former Duluth Mayor and current Executive Director at Lake Superior College, Don Ness; Rural Renewable Energy Alliance (“RREAL”) Special Projects Manager, BJ Allen; St Louis County Commissioner Patrick Boyle; and Minnesota Power’s Manager of Customer Solutions, Tina Koecher.

The Company issued a competitive RFP for an independent facilitator and the selection committee evaluated and ranked proposals based on completeness, the facilitator’s approach, the ability to deliver, overall interview, understanding of objectives and facilitator qualifications. Ultimately, the selection committee chose Greenfield Communications, who was then retained by Minnesota Power as the independent facilitator for the stakeholder engagement process.

Greenfield Communications was tasked with gathering ideas and suggestions from stakeholders for the draft RFP for three non-utility CSGs, each up to 1 MW, per Order Point 8 of the Commission's July 27 Order. Specifically, Greenfield Communications was directed to convene and manage a series of public meetings across Minnesota Power's service territory during the month of September. The process was intended to provide open forums for discussion between interested stakeholders and the Company and gather input to draft an RFP.

**B. CSG Stakeholder Meetings**

Minnesota Power has a diverse and geographically large service territory, and it was important to the Company to ensure that all interested customers had an opportunity to participate in this stakeholder process. As such, multiple stakeholder meetings were held in Duluth, Minn. on September 20, in Virginia, Minn. on September 21 and in Baxter, Minn. on September 22. There were two meetings held each day in each location. In addition to attending stakeholder meetings in person, customers were also invited to submit input electronically to the independent facilitator up until 5:00 P.M. on September 27.

More than 320 individuals were invited to the stakeholder meetings by the independent facilitator, and a total of 49 stakeholders attended the meetings in person. These stakeholders included representatives from church groups, government officials, solar developers and installers, environmental groups, low-income advocates, interested citizens and Minnesota Power employees. In addition to personal invitations from the independent facilitator, the Company posted a schedule of meetings on its website and noted the meetings were open to any interested stakeholders. The independent facilitator's contact information was also listed on the Company's website if customers wanted to contact him directly. Please see Greenfield Communications full report on stakeholder input sessions for additional detail, attached as Exhibit A.

**C. Assembling Stakeholder Input and Establishing a Draft RFP**

A common theme that was raised through each stakeholder meeting was transparency. Stakeholders expressed a strong desire to have transparency in every aspect of this project, from the RFP distribution to future CSG sites and low-income participation. Additionally, meeting

attendees expressed a desire to have an RFP that allowed for flexibility and innovation in proposals and was not overly prescriptive. The draft RFP is attached as Exhibit B. Some key components identified for inclusion and affirmed through the stakeholder process include: scope of services, clearly identifying roles between the Company and CSG operators, location and siting requirements, technical installation information, economic development plan, program details, subscriber information and project financial information.

**D. Outstanding Issues**

Since the stakeholder meetings were attended by a diverse set of interested parties, there were varying definitions of community solar and differing perspectives on what should be included in an RFP. Many stakeholders wanted a low-income component to the RFP, while others did not, as it would make it more costly for community groups to develop a project. There were also diverse opinions on SREC ownership, where CSGs would be located, and if locally made material or local labor should be a factor for consideration. Ultimately, in order to ensure the RFP was not unnecessarily prescriptive and was instead designed to encourage innovative projects, many components were drafted as open-ended questions.

Because the RFP is intentionally drafted to be more inclusive than prescriptive, the criteria used to evaluate potential proposals are a critical component to the entire RFP process. Due to the time constraints between the July 27 Order and October 1 compliance filing due date, the Company was not able to complete development of the evaluation criteria in addition to the RFP, but recognizes this is a critical component in evaluating potential non-utility CSG proposals in the future. However, the RFP in Exhibit B lists attributes that may be included in future evaluation criteria, based upon the majority of comments received during the stakeholder discussions on this topic. Some of these attributes considered in the evaluation process could include: CSG Program and CSG Project completeness; bidder's past experience, management and financial strength; proposal economics; community benefits; innovation, and others.

Finally, the diversity of thought in stakeholder discussions on community solar further demonstrates the relevancy of Minnesota Power's experience with its approved CSG Pilot Program. The Pilot Program will provide insights on costs to administer the program, billing procedures, customer preferences and more. Many stakeholders expressed a desire for more

specific information concerning rates, interconnection costs, the handling of SRECs, distribution capacity, project ownership, roles for administering subscribers entering and leaving the program, and more. The Company outlined a robust list of evaluation criteria for its own CSG Pilot Program, and will report on the status of the program annually in its Solar Energy Standard Progress Report, filed each June. Currently unknown implementation details may be provided through the Company's experience with the Pilot Program in 2017 that will prove helpful in evaluating future community solar RFPs.

### **III. DISCUSSIONS ON PUBLIC-FACING PROGRAM PRICING INFORMATION**

Order Point 10 of the July 27 Order stated: "Minnesota Power shall discuss with interested stakeholder whether and how pricing information on public-facing programs can be made public in the future." This question was included in the independent facilitator's list of issues open for discussion at the CSG Stakeholder meetings in September 2016. Minnesota Power's position is, and has been, to make pricing information on public-facing programs available once contract negotiations are complete. In its CSG Pilot Program, the Company publicly filed program pricing once the Power Purchase Agreement ("PPA") was executed with the developer. Releasing pricing information prior to the conclusion of a competitive bidding process or contract execution would likely negatively affect the negotiation process, and potentially create higher costs or increased risk for customers. Through the public meetings, stakeholders expressed a desire for transparency in all aspects of community solar - including project costs. Stakeholders also expressed understanding for the need to keep proprietary business negotiations private. However, there were no specific suggestions related to public pricing of programs. Minnesota Power shares the stakeholder's desire for transparency in program pricing and will continue its process of making public-facing program pricing available once contract agreements are executed.

#### IV. CONCLUSION

Minnesota Power submits this Compliance Filing to meet the requirements of Order Points 8 and 10 of the July 27 Order in Docket No. E015/M-15-825. Minnesota Power appreciates the opportunity to further collaborate with interested stakeholders and to provide additional information to the Commission. Overall, the process proved informative and was particularly enlightening regarding the evolving nature of community solar gardens and the diverse perspectives on what that means and how to prioritize various elements. The Company looks forward to implementing the first Community Solar Garden program in northeastern Minnesota in early 2017 through its Commission-approved CSG Pilot Program and the continued collaboration with all interested stakeholders.

Dated: October 1, 2016

Respectfully,

A handwritten signature in black ink, appearing to read "Jennifer J. Peterson", with a long horizontal flourish extending to the right.

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## **Report on stakeholder input sessions regarding Minnesota Power's draft RFP for non-utility community solar gardens**

**September 30, 2016**

### **Introduction**

On July 27, 2016, the Minnesota Public Utilities Commission (PUC) ordered the following:

*By October 1, 2016, and in consultation with interested stakeholders, Minnesota Power shall draft an RFP for three non-utility community solar gardens, each up to 1 MW, and file the draft RFP with the Commission.*

In response to this order, an extensive outreach effort was implemented in September 2016 to gather input from interested stakeholders across Minnesota Power's (MP) service area. Greenfield Communications (GC) was hired by MP to lead this process as an independent facilitator.

Anyone who expressed interest in providing input was directed to this process and encouraged to attend any or all of the six stakeholder meetings that were scheduled. Stakeholders were also informed that if they were unable to attend any of the designated meetings, they could submit input to the independent facilitator by email.

This report contains the following information:

Executive summary

Recap of stakeholder outreach process

Discussion topics at stakeholder meetings

Potential topics to include in the draft RFP

An Appendix containing:

A. Raw data from stakeholder meetings

B. Materials distributed at stakeholder meetings

C. Participant definitions of CSG

D. Names and affiliations of stakeholder meeting participants

E. Stakeholder input on pricing information

F. Copies of emails to stakeholders

G. Emailed comments after meetings concluded

## **Executive Summary**

Six meetings were held across the MP service territory September 20-22 with 49 stakeholders (from among more than 320 invitees), to learn their ideas and preferences for what MP should consider including in its draft Request for Proposal to the PUC for three non-utility community solar gardens (CSG), each up to 1 MW.

The meetings, led by an independent facilitator, included broad representation from church groups, government officials, solar developers and installers, environmentalists, low-income advocates, MP staff and interested citizens.

There was a strong desire to have transparency in every aspect related to this project. From the RFP distribution and proposal review process, to determining CSG sites and costs, to considerations for low-income participation, transparency was a frequently used term.

There was also a desire for MP to produce a draft RFP that was not overly prescriptive, but rather allowed for creativity and flexibility in proposals. While one stakeholder went so far as to say, "Give them a blank sheet of paper and ask them to give us their ideas," many people felt the best approach would be a "hybrid" RFP that blended specific questions with opportunities to suggest alternatives – and that a weighted scoring system be used in the proposal evaluation process to ensure that cost was not the dominant determining factor.

As might be expected from such a diversity of perspectives represented at these meetings, arguments were made on both sides of the issues regarding whether a low-income component should be required; whether MP should or should not dictate where arrays are located; and whether or not MP should own the RECs. It was also suggested that those submitting proposals could determine whether or not MP would own the RECs.

Other discussions centered on whether the RFP should dictate that materials be locally made and installed by local labor; and on ensuring that community benefit, and not just corporate benefit, was heavily considered in the location, ownership and cost of non-utility community solar gardens.

All meeting participants, as well as those submitting comments via email, had several opportunities to make their preferences, and strong reasons for them, known. MP will now consider the hundreds of stakeholder comments as it develops its draft RFP for the PUC.

## **Recap of Stakeholder Outreach Process**

GC sent emails to more than 320 interested stakeholders, inviting them to attend one or more of six 90-minute meetings in Duluth (September 20), Virginia (September 21) and Baxter (September 22). To maximize convenience for stakeholders, two meetings were held in each city: from 3:30-5:00 p.m. and again from 6:30-8:00 p.m.

Invited stakeholders were selected from an MP service list; a community solar petition to MP and the PUC; pro-community solar garden individuals, groups, churches and others who had

recently corresponded with MP; and other individuals, organizations and developers known to be interested in CSG in the MP service area.

An invitation to these meetings was also included on MP's website, along with the email address of GC President Steve Greenfield for use by anyone with questions or comments.

Forty-nine stakeholders participated in the six meetings, including representatives from MP who attended each meeting.

On September 23, the day after the six meetings' conclusion, GC sent a follow-up email to the 320+ stakeholders – a list that had grown because stakeholders had provided email addresses of other interested people. That email invited those who had been unable to attend any meetings, or who had attended meetings but now had additional thoughts, to email their comments back to GC. (See Appendix G for responses.)

After categorizing comments and findings from in-person and email input, GC sent out a third email to the large list of stakeholders on September 27. The email included a draft of GC's report to MP and again invited stakeholder comment before MP developed its draft RFP for the PUC.

Copies of GC emails to stakeholders are included in the Appendix (F).

#### **Discussion Topics at Stakeholder Meetings**

All stakeholder meetings followed the same outline of topics and order in which they were discussed, to ensure consistency from meeting to meeting.

The meetings began with introductions of attendees, followed by review of the PUC's July 27 wording, which was printed on a page at each attendee's seat (Appendix B):

“The Commission will require Minnesota Power to draft (in consultation with interested stakeholders) an RFP for three non-utility community solar gardens, each up to 1 MW, and file the draft RFP with the Commission. This will give the Commission an opportunity to review the proposal and move toward opening Minnesota Power's community solar garden program offerings in a deliberate manner and consistent with customer demand.”

Facilitator Steve Greenfield defined “RFP” to ensure attendees fully understood what the PUC was seeking. Next he asked people to jot down their definitions of “community solar garden” on supplied pages, which were shared by those who wished to provide their definitions orally. Attendees were invited to leave their written definitions on the tables when they departed, and 30 did. (Stakeholder definitions are in Appendix C.)

Greenfield then asked attendees to let their creativity run freely and identify what they wanted to have considered for inclusion in the draft RFP. Often attendees expanded upon descriptions provided by others, while at other times people disagreed.

Participant comments were captured on large easel sheets which were affixed to the walls so everyone could see and react to all comments captured throughout each meeting.

Participants were also asked if it's better for a draft RFP to contain many specific questions or if it's better to be fairly general in nature, allowing those submitting proposals to determine the best approach.

A final facilitator question related to stakeholder suggestions regarding Order #10 from the Minnesota Public Utilities Commission's July 27, 2016, document: *"Minnesota Power shall discuss with interested stakeholders whether and how pricing information on public-facing programs can be made public in the future."* (Stakeholder input is in Appendix E.)

Each session ended with Greenfield inviting participants to email further input to him if they had additional comments afterward.

### **Potential Topics to Include in the Draft RFP**

The following outline has been drafted after listening to stakeholder input, including that from MP, and after reviewing several solar-related RFPs from around the U.S. We provide this as a starting point for MP's consideration as it creates its draft RFP for the PUC. We encourage MP to also review the raw data from stakeholder meetings and email input that are found in this report's Appendix.

#### ***Potential Draft RFP Contents***

- Overall CSG concept description
- Scope of services introduction
- Clearly identify roles (what will MP do vs. garden operator)
  - Describe how MP and garden operator will share information (process)
  - MP include copy of development agreement
- Location/Siting requirements
  - Proposed location(s)
  - Geographic distance from subscribers
  - Impact on natural surroundings
  - Other use of land - pollinators, etc.
- Technical/Installation information
  - Interconnection requirements and costs
  - Siting guidelines
  - Proposed make and model of equipment
  - Operations & Maintenance plan
  - Ownership structure
    - Is leasing an option?
  - System size
  - Permitting

- Economic development plan
  - Considerations for locally made products
  - Considerations for using local labor
  - Describe other ways your project would positively impact the economy
  
- Details about the proposed program
  - Subscription options and terms, including transportability, minimum and maximum participation percentage, etc.
  - Description of what customers are getting
  - Consumer protections (i.e. customer contract, etc.)
  - REC ownership
  - Program length/terms
  - Energy efficiency encouraged?
  - Marketing strategy
  
- Subscriber eligibility
  - MP define Low or Moderate Income
  - Low-income participation
  
- Financials
  - Subscriber credit
  - System/installation payment
  - SREC value
  
- Warranty information
  
- Timeline
  - Will MP specify a timeline or will it be up to proposer?
  - Submit a development schedule for what will be accomplished by when
  
- Evaluation plan (of the garden/program)
  - Measurements you will use to determine success of project
  - How will you make adjustments if program is not meeting goals?
  
- What unique approaches will you bring to this project?
  
- Developer experience & financial resources
  - Description of past solar developments, including size, locations, etc.
  - Describe team members and their experience
  - References regarding past work
  - Provide evidence of financial soundness, including, but not limited to audited financial statements and credit ratings
  - Are you financing all aspects alone or with partners?
    - If partners, who are they?
  
- Evaluation criteria
  - Cost alone will not determine

- Percentages assigned to:
  - Cost
  - Proposed site(s)
  - Soundness of entire program
  - Proposer experience/financial strength
  - Customer focus
  - Economic development
  - Community participation

### **Conclusion**

The Appendix has additional information that may be useful in drafting the RFP. If you have questions about anything in this report, please contact Steve Greenfield at 218/260-7283 or at [steve@greenfieldcomm.com](mailto:steve@greenfieldcomm.com). Thank you.

## **Appendix**

Included in this Appendix are the following sections:

- A. Raw data from stakeholder meetings
- B. Materials distributed at stakeholder meetings
- C. Participant definitions of CSG
- D. Names and affiliations of stakeholder meeting participants
- E. Stakeholder input on pricing information
- F. Copies of emails to stakeholders
- G. Emailed comments after meetings concluded

### **A. Raw data from stakeholder meetings**

*Below are Greenfield Communications' notes as written on easel sheets during stakeholder meetings and later grouped into these categories:*

#### **Costs**

- Cost of construction
- What are inter-connection costs?
- MP specify rates
- Who determines rate?
- Cost: bill credit rate
- MP clarify what costs the developer will incur
- Will there be an inter-connection agreement?
- In RFP, MP should define SRECs and what MP proposes to pay. But encourage developer to propose something, too.

- Virtual net metering
- RECs go to MP (but maybe not)
- RFP with consistent pricing structure to create cost certainty for developer/owner and provide a known financial return

### **Financing**

- What are developer's sources of funding?
- MP ask: who are your financial partners?
- Define financing structure
- Non rate payers can finance
- Financed and owned by utility ratepayers
- It's OK for money to come from outside the region
- RFP should allow for a variety of developer financing options; not unduly restricted

### **Customers**

- Who are eligible customers?
- Identify community eligible
- Define rate class participation (which classes are eligible for participation?)
- Limit how much each customer may buy (Walmart can't buy it all up)
- Minimum level of subscriptions (200 watts?)
- Will groups sign up subscribers?
- What/how is reimbursement for excess generation a customer has?
- Unsubscribed. How is it treated?
- Cost to customers – what businesses pay
- Consumer protection checklist (CERTs website)
- Transportability of subscription if a customer moves
- There should be an open process for how subscriptions are transferred
- Subscribers should be able to back out without penalty for a certain period of time
- Less restrictive on what customers are paying, getting
- What is potential demand?
- Limit to residential and commercial class

### **Low Income Considerations**

- Specify low-income participation/considerations
- Ensure no social exclusion
- Percentage low or moderate income (bill credit rate plays into this)
- MP define LOMI
- Don't be too strict on creditworthiness
- Address energy poverty among low income populations
- RFP should prioritize projects that provide opportunities for direct low-income participation

### **Geographic Area**

- Geographic considerations (of how far away CSGs will be from end users?)
- Will array be broken up?
- Optimize location(s) of CSGs
- Put a pollinator pledge in the RFP
- Freedom of land selection for developer
- MP specify it must be a \_\_\_% unshaded site

- MP specify distribution capacity within \_\_\_\_\_ feet
- Scattered site
- MP specify locale (re: inter-connection costs)
- CSGs spread out, not clustered
- Share solar array
- Developers should be able to choose own sites (on a roof or on a site without a meter)

### **Responsibilities of Parties**

- Describe what MP will do; level of MP participation
- Who owns solar panels? Church? Developer?
- Do subscribers own the panel(s) representing their subscription?
- How will MP partner with the community?
- MP should help guide the community
- 3 partners: Developer, MP and community. RFP should ask proposers to describe role of each  
(Then a fourth partner was suggested for consideration: PUC)
- Development agreement
- MP define who subscriber would be
- MP define term: 25, 30 years?
- REC ownership structure

### **Administration**

- What administrative hurdles will there be?
- How will oversight work?
- Need program design details: how to handle subscribers, who handles calls (MP or developer)?
- What are MP requirements for billing?
- Do you have to be MP customers?
- Will you charge customer for metering?
- Long term purchasing agreement
- Lot of MP administrative questions: What fees?
- RFP should allow the right to own solar vs. only a leasing arrangement
- Owner/developer assumes ownership of their SRECs, they should be able to transfer SRECs to  
MP in exchange for fair compensation
- Unsubscribed SREC ownership should reside with the owner/developer

### **Production & Operation**

- What are the technical rules?
- Where are the solar panels produced?
- Describe level of quality of panels, etc.
- What warranties?
- Warranties: Bankruptcy Remote, LLC
- Need to test the system/reliability
- Big need for RFP: reliability
- What level of testing will be required? Will MP have access to site and be present for testing?
- Specify timeline (should MP set a timeline or ask developer to submit one?)
- Don't force "Minnesota made"
- Can a community group provide the labor to construct a CSG?
- Request an operation and maintenance plan
- Bring energy dollars and jobs directly into our community

### **Timetable**

- Timeline, shorter the better

### **Experience**

- What is your experience with solar production?
- Company qualifications, including what CSG work you've done
- How will proposer measure success? Criteria and results must be made public

### **Marketing**

- Show skills at community outreach by including sample marketing materials you might use

### **Proposal Evaluation Process**

- Points for using local labor to install?
- Allocate points for youth involvement, educational benefits, job training
- RFP process should be open to all (send RFP to churches, for example, as well as big developers)
- Determination not solely on cost, but also on creativity of approach
- Developer criteria
- Direct ownership models should not be dis-incentivized in evaluation process
- Assign points to be awarded for each category in the RFP to help determine who's picked
- Transparency (word used often): of information, not overly prescriptive
- Hiring a smaller, more nimble developer might be better
- Big size doesn't necessarily mean they get big points
- Local developers and installers get more points
- "Local" defined as in MP service territory or in Minnesota

### **Other**

- Ensure no conflicts of interest
- MP ask: How would you provide for environmental justice?
- Define "community" in your proposal
- How would the project be "in the public good"? (Work with schools, other public buildings)
- MP ask: How would you leverage MP's "\$55,000"?
- Corporate owned, but for the community
- Community driven process
- This is a new model whose benefits include the ability for more to access solar, and CSGs are a "scaling up" of solar

### ***Is creating a detailed RFP better or worse than a fairly open one?***

- Many comments about doing a hybrid. You need certain criteria identified, but OK to let proposers provide ideas.
- If it's too "loose" and open, it's not the best or fair to MP, since MP could be accused of bias in its selection.
- If too many constraints, no one will apply.
- MP needs to set terms for RFP specifics to ensure apples-to-apples review of proposals
- RFP needs to be well defined for both experts and laypeople (Unitarian Church) to understand
- Flexibility = more creativity

###

## B. Materials Distributed at Stakeholder Meetings

*A page with the following wording was provided to each attendee, as was a sheet inviting people to jot down their definitions of community solar gardens.*

### **Thanks for joining us! This is why we're all here:**

Thank you for joining us to share your thoughts on Community Solar Gardens. This is one of six meetings we're holding across Minnesota Power's service territory to get stakeholder input.

In our email invitation to you, we wrote:

**Greenfield Communications has been hired as an independent facilitator to assist with this information sharing process. The meetings won't be about the merits of Community Solar Gardens, but rather about ensuring Minnesota Power considers all the crucial aspects of CSG development before drafting its Request for Proposal.**

As further background, below is wording from a July 27, 2016, Minnesota Public Utilities Commission document:

**"The Commission will require Minnesota Power to draft, in consultation with interested stakeholders, an RFP for three non-utility community solar gardens, each up to 1 megawatt, and file the draft RFP with the Commission. This will give the Commission an opportunity to review the proposal and move toward opening Minnesota Power's community solar garden program offerings in a deliberate manner and consistent with customer demand."**

Thank you once again for participating today.

###

## C. Participant definitions of CSG

*Sheets were provided to each stakeholder with an invitation to handwrite their definition of Community Solar Garden and then leave the sheets behind after the meetings concluded, which 30 stakeholders did. Below are their definitions, without editing for grammar.*

"I would think that a community solar garden would be an opportunity for our state, our country, to become less dependent on carbon based fuel. I could think most thinking people would agree that we will, in the end be doing much, much more with solar. Ideally, this effort can make this time come sooner."

"A solar electrical generation facility that allows an aggregate (community) of customers to tap into/purchase, or use it electricity in a smaller quantity."

“A solar array that provides power for sale to subscribers within a specific community or general area. Community means any power user, including industrial, commercial, buildings and residents. The solar array is developed independently of the local utility but must interact with the power grid and be accounted for accordingly for billing purposes.”

“As climate impacts increase in Minnesota, this legal precedent enables motivated citizens and groups to invest in building a local energy solution to the growing economic, social and political impacts. Solar garden RFP helps us build a new market mechanism which invites stakeholders to invest in climate solutions locally! Like the produce from the garden.”

“Members of the community join together to build a solar array that provides part or all of their electric power needs and reduces their carbon footprint. They own the array and set the procedures and guidelines for participation. This requires the cooperation of the public electric utility which serves the region where they live, to receive extra power, to provide reliable interconnectivity, etc., with the understanding that the move to solar serves a broad public benefit.”

“Shared solar arrays in which the community can directly participate, and for which the community and individual members can realize the full benefits.”

“A ‘facility’ constructed in an optimized location where individuals who don’t have the ability to build their own on their property (i.e. renters, homeowners with poor locations, etc.) can own solar energy generation systems, or a part thereof.”

“A solar facility that is built to allow customer participation via the purchase of subscriptions. Subscriptions can be purchased through either up-front or ongoing payments. Participants are compensated for a proportional share of the facility’s energy production via an equitable bill credit.”

“A facility where PV electrical generation equipment is placed and operated and members of a community may purchase shares or capacity of the PV system for either profit or to offset their own electric bills – why – because they may not have the initial capital funds to do so themselves or they have no place to put the equipment.”

“A solar farm that allows the community to be involved in some way, shape or form in owning/purchasing solar generated electricity (i.e. – they purchase x kw/month to offset their electric bill) and leave a smaller carbon footprint.”

“It is a solar power development that feeds electricity back to the ‘community.’ This can be residents, businesses, non profits, etc.”

“A means in which energy customers can obtain power and energy savings by using solar energy produced in a community setting located not on their property.”

“A solar array installed for the electrical generation ownership of many people, either investors or subscribers.”

“Shared solar development where community members can subscribe to own/lease solar panels to support solar energy and offset their energy bill. Allows for community developed projects that reflect values of community and bring benefits to community.”

“Solar system designed to provide solar ownership or investment to those who either don't have the property to install their own system or choose not to. Helps provide a better location for interconnection and siting of an array.”

“Business structure/arrangement that enables spreading the benefit of solar energy to people that lack the ability to install roof-top solar in a cost effective manner.”

“Solar resources that are shared by a group. A part of the ‘shared’ economy focusing on providing access to services or products without the need to purchase the physical assets needed to perform them or make the service or project. Probably better termed ‘shared’ solar.”

“A solar facility that is built to provide a broad group of customers access to solar. Participants in a community solar program pay a fee (ongoing or upfront) in return for a proportional share of the project's benefits. Participants receive equitable bill credits for their participation. Equitable does not equal retail rate (necessarily).”

“A large-scale solar complex that benefits the public.”

“A locally-owned and managed means of energy production that is independently owned (not the utility) but is grid connected. Established by clear, transparent and fair rules for grid connection in a way that gives a true value of the energy sold back to the grid.”

“Clean energy made affordable for all members of a community, including people of all income levels and renters. Demonstration of the benefits of solar PV for a community (pollution reduction, \$ back into local economy, save long-term on costs of energy).”

“Benefits everyone in a community (or a subset).”

“A solar array shared by multiple users – not directly tied to the system, but shared support for its development and its benefits. A way to participate in solar without putting it on your roof or land...without needing to own a roof or land.”

“One vital part of community solar garden, is the ‘community.’ A group of people, arranged in a variety of possible groupings, who share a common value, and a common purpose. In the CSG case, a local, green energy resource. In order to build this sense of community, the group needs a high level of autonomy in finance structure, location, and design. The challenges that an installation requires, have to be kept at an achievable level, in administrative navigation, payment to the utility to develop plans, and in meeting the technical requirements. CSG means developing communities with a result of caring for their futures, and future generations. Note: Clear on value of solar and value of SREC's.”

“Shared solar array paid for and enjoyed by subscribers. Subscribers pool money to build project and receive benefits of solar energy in proportion to what they invested.”

“Virtual net metering. Fair price for production (net metered at retail). Open to community-driven development. Accessible for low-income people. Transparent, open and fair process for interconnection, established to evaluate financial return. Shared solar that can overcome common obstacles to solar ownership – e.g., poor solar resource or renters.”

“An array or arrays of solar panels that generate electricity to supply either the grid or supplement a private, commercial or public institution. Also a solar garden may be used to produce thermal energy to supply heat to buildings or residences.”

“It provides an opportunity to share in solar for those who may not have a suitable site, access to funds, or the desire to build their own solar system on the home or business.”

“It is a new(ish) model of solar development that has many potential benefits over exclusively owner development. CSGs open the door to expanding the number of people that can access solar energy from people who own land in an ideal location and have lots of disposable case resources to: renters, people who own shaded assets, people who are not interested in the complex mechanics of a system, people with little disposable income. Community solar has the huge benefit of allows for a scaling up solar, both on a large scale level and for scaling up on a community level, allowing promoting faster development of solar nationwide.”

“A virtually net metered solar array that gives both economic and social power to subscribers. This means having a rate structure that gives some benefit to all subscribers, regardless of income level. It also gives power to more people to participate in the benefit of solar energy.”

###

#### **D. List of 49 Meeting Attendees and Affiliations**

##### **Duluth – Tuesday, September 20 – 28 total for two meetings**

###### 19 attendees – 3:30 p.m.

Bret Pence (MN Interfaith)  
Karen Turnboom (Verso)  
Lawrence Landherr (retired, former CERT member)  
Kevin Kangas (from Krech Ojard)  
Beth Tamminen (MN Interfaith)  
Becky Campbell (First Solar)  
Dawn Eimers (Hunt Electric)  
Todd Lyden (Hunt Electric)  
Kelley Benyo (Hunt Electric's Bloomington office)  
Virg Beehland (low-income advocate)  
Tony Mancuso (St. Louis County)  
Frank Jewell (St. Cloud County commissioner)  
Jessica Tritsch (Sierra Club)  
Bill Mittlefehldt (church rep)  
Isaac (SunShare)  
Chuck Beisner (SunShare)  
Susan Ludwig, Katie Frye, Mahendra Mishra (MN Power)

9 attendees – 6:30 p.m.

Chuck Beisner (SunShare)  
Brian Bluhm (Northeast Clean Energy Resource Teams coordinator)  
Eric Enberg, MD (Citizens' Climate Lobby, IFPL)  
Dr. Enberg's son  
Becky Campbell (First Solar)  
Bret Pence (MN Interfaith)  
Diane Desotel (Community representative)  
Katie Frye, Paul Helstrom (MN Power)

Virginia – Wednesday, September 21 – 9 total for the two meetings

6 attendees – 3:30 p.m.

Brian Bluhm (Northeast CERTs coordinator)  
Michelle Matthews (US Solar)  
Lee Bloomquist (IRRRB)  
Dawn Trexel (Congregations Caring for the Earth)  
Susan Ludwig, Katie Frye (MN Power)

3 attendees – 6:30 p.m.

James Hietala (Sierra Club volunteer, electrical engineer, was on Grand Rapids PUC for 20 years)  
Susan Ludwig, Katie Frye (MN Power)

Baxter – Thursday, September 22 – 12 total for 2 meetings

10 attendees – 3:30 p.m.

BJ Allen (RREAL)  
Erica Bjelland (RREAL)  
Sarah Hayden Shaw (CERTs)  
Jeff Brandt (Energy Consultant for Zenergy)  
Cheryal Hills (Region 5)  
Tom Lillehei (Region 5)  
Nikki Larson (Region 5)  
Don Wadle (Interested citizen)  
Tina Koecher, Katie Frye (MN Power)

2 attendees – 6:30 p.m.

Tina Koecher, Katie Frye (MN Power)

###

## E. Stakeholder input on pricing information

Greenfield Communications asked stakeholders about their suggestions regarding Order #10 from the Minnesota Public Utilities Commission's July 27, 2016, document:

*"10. Minnesota Power shall discuss with interested stakeholders whether and how pricing information on public-facing programs can be made public in the future."*

For the most part, stakeholders understood the need for confidentiality to protect trade secrets. They were not concerned as long as their own costs were reasonable.

No one was able to provide a suggestion for how to make pricing information public in the future. Responses were generally of the "that's a tough question" variety.

A stakeholder in Baxter said it would be good if such information were public, though, because she felt transferring knowledge helps less experienced companies learn.

A Virginia stakeholder said he was comfortable with pricing information being withheld, as long as companies were transparent about why they need to protect their trade secrets.

###

## F. Copies of emails to stakeholders

### ***Initial Email***

**From:** Steve Greenfield

**Sent:** Tuesday, September 13, 2016 5:59 PM

**Subject:** Invitation to community solar garden RFP development stakeholder meetings

Good afternoon. I am writing to invite you to participate in a discussion next week about ideas for community solar gardens (CSGs) in Minnesota Power's service territory.

The Minnesota Public Utilities Commission recently asked MP to seek input from interested stakeholders before MP develops a draft Request for Proposal for constructing three non-utility CSGs, each up to 1 megawatt. Because you're a key stakeholder in the CSG discussion, we value your input.

Greenfield Communications has been hired as an independent facilitator to assist with this information sharing process. The meetings won't be about the merits of CSGs, but rather about ensuring MP considers all the crucial aspects of CSG development before drafting its Request for Proposal.

To make it convenient for stakeholders we are holding six meetings across MP's service territory, each day from 3:30-5:00 p.m. and again from 6:30-8:00 p.m.

Duluth – Tuesday, September 20, in the Radisson Hotel Duluth's Viking Room, 505 W. Superior St.

Virginia – Wednesday, September 21, in the Coates Plaza Hotel's conference room, 502 Chestnut St.

Baxter – Thursday, September 22, in the Holiday Inn Express & Suites' conference room, 15739 Audubon Way.

Please email me your response about whether you'll join us for one or more of these meetings, and thank you for your interest in community solar gardens.

Steve Greenfield

***Second email***

**From:** Steve Greenfield

**Sent:** Friday, September 23, 2016 12:37 PM

**Subject:** Invitation for further comment on Community Solar Gardens

Thank you to everyone who provided input on community solar gardens during our six meetings earlier this week across Minnesota Power's service territory. If you were unable to join us, or if you attended a meeting and have additional thoughts, I invite you to email your comments to me.

As background, on July 27, 2016, the Minnesota Public Utilities Commission wrote:

"The Commission will require Minnesota Power to draft (in consultation with interested stakeholders) an RFP for three non-utility community solar gardens, each up to 1 MW, and file the draft RFP with the Commission. This will give the Commission an opportunity to review the proposal and move toward opening Minnesota Power's community solar garden program offerings in a deliberate manner and consistent with customer demand."

Greenfield Communications was hired by Minnesota Power as an independent facilitator to gather ideas and suggestions for the draft RFP from the interested stakeholders referenced above, and this invitation for further input is another part of that process. Please email your comments to me by 5:00 p.m. Tuesday, September 27.

Thank you.

Steve Greenfield

**Third email**

**From:** Steve Greenfield

**Sent:** Tuesday, September 27, 2016 10:53 AM

**Subject:** Draft report on community solar garden input sessions

Good morning. Attached is Greenfield Communications' draft report to Minnesota Power with information gathered during last week's stakeholder input sessions and afterward through follow-up emails. To continue the transparency of this process, we have included our full report rather than simply a recap of comments.

As I mentioned in my September 23 email, anyone with additional comments is invited to email them to me until 5:00 p.m. today. Those comments will be included in the final report that we deliver Wednesday morning to Minnesota Power, which will use the information as it develops a draft RFP. When that draft RFP is submitted to the Minnesota Public Utilities Commission, I will email you a link to it.

Thank you once again for everyone's interest and participation.

Steve Greenfield

###

**G. Emailed Comments after Meetings Concluded**

*Comments emailed from stakeholders to Greenfield Communications are listed below in chronological order of when they arrived. The senders' names have been omitted.*

**Sent:** Thursday, September 22, 2016 8:48 PM

**To:** Steve Greenfield <Steve@GreenfieldComm.com>

**Subject:** MP draft RFP comments

Hi Steve,

I'd like to submit the attached materials to the draft RFP comment process. Please note that pages 2 and 3 offer both general and specific recommendations for Minnesota Power's draft RFP, and we ask that they be communicated to Minnesota Power.

The materials were created by Northland Community Solar Coalition partners (which includes organizations that were represented at the RFP events this week, including the Sierra Club, RREAL, Minnesota Interfaith Power and Light, and the Izzak Walton League, among others), specifically in regard to this draft RFP input process.

Many thanks to you.

*FACILITATOR NOTE: The attached materials referred to in the above email have been copied in below:*

**Northland Community Solar Coalition**  
***Priorities for Minnesota Power's non-utility community solar RFP (request for proposals)***

**Background:**

As part of last summer's approval of Minnesota Power's community solar pilot program, the PUC required Minnesota Power to *consult with stakeholders* to develop a RFP (request for proposals) for 3 non-utility community solar projects, each up to 1 MW in size, by October 1st.

**Recommendations:**

We want community solar gardens to succeed in the Northland. To do this, the RFP (request for proposals) should ensure a transparent, fair and flexible pathway to solar garden participation for non-utility community solar gardens that allows for market innovation in addressing issues such as energy poverty among low income populations and bringing energy jobs and dollars directly into our communities.

It is particularly important to have an RFP in which community owned and community benefiting solar garden (CSG) projects can be accepted without prejudice and evaluated on a level playing field during proposal review.

Examples of community owned and benefiting projects are:

- 1) **Faith community project:** A church, synagogue, mosque or other faith community could put a solar array on its roof and community members could subscribe to the project. The faith community could develop its own values for the solar installation that reflect the values of the community.
- 2) **Low-income community solar project:** An organization or solar developer could bring in private financing for a community solar project that would allow low-income participation to address energy poverty in a community.
- 3) **School / Public building project:** A school, city or other public building could serve as a site for a community solar project. The school or city could be a large subscriber to ensure project success and community members could subscribe to the project to ensure community engagement in the project.

The next page includes a list of specific recommendations for the RFP that would allow these examples to move forward and ensure a fair playing field for community projects.

**Recommendations for non-utility solar RFP:**

**1. *Economic benefits of Community Solar Gardens (CSG) belong to the community***

The many benefits of CSG should support and enhance the local economy. Community owned and those benefiting community solar projects should be evaluated on a transparent and level playing field during proposal review.

**2. *Flexible Ownership Structures***

Local organizations and individuals must be able to develop and adopt different structural and ownership models (such as cooperatives).

- For example, the RFP should allow the right to own solar vs. only a leasing arrangement
- Direct ownership models should not be dis-incentivized in any way in the RFP evaluation process.
- The RFP should allow for a variety of developer financing options; options should not be unduly restricted.

### **3. Low Income Prioritization**

The RFP should prioritize CSG projects that provide opportunities for direct low income participation.

### **4. Solar Renewable Energy Credits (SRECs) Subscriber Ownership**

The owner/developer assumes ownership of their SRECs of non-utility community solar arrays.

- Owner/developers should be able to transfer SREC ownership to the utility in exchange for fair compensation.
- Unsubscribed SREC ownership should reside with the owner/developer.

### **5. Transportability**

The CSG subscription should move with subscribers within the service area and should be available for sale if a person leaves the service area - a feature particularly important for renters.

- There should be an open process for how subscriptions are transferred.
- Subscribers should be allowed to back out without penalty for a certain period of time.

### **6. Consistent, fair, predictable pricing and rate structure**

The RFP should include a consistent pricing structure that could create cost certainty for a solar developer/owners and provide a known financial return.

### **7. Community solar garden location: Ensure accessibility for project developers and customers and protect our natural ecosystems**

- Developers should be able to choose their own sites (on a roof or on a site without a meter)
- There should not be subscriber participation restrictions within the service territory (all Minnesota Power customers should be able to subscribe to any project within Minnesota power service territory)
- However, the RFP should prioritize CSG projects that are geographically close to subscribers to take full advantage of the benefits that distributed generation (DG) provides to the grid
- Interconnection costs, based on size and distance, should be transparent and equally known to all CSG developers to ensure a fair pilot study
  - i. Shared community arrays that are connected behind a meter or to a load that is equal or greater than solar production should have a simplified interconnection process with streamlined study requirements to interconnect that must not be more restrictive than code.

- ii. We request that MP determine geographic locales for the CSG pilot that would have low interconnection costs and provide value to the grid.
  - iii. We request that a transparent metric to determine engineering and grid upgrade costs is made available.
  - iv. We request that as part of the CSG pilot, developer/owners can request interconnection costs at a given site and Minnesota Power will respond with an estimate of cost within 15 days.
- The RFP should prioritize locations that are not degrading to natural systems, i.e. avoiding wetlands or sensitive habitat.

**8. Community solar benefits spread throughout the community**

- Commercial subscriptions should be capped at 50% participation
- Individual accounts should be uncapped (except for existing cap of 120% of a customer's average consumption at the time of subscription)

**9. Allow greater access to community solar subscriptions**

RFP should consider giving developers the option to allow individuals to purchase subscriptions at lower amount (200w) for non-utility CSG proposals.

- Developers could choose to stay with the current pilot 1 kW participation size if they thought that would give them a cost advantage. However, allowing a 200w minimum would help determine whether the added choice to customers was valuable to the subscriber market and would test the company's assertion that a 200w minimum creates adds significant costs over a 1 kW minimum.

**10. Fair project evaluation criteria**

Evaluation criteria and a copy of a developer agreement should be included in the RFP.

- Install costs should not be a predominant factor in project evaluation. The goal of the program is to maximize consumer and societal value. Non-utility projects are private investments of generation placed in the public sphere (the grid), and thus not a direct generation cost to ratepayers. Subscriber participation should be a metric of project performance instead.
- i. For Example: A church puts a 100kw array, fully subscribed by members that live in close proximity, on it's roof, and as such has a higher install cost than a more remote, ground mounted, 1MW CSG. However, the added cost of location and ownership is known to the subscribers and valued, as CSG choice is known. The church array, incurs a higher install cost to it's subscribers, but not to ratepayers. This project is good for subscribers (addresses their values), good for the public (choice exists) and good for the grid (Increased DG benefits).

**Sent:** Friday, September 23, 2016 12:50 PM  
**To:** Steve Greenfield <Steve@GreenfieldComm.com>  
**Subject:** RE: Invitation for further comment on Community Solar Gardens

Steve,  
Thank you for making it simple to get feedback to you when meetings were not convenient. I simply wish to voice the need for community solar gardens to be as widely available for potential participants as possible. I am concerned that those without large financial impact, but with the most to gain or lose because of their economic situations, be heard and able to join in community solar garden projects. Those who struggle economically already bear the brunt of insensitive public policies, and need more than anyone to be able to join in positive, meaningful action for their own lives as well as for their communities.  
Regulations, policies, and utilities' plans and actions must empower those most easily disempowered, most often unheard.  
Thank you for hearing this concern.

**Sent:** Friday, September 23, 2016 5:43 PM  
**To:** Steve Greenfield <Steve@GreenfieldComm.com>  
**Subject:** CSG RFP Process

Hi Steve,

Attached is input from MP.

Thanks.

*FACILITATOR NOTE: The attached input referred to in the above email has been copied in below:*

**Minnesota Power attendees at one or more stakeholder meeting:**

Katie Frye, Susan Ludwig, Mahendra Mishra, Paul Helstrom, Tina Koecher

Minnesota Power submits for consideration and reference the following notes and summary of inputs from the stakeholder meetings that occurred the week of 9/19/2016. These notes do not reflect the views of Minnesota Power regarding any aspects of community solar gardens or the potential inclusion in the draft RFP.

**MP - CSG RFP Stakeholder Meeting Notes**

**Tuesday, September 20<sup>th</sup> - 3:30pm**

**Duluth, MN**

- Warranty requirements need to be outlined in the RFP
- There needs to be a clear timeline
- Evaluation criteria needs to be included in the RFP, as well as costs
- "You can't have the program part without the system part"... MP needs to be able to verify that the system is going to work and won't affect reliability for others

- The utility should make the best places for interconnection public and interconnection costs should be transparent
- MP needs to do the front-end work to guide the public through the process because the public is not familiar with the distribution system
- MP should help vet the regulatory process (i.e. help community groups find an optimal site and work through contract negotiations with developers, etc.)
- The community should be able to locate a system wherever they want, as long as they can pay for it
- Many groups stressed the importance of making sure it's in a location that makes sense and does not impact service to other customers
- If MP focuses on the cost effectiveness of the installation, it will limit innovation
- Low income participation is important
- RFP should not be overly prescriptive on guidelines for siting
- Proposals should include their marketing strategy to subscribers
- "It's not public dollars going into the public grid, it's private dollars going into the public grid" so compensation to participants should reflect that
- MP needs to identify the cost of using their system
- Project financials needs to be included (how is the project being financed?)
- RFP should outline which customers are eligible to subscribe (this refers to MP's customer classes as well as potential limits related to community group membership)
- "We don't want this to be a social program, it's an energy program"
  - Low income participation should not be required - it should just be open to anyone
- This is an opportunity to test or "pilot" different models/systems so the RFP should be open enough to allow different ideas
- Proposals should include a description of who is doing what between the garden operator/subscribers/MP
- Cost of construction should be submitted
- Proposals should be selected based on optimal location (maximized output, easy to permit, etc.)
- Should be cost effective to all (needs to make sense to MP, developers and customer)
- Copy of developer agreement should be submitted
- Marketing materials should be transparent
- RFP should be open-ended
- Proposals should be a partnership between the community, developer and MP
- Evaluation criteria should give more points for low income participation
- We need to separate business from social issues

**Tuesday, September 20<sup>th</sup> - 6:30pm**

**Duluth, MN**

- Depending on how solar gardens are financed, they can be made affordable to everyone
- The solar array should be distributed - not a huge system out in a field
- Experience of the developer should be included in the RFP
- MP's level of participation in the program should be defined
- The higher the credit score of customers, the cheaper systems are to finance (typically)

- If a garden requires a certain amount of low income participation, financiers might be more willing to do it
- RFP should be clear about which rate classes are eligible to participate and that should be determined by MP - this will make it easier for developers to determine the project economics upfront
- Min. and max. subscription levels should be identified in the proposal (200 watts should be an option)
- Projects should encourage economic development (equipment and labor)
- Clear evaluation criteria will help developers determine economics
- What is the operations and maintenance schedule?
- Proposals should describe the program structure - what are participants getting?
- What rate are subscribers getting reimbursed at?
- How is subscribed vs. unsubscribed energy handled and compensated?
- Interconnection costs need to be clear
- The RFP shouldn't ask what the developer is making and MP shouldn't care.
- There should be consumer protections/transparency about cost
- RFP should include standard RFP requirements around reliable technology, O&M plan, installer experience
- The program requirements are where you can be flexible
- Marketing materials should be submitted during the RFP
- RFP should describe transportability of subscriptions

**Wednesday, September 21<sup>th</sup> - 3:30pm**

**Virginia, MN**

- The ownership structure of the array should be included in the RFP
- The bill credit rate should be described
- Timeline should be outlined - if it's too long, there may be speculations about price trends that affect proposals
- Subscribers should be described - which rate classes can participate?
- Customer mix should be defined
- Need to set the program terms (i.e. 20 years?) otherwise you won't be comparing apples to apples when reviewing proposals
- If location requirements are too strict, it will limit the program
- Need to make sure we're not building on land that could be used for something else (i.e. mining)
- Warranties need to be included - both equipment and production guarantees
- Customers need a commitment from MP that they will always buy this power
- Subscriber contract should be submitted - MP can evaluate them using checklists created by CERTS
- Tier 1 modules should be used - if MP requires MN made panels, it will change the economics of the project
- REC ownership should be clear
- Local labor should be used if possible
- MP should encourage energy efficiency first and also include pollinator pledge
- O&M plan/specifications
- MP should err on the side of open vs. detailed RFP requirements

**Wednesday, September 21<sup>th</sup> - 6:30pm**

**Virginia, MN**

- People/community should have more of a say on location, design and financing of CSG projects
- Smaller systems are better (true distributed generation)
- RFP should include clarity on technical rules (interconnection agreements), administrative hurdles and price from MP.
- Proposals should say what information will be shared between the CSG and MP
- Proposals should describe who is managing subscription payments and bill credits.
- RFP should be very clear but general in the requirements
- RFP should make it easy upfront to know the feasibility of a project and what the obstacles are to getting it done.
- Siting should include requirements (shading specifications, within distribution capacity, etc.) but still be general. A schedule based on size of system and interconnection costs would be helpful
- Siting requirements should be clearly stated; for example, "distribution capacity should be within x number of feet and customers are responsible for distribution"
- Administrative issues should be detailed and include: how much a customer can subscribe to, any charges to set it up, metering requirements and costs, how to work out the billing, labor to interconnect and any equipment requirements such as separate metering
- Testing procedures - it might be obvious to MP but the RFP should include any testing requirements of the system
- Financing structure should be clear and reasonable
- Proposals should include how/if they will encourage low income participation
- RFP could ask recipients to describe if they include a low income component of the CSG and state that a preference will be made for CSGs that include one
- SREC ownership and cost should be described. If the cost MP is willing to pay is too low, the customer can decide to keep them

**Thursday, September 22<sup>nd</sup> - 3:30pm**

**Baxter, MN**

- Community solar is really more corporate owned solar for the community
- Community solar should be community driven and open to the community. It should be financed and owned by the community but that doesn't mean funding needs to come from the community
- Community solar is a model for solar that: opens the door for more access to solar, is a great way to scale up solar, and benefits from efficiencies of scale
- How do you avoid "regulatory capture" and ensure this is reflective of the thoughts of the community?
- Community-driven versus utility-driven; some felt these were opposites and others felt they could both happen
- MP should provide mapping on the front end to say how much interconnection will cost
- The size of the system shouldn't matter
- Projects can be a single or scattered site financed or owned by utility ratepayers for the benefit of ratepayers

- By community versus for community
- Virtual net metering
- Are we drafting our “dream” RFP?
- There are obviously some givens in an RFP that MP will do no matter what
- Want to see this community-oriented; there are some communities that would love to see it in their community
- Community doesn’t have to be limited to geographic scope
- Should it tell you where the array should go? (Difference of opinion – some say yes because of interconnection costs and some say no because it’s too confining)
- Maybe provide higher evaluation points for those that fall within certain areas
- Additional points to those that minimize costs
- The three should be geographically far from each other, not all by Duluth
- Capture other benefits – education, equitable distribution within the service territory
- If this is “real”, no company could submit if they have a conflict of interest
- For the low income community, raising funds for 1 MW is somewhat overwhelming, should allow for different sizes to be proposed
- Scattered site that can be aggregated for economies of scale
- Who owns the system?
- Non-ratepayers could be financiers
- Third party financing should be allowed
- Long-term purchase agreements should be allowed
- Compensation rate needs to be clear - should be retail rate
- What about SREC value?
- “How can the compensation rate be anything different than what was submitted in MP’s program?”
- This is the rate that you would get – should that be determined by the proposer or requester?
- RECs should go to MP because ratepayers will be subsidizing this somehow
  - Others felt that proposals should choose whether or not MP gets the RECs
- It doesn’t make sense that MP would offer the same rate as Xcel because MP’s rates are lower (not an MP comment)
- Evaluation criteria should be spelled out
- Average retail plus SREC compensation
- MP’s tiered rate structure makes it more difficult
- Rate subscribers would be credited on their bill
- Need to consider environmental justice
- How does low income get folded in here?
- We should leverage the MP low income proposal of \$55,000 to help bring the cost down by using multiple funding sources, maybe would help with matching grants
- Not just scattered site, but participation diverse
- Could payments go to pay off their share of the system? (England example?)
- Expertise of proposer/experience should be described
- Environmental benefits and educational aspects of program should be valued
- Local installers and developers - proposals should get points for building/utilizing regional capacity
- Projects should demonstrate how they are in the public interest

- Participation requirements – credit scores could be history of utility payments as opposed to finance credit scores (Ag loan example)
- Not every developer would have an appetite for a low income component
- Evaluation criteria should be clear
- Would love for the page to be blank and just say “give us your ideas”
- The more open and flexible, the more fantastic the ideas could be
- Proposals should say how else they will use the land (pollinators, etc.)
- Proposers should articulate their evaluation plan and it should be filed publicly and should not be limited to cost and energy production but should also value other benefits of the array/garden
- Should include expertise, scope, timeline, financing, workforce capacity (local jobs), and give “extra points” for some things
- Should answer the question “how would you provide for environmental or energy justice”?
- Should try to build regional capacity for engineers
- How would it expand solar beyond where we are?
- Public good – reducing energy costs, saving future taxpayer dollars
- Is creating corporate jobs part of public good (some say yes, some say no)
- Developers input in this process is important – they’d be able to point out the holes
- Optional areas to include – educational, youth programs, job training, land uses (native plants, grazing animals), environmental justice, local developers/local installers (within MP service territory or within MN)
- Larger developers won’t be interested in this, it’s too small
- Financiers would potentially come from elsewhere
- REC option should be open
- Responders need to indicate success measures and how they plan to publicly report – evaluation plan included
- What is MP’s role? Who would administer subscriptions? Billing? Marketing? Should be part of the proposal.

**Sent:** Saturday, September 24, 2016 2:26 PM

**To:** Steve Greenfield <Steve@GreenfieldComm.com>

**Subject:** Re: Invitation for further comment on Community Solar Gardens

I think community solar gardens are a great idea though calling them gardens is a stretch to me. How about calling them installations or fields.

**Sent:** Monday, September 26, 2016 5:03 PM  
**To:** Steve Greenfield <Steve@GreenfieldComm.com>  
**Subject:** Re: Invitation for further comment on Community Solar Gardens

Hi Steve,

Low-income focused comments attached.

Thanks!

*FACILITATOR NOTE: The attached comments referred to in the above email has been copied in below:*

Via email to Steve Greenfield at [steve@greenfieldcomm.com](mailto:steve@greenfieldcomm.com)

September 26, 2016

**RE: Minnesota Power Community Solar Garden RFP Stakeholder Process**

GRID Alternatives appreciates the opportunity to provide feedback on the RFP to ensure low-income customers have equitable access to community solar gardens in Minnesota Power's service territory.<sup>1</sup>

GRID Alternatives is the nation's largest nonprofit solar installer, exclusively serving low-income families and affordable housing owners through residential, multi-family, and community solar installations. Using a "barn raising" installation model, GRID Alternatives trains and leads teams of local job trainees and other community volunteers to install solar electric systems for our customers, in partnership with a national network of affordable housing developers, energy efficiency providers, local government agencies, workforce development programs, and solar industry partners. Since 2004, GRID has installed over 7,400 solar systems totaling over 26 Megawatts, saving low-income families over \$207 million in lifetime electricity costs, and providing over 28,000 people with solar training.

GRID Alternatives is a national leader in low-income community solar, both as a developer and subscriber organization (project sponsor), as well as through partnerships with leading for-profit developers. GRID has completed construction of five low-income community solar projects totaling over 423 kW, and serving 105 low-income utility customers. GRID's Colorado office is currently implementing the only statewide low-income community solar program in the nation, the Colorado Energy Office Low-income Community Shared Solar Demonstration Project. GRID is currently partnered with six Colorado utilities on low-income community solar projects under this Demonstration Project. Upon completion, this project will install at least 1 MW of community solar serving at least 300 low-income subscribers.

GRID Alternative's model has been successfully replicated in several regions of the country serving CA, CO, DC, MD, NY, NJ, VA and tribal communities throughout the country. Colorado is one of the most mature community solar markets in the country and GRID Alternatives Colorado is partnering directly with utilities to develop community solar projects that exclusively benefit

low-income communities, and with for-profit community solar developers supporting low-income customer acquisition

Recognizing that low-income customers typically pay into solar programs without access, incentives should be specifically structured for low-income participation funded through the rate base or a special purpose charge. In other states, low-income solar incentives have been funded through public purpose charges, riders, noncompliance funds, overall program budgets for solar, or revenues from carbon or renewable energy credit markets. If low-income customers pay into a pilot or program's incentive pool as ratepayers or taxpayers, low-income incentives should be created in proportion to their contribution to the incentive pool. This policy ensures that all ratepayers who contribute to the solar initiative, including low-income families, also have equitable access to receive the benefits of the program. The takeaways from successful low-income solar programs nationally are that the programs 1) encourage long-term private/nonprofit investment, 2) have a dedicated long-term funding source 3) have appropriate upfront incentives to reduce the upfront cost barrier, 4) maximize energy savings and consumer protections to low-income families, and 5) have other co-benefits like energy efficiency requirements and job training.<sup>2</sup>

Massachusetts' SREC program assigns a higher value to solar projects that include low-to-moderate income housing units, which has incentivized the inclusion of multifamily affordable housing in community solar projects. Xcel and Black Hills Energy in Colorado allow the opportunity to bid higher REC payments for low-income participation through the competitive RFP process for community solar in their service territories (so, a third-party community solar developer can bid a higher production-based incentive for the sale of the project's RECs to the utility if it includes low-income participation beyond the current requirement).

In GRID's experience, standalone low-income solar programs work best. Rather than requiring a carve out for community solar gardens to include a minimum participation level, which has been successful in other states but has functioned as a ceiling to low-income participation, separate programs and projects should be structured to ensure low-income participation and benefit. For example, a separate low-income community solar garden program should be structured not just to ensure access, but also benefit in the form of bills savings through community solar garden subscriptions, and target co-benefits such as coordination with energy efficiency measures and job training opportunities. Colorado's community solar program is a good example; Colorado is moving away from low-income carve out requirements for each community solar project developed towards low-income targeted programs.<sup>3</sup>

Minnesota Power should consider the following options when designing their RFP(s):

1. A standalone low-income community solar garden program or projects should be included in the overall 3 MW capacity target of this RFP, structured to ensure low-income participation and benefit. Immediate bill savings from day one is a primary motivator for low-income participation in solar programs. Appropriate partners include nonprofits experienced with low-income solar, affordable housing providers, and other low-income service providers.
2. Minnesota Power could prioritize RFP bids that target low-income participation in community solar gardens, or conduct a separate RFP process for low-income community solar gardens.

3. A nonprofit could contract with and develop a community solar garden project in direct partnership with Minnesota Power who may provide or streamline siting, interconnection, on-bill crediting and on-bill customer financing.

Thank you for the opportunity to provide comments.

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1 <http://www.mnpower.com/Environment/CommunitySolar>

2 GRID maintains an online database for successful low-income solar policies and programs, [www.lowincomesolar.org](http://www.lowincomesolar.org), where more detail into best practices for low-income solar can be accessed.

3 A recent settlement in Colorado involving the State's largest investor owned utility, Xcel Energy, is proposing low-income targeted programs for rooftop and community solar. Community solar programs are structured to benefit 100% low-income customers, including affordable housing providers, and include targeted co-benefits such as bill savings, coordination with energy efficiency measures and job training  
[https://www.dora.state.co.us/pls/efi/EFI.Mark\\_Show\\_Filing?p\\_key=A\\_14645&p\\_fil=G\\_678020](https://www.dora.state.co.us/pls/efi/EFI.Mark_Show_Filing?p_key=A_14645&p_fil=G_678020)

**Sent:** Tuesday, September 27, 2016 4:47 PM  
**To:** Steve Greenfield <Steve@GreenfieldComm.com>  
**Subject:** CSG RFP Elements - MP Input

Steve,

Minnesota Power reviewed community solar garden RFPs from other utilities, general best practices in procurement, and stakeholder input to develop a list of topics that may be included in a non-utility community solar garden RFP. This list is not all inclusive, but rather it includes the main themes that may be included in a non-utility CSG RFP.

While reviewing sample RFPs from other utilities, MP found that many CSG RFPs were organized into two categories: program details and project details. MP took this approach in organizing a list of potential RFP topics, with the additional category of Evaluation Criteria.

Summary of RFP Category Suggestions:

***Project Considerations***

- Warranty requirements
- Performance guarantees
- Timeline
- Details about the installation:
  - Interconnection requirements and costs
  - Siting guidelines; site control
  - Locally made products/labor?
  - Union/non-union labor
  - Operations and maintenance
  - Ownership structure
  - System size
  - Other use of land - pollinators, priority for underutilized land, etc.
  - Location/siting requirements

- Permitting
- Developer experience & safety record
- Project financials: developer insurance coverage, project bonding
  - System/installation cost
- Contract agreements

***Program Considerations***

- Details about the proposed program:
  - Marketing strategy/communication plan
  - Subscription options and terms
  - Description of what customers are getting
  - Consumer protections (i.e. customer contract, etc.)
  - REC ownership
  - Program length/terms
  - Energy efficiency consideration
  - Public interest (education opportunities, workforce development, etc.)
- Subscriber eligibility/participation requirements
  - Low-income participation
  - Customer class
- Financials
  - Subscriber credit/cost
  - SREC value
- Clearly identify roles (what will MP do vs. garden operator)
  - Describe how MP and garden operator will share information (process)
  - Who will handle customer billing?

***Evaluation Criteria***

- Evaluation criteria
- Evaluation plan of the program/reporting

Thanks.

**End of Appendix**

# “Draft” Request for Proposals

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## For Community Solar Gardens



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AN ALLETE COMPANY

**Issued on:**

**Response due by:**

**Contents**

- 1. Overview..... 2
  - a) Community Solar Garden concept..... 2
  - b) Background..... 2
  - c) RFP instructions..... 2
  - d) Schedule of next steps [Place holder] ..... 3
- 2. Scope of services..... 3
  - a) Responsibilities matrix..... 4
  - b) CSG Program Design..... 5
    - 1) Design basis ..... 5
    - 2) Program Administration & Management..... 6
    - 3) Billing ..... 6
    - 4) Customer service..... 7
  - c) CSG Project ..... 7
    - 1) Project Development..... 7
    - 2) Data requirements ..... 8
- 3. Proposal requirements..... 9
- 4. Submission instructions ..... 10
- 5. Bid evaluation ..... 10
  - a) Evaluation criteria..... 10
  - b) Evaluation process ..... 11
- 6. Submittal instructions ..... 11
- 7. Reservation of rights ..... 12

## 1. Overview

### a) Community Solar Garden concept

A Community Solar Garden (“CSG”) offers a solar electric option where the electric customers can, as an alternative to a private system placed at their home or business, participate in a portion of a larger scale system. In this way, the customers are able to participate in solar energy without actually having equipment installed on their premises.

As per NREL (National Renewable Energy Lab), “Community Solar is defined as a solar-electric system that, through a voluntary program, provides power and/or financial benefit to, or is owned by, multiple community members.”

### b) Background

Minnesota Power is issuing this Request for Proposals (“RFP”) for three non-utility Community Solar Gardens (“CSG”), each up to 1 MW. This RFP was drafted pursuant to the Minnesota Public Utilities Commission (“MPUC”) Order issued on July 27, 2016 in Docket E-015/M-15-825. The MPUC approved Minnesota Power’s Community Solar Garden Pilot Program under Minnesota Statute Section 216B.05.

In compliance with this Order, an extensive outreach effort was implemented in September 2016 to gather input from interested stakeholders across Minnesota Power’s service area. Greenfield Communications (“GC”) was hired by Minnesota Power to lead this process as an independent facilitator. Specifically, six meetings were held across Minnesota Power’s service territory between September 20 and September 22 with 49 stakeholders (from among more than 320 invitees). The stakeholder meetings were intended to provide a forum for interested parties to share ideas and preferences for what Minnesota Power should consider including in its draft RFP, required to be submitted to the MPUC by October 1, 2016.

The meetings, led by an independent facilitator, included broad representation from customers, church groups, government officials, solar developers and installers, environmentalists, low-income advocates, Minnesota Power staff and interested citizens.

### c) RFP instructions

This RFP includes a description of the scope of services, proposal requirements, and instructions for submitting your proposal.

Direct all inquiries regarding this RFP to \_\_\_\_\_. [Place holder]

#### d) Schedule of next steps [Place holder]

The following “illustrative” timeline represents the tentative schedule for this RFP. Changes to the schedule will be notified to all bidders. The schedule for the evaluation process and other future dates may be adjusted without notice.

RFP release by	A
Proposal submission deadline	A + 90 days (=B)
Notify shortlisted finalists	B + 30 days (=C)
Bidder presentations, optional	C + 30 days (=D)
RFP award	D + 15 days
MPUC approval	X
Begin Construction	Contingent on X (=Y)
Community Solar Garden is Operational	Y + 1 Year (=Z)

## 2. Scope of services

All proposals submitted in response to this RFP shall contain information on two essential subsections as described below:

- The Community Solar Garden Program (“CSG Program”),  
And;
- The Community Solar Garden Project (“CSG Project”) that supports the capacity, energy and Solar Renewable Energy Credits (“SRECs”) needed for the CSG Program.

This section provides guidelines on potential topics to be covered under the CSG Program and the CSG Project. These should be treated as guidelines only, however, and are not intended to be limiting in any aspect. Bidders are encouraged to offer new and innovative designs other than the traditional CSG concepts.

If multiple bidders submit a joint proposal, the primary provider must be identified.

### a) Responsibilities matrix

While Minnesota Power is open to various CSG Program structures, the following chart illustrates one of the (many) potential templates with regard to demarcation of responsibilities between the bidder (i.e. the Community Organization), the Developer and Minnesota Power. Any proposals submitted should clearly identify responsibilities of different entities in the program design.

<b><u>COMMUNITY ORGANIZATION</u></b>	<b><u>DEVELOPER</u></b>	<b><u>MINNESOTA POWER</u></b>
<p>Owns or leases the subscriptions</p> <p>Identifies developer</p> <p>Manages subscriptions</p> <p>Coordinates locating the site</p> <p>Manages program administration (in-house or subcontracts)</p> <p>Marketing and communication outreach to fill in subscription</p> <p>Pays for subscription</p> <p>Receives bill credit (from developer or from Minnesota Power)</p> <p>If applicable, sells unsubscribed capacity, energy and SRECs to Minnesota Power</p>	<p>Contracts with Community, say, through a Power Purchase Agreement</p> <p>Arranges financing – from the Community or from external sources</p> <p>Site selection</p> <p>Coordinates environmental and zoning permits</p> <p>Contracts for solar garden construction</p> <p>Manages post construction activities</p> <p>If applicable, distributes credits against subscription</p>	<p>Manages interconnection requests</p> <p>Performs system study if required</p> <p>Shares details with developer on the estimated interconnection costs</p> <p>Constructs interconnection upgrade, switching, metering to connect solar garden to the grid</p> <p>Is paid the interconnection charges</p> <p>Manages the customer billing</p> <p>If applicable, buys unsubscribed capacity, energy and SRECs from the Community at a predetermined price</p>

It is important to note, however, that some responsibilities such as Minnesota Power's role as the interconnection provider are relatively firm in nature. Responsibilities for many other tasks such as those listed under Community Organization and Developer column may be best determined by the bidder (i.e. the Community Organization that is proposing the CSG Program).

**Further, the lists of tasks shown above are for illustration purpose only and are not meant to be complete.**

## **b) CSG Program Design**

### **1) Design basis**

Some of the program design elements that bidders should consider and include within the proposal are listed below.

- **Minnesota Power's role:** What do you foresee as Minnesota Power's role in your proposed CSG program design?
- **Customer subscriptions**
  - Have subscriber's qualifications been defined?
    - Is program participation limited to a certain community?
    - Is program participation limited to a certain rate class? (For example, only residential and commercial?)
    - Does the program define the mix of subscribers? (For example, X % residential, Y % commercial etc.?)
    - Can an organization be a subscriber?
  - What are the expected subscription term lengths?
  - Are the subscriptions transferable and the process thereof?
  - Are the subscriptions transportable and the process thereof?
  - What percentage of the CSG program capacity is currently subscribed or pre-subscribed?
  - Does your program include minimum and maximum limits on the amount of kW (capacity) blocks per customer per month?
  - Does the subscription contract include provisions for Consumer protections? Who adjudicates subscriber complaints?
- **Subscription cost and credit,**
  - What are the subscription payment options? (For example: upfront purchase \$/kW, monthly lease, \$/ kWh etc.)
  - What are the prices for each option?
  - Are administrative fees included in the costs?
  - Are the prices fixed or do they change over time (i.e. escalators)?
  - What is the structure of the bill credit to the subscriber? (Dollars or kWh?)
- **Ownership structure**
  - Would subscribers own, lease or subscribe to the solar capacity?
- **Project cost**

- What is the anticipated project cost? How is the project being financed? Other details.
- **Customer creditworthiness and low-income customer consideration**
  - Have you defined a customer creditworthiness standard?
  - Does the program include consideration towards low or moderate income subscriber participation?
  - Would creditworthiness be determined based on credit scores or can a history of utility payments be used in place of credit scores?
- **Unsubscribed energy and capacity**
  - Does the CSG program anticipate selling all unsubscribed capacity and energy to Minnesota Power? If yes, at what rate?
  - Does the CSG program anticipate selling all unsubscribed SRECs to Minnesota Power? If yes, at what rate?
  - Do CSG subscribers have a choice in keeping or selling their SRECs?
  - Does the CSG program anticipate allowing subscribers to keep the SRECs or will the garden operator sell the subscribed SRECs to Minnesota Power? If yes, at what rate?
  - Would the SRECs be generated from a system under 20kW in size?
- **Other details**
  - How is reimbursement for excess generation handled?
  - How do you define success? What are some of the success measures that you plan to use? Do you plan to make the determination public?

## 2) Program Administration & Management

- Do you have a “Form of customer contract” available for use for your subscribers? Will you be managing these contracts on an ongoing basis?
- Does the contract clearly outline the cost (subscription rate) and benefits (solar energy, capacity and SRECs compensation)?
- Identify Minnesota Power’s involvement in the upfront and ongoing administration of the program.
- Provide information with regards to the following topics:
  - Method to sign up and fill void of excess capacity/energy
  - Creation and maintenance of ‘waiting list’
  - Customer service (customer call center)
- Provide marketing and outreach plan, if any (e.g. web based portal, marketing materials).

## 3) Billing

- Who will handle billing? (Community Organization, Developer, Minnesota Power)
- What methods shall be used to integrate with Minnesota Power’s billing system?
- What data is required to be transferred to/from Minnesota Power?
- Have you explored the impact to your program upon a change in Minnesota Power’s rates or rate structure?

- How do you foresee the payment process involving all parties including Minnesota Power, the bidder and participating customer?
- Do you have an example of a customer bill?

#### 4) Customer service

- What is the process to address subscriber issues?
- What is the process to handle subscribers' calls?
- Does the proposal anticipate utilizing Minnesota Power's call center and customer service resources?

### c) CSG Project

#### 1) Project Development

- **Minnesota Power's role:** Besides interconnection related work, what do you foresee to be Minnesota Power's role in CSG Project implementation?
- **Agreement with Minnesota Power**
  - The bidder and Minnesota Power shall enter into an agreement that will govern the issues related to interconnection, reliability, method to address unsubscribed capacity, energy, SRECs, billing, insurance and other customary terms.
  - The bidder will be responsible for the development, construction, operation and ongoing maintenance of the CSG Project.
  - The CSG project shall connect to Minnesota Power's distribution system.
- **Development agreement**
  - The bidder could subcontract with a developer to enter into a development agreement. This agreement could govern the development, financing, site preparation, engineering, equipment procurement, construction, and commissioning and project management of the solar generation facilities.
- **Project site**
  - Where, within Minnesota Power's service territory, will the CSG be located?
  - Securing site control is the responsibility of the bidder. Please describe your method and process in obtaining site control. The CSG Project can be aggregated for economies of scale. This means that a single CSG Program can utilize generation from more than one CSG Project.
  - Do you expect building the CSG Project on an underutilized or brownfield land?
- **Permitting**
  - Would the bidder secure all permits on its own or does it anticipate subcontracting it with a developer or other third party?
- **Construction partners**
  - Does the bidder anticipate constructing the CSG Project itself?
  - Provide details of key construction partners that the bidder will contract directly with or through the developer.

- **Labor basis:** Please specify if you anticipate using union or prevailing wages for project construction. Please also identify if local labor will be used.
- **Interconnection**
  - Bidder shall be responsible for the interconnection costs required to connect to Minnesota Power's distribution system.
  - The delivery point must be located within Minnesota Power's service territory and on Minnesota Power's distribution system. Bidders shall provide a layout map of proposed Project site and surrounding territory indicating the expected point of interconnection with Minnesota Power distribution system.
  - Additionally, Bidder must provide preliminary scope details and high level cost estimates allocated towards constructing the interconnection. It is understood that final scope and cost shall be determined at the time of executing the interconnection agreement.
  - Project must comply with "State of Minnesota Distributed Generation Interconnection Requirements" and "State of Minnesota Interconnection Process for Distributed Generation Systems" attached as exhibits# [placeholder]
  - The point of interconnection in a solar project is typically located at the secondary of the step-up transformer unless specified otherwise. Bidder should specify the point of interconnection in the single line diagram submitted as part of the proposal.
  - The transformer size and secondary voltage are project specific and will depend on the line that the community solar garden project is connecting to.
  - To optimize the interconnection costs and to assist in Bidders efforts to locate an optimal site, Minnesota Power is including a map showing voltage for Minnesota Power's system. [placeholder]
  - Additionally, Minnesota Power is willing to collaborate with Bidder to provide additional information regarding line load, capacity and an estimate of interconnection costs.
- **Operation and Maintenance ("O&M") plan**
  - Please provide your O&M plan.
  - Who is expected to be responsible for O&M?

## 2) Data requirements

- Identify the method and technology required for transferring metering data from the community solar site to Minnesota Power's system.
- Typically, Minnesota Power installs a dedicated metering system that is built as per Minnesota Power's metering specifications. The bidder could be responsible for a certain part of metering assembly costs, details of which are covered during the interconnection agreement.

### 3. Proposal requirements

Bidder's proposal shall include the information described in this section. Provide the information in the specified order. In addition to the minimum proposal requirements, proposals can include supplementary information that is pertinent to the evaluation of the proposal.

- **Cover letter:** signed by an official(s) legally authorized to bind the bidder with contact person name and contact details.
- **Firm's qualification:** qualification could be for both the bidder and the developer, if the two are distinct entities.
  - Describe your firm's qualifications for performing the requested services. Include experiences and references for projects or services similar in nature and scope.
  - Provide a brief summary of the role, qualifications and experience of each team member and the qualifications/experience of any sub-provider or sub-contractor staff on your project team.
  - Identify the services which would be completed by your firm's staff and those that would be provided by sub-contractors, if any.
  - Please list and explain any pending bankruptcies, liens, stop payment notices, judgments, lawsuits, arbitrations, mediations, foreclosures, and any similar actions filed or resolved against the bidder and the Developer.
- **Project execution plan:** Provide a detailed discussion of your firm's approach to the successful implementation of the CSG Program and the CSG Project. Include thorough discussions of methodologies you believe are essential to accomplishing this project. Include a proposed work schedule to accomplish all of the required tasks within the desired timeline. Include any issues that you believe will require special consideration for this project. Also identify any unique approaches or strengths that your firm may have related to this project.
- **Project technical details:** To the extent possible, please provide technical details related to the solar generation facilities, which can include:
  - Site plan
  - System capacity
  - Single line drawing
  - Equipment table, if available, listing manufacturer, model and quantities for solar modules, inverters, transformer, etc.
  - Equipment data sheets
  - Estimated annual and monthly generation using industry standard software (such as PVSyst and PVWatts)
  - Guaranteed production
  - Warranty information for all major equipment.
- **Cost proposal:** Please provide the following cost details, which can include:
  - Base PV System Price (i.e. total system installation cost)
  - Price per Watt dc and the price per delivered kWh ac if available
  - Other cost items such as overhead, other services, etc.
- **Construction schedule:** please provide an indicative construction schedule outlining key project milestones.
- **Exceptions:** List out all exceptions to the RFP as well as model solar PPA (as applicable)

- **Documentation:** The bidder shall provide the following documentation at the end of construction of the solar system:
  - As-built permitted design/construction drawings
  - Copies of all permits
  - Manuals and data sheets for all system components
  - All warranties
  - Summary of construction tests

#### 4. Submission instructions

Proposal (and all communications) shall be submitted via email only to \_\_\_\_\_.

Proposals shall be submitted not later than the time and date indicated on the cover page of this RFP. Minnesota Power reserves the right to waive minor defects and/or irregularities in proposals, and shall be the sole judge of the materiality of any such defect or irregularity. All costs associated with proposal preparation shall be borne by the bidder.

#### 5. Bid evaluation

##### a) Evaluation criteria

Minnesota Power will evaluate proposals based on feedback from stakeholder meetings, as well as standard procurement procedures and industry best practices. Cost shifting to non-subscribers and equitability to participating customers are paramount considerations to any CSG program.

Because the RFP is intentionally drafted to be more inclusive than prescriptive, the evaluation criteria used to evaluate potential proposals are a critical component to the entire RFP process. Stakeholders provided many comments about evaluation criteria during stakeholder discussions. Although some of the stakeholder feedback was conflicting, most participants agreed that the evaluation criteria are a critical component in assessing potential non-utility CSG proposals. Based on the majority of comments received during the stakeholder discussions on this topic, the evaluation criteria may include the following attributes:

- **CSG Program & CSG Project completeness:**
  - Site control
  - Site attractiveness
  - Defined project implementation plan
  - Level of subscription interest
  - Statement of exception to PPA, if applicable
- **Bidder's past experience, management and financial strength** to ensure that the bidder (and/or developer's) has the necessary facilities, ability, experience, and financial resources to complete the project specified herein in a satisfactory and timely manner.
- **Bid economics:**
  - Requested price of unsubscribed capacity and energy.

- Requested price of SRECs if the proposal is offering SRECs to Minnesota Power
- **Community benefits:**
  - Other benefits that the proposed CSG Project offers to the economy of Minnesota Power's service territory.
  - Preference for overall economic development of the region including using local, regional developers, contractors and labor force.
  - Preference for "public good" projects such as those associated with schools, other public buildings that benefit taxpayers.
  - Societal benefits including youth involvement, educational benefits, job training
  - Preference for using prevailing wage or union wage for construction.
  - Community participation.
  - Ownership structure with preference for community owned.
  - Preference for smaller, multiple projects distributed throughout Minnesota Power's territory, rather than for one large project.
- **Others:**
  - Uniqueness or innovativeness of CSG Program design
  - Customer focus

#### **b) Evaluation process**

MP's evaluation of proposals will involve the following steps.

- Screening for proposal completeness
- Preliminary and detailed economic assessment
- Non-economic/risk assessment
- Selection of short list
- Further due diligence
- Final selection

Note: MP reserves the right to eliminate any or all proposals during any of these steps. Any proposal advancing any one or more steps does not create any entitlement or reasonable expectation that the proposal will ultimately result in a binding agreement with Minnesota Power. All obligations between Minnesota Power and a bidder relating to a proposal will be governed by an executed and binding agreement for which all negotiated conditions precedents have been satisfied.

## **6. Submittal instructions**

All proposals submitted in response to this RFP must be received by Minnesota Power at [the email addresses] below no later than [the proposal submission date]. Minnesota Power will not evaluate proposals as part of this RFP process if submitted after this date and time. Minnesota Power does not anticipate an opportunity in the schedule for respondents to refresh or update their proposals before the final selection(s) are made.

Respondents shall email an electronic copy of its proposal to \_\_\_\_\_.

- Respondents should undertake efforts to avoid excessively large emails/attachments; in any case, individual email size must be less than 10 MB. If the emailed information exceeds this limit, then respondents should break their submission into multiple emails.
- Financial statements, annual reports, and other large documents should be referenced via a website address.
- Multiple proposals by the same respondent must be identified separately.

## **7. Reservation of rights**

Minnesota Power makes the following reservations in undertaking this solicitation:

- Minnesota Power reserves the right to modify or withdraw this RFP.
- Minnesota Power reserves the right to reject any and all responses to this RFP.
- Minnesota Power's RFP does not equate to an offer to purchase any capacity, energy and SRECs.
- All proposal preparation costs must be borne by the bidder.
- Proposals will not be returned to the bidders.
- Minnesota Power may accept a proposal that is not the lowest cost proposal(s).
- Minnesota Power may seek clarification from bidders and may request additional information from bidders beyond that which is specifically identified in the RFP.
- Minnesota Power reserves the right to waive bidder noncompliance with any aspect of its RFP.
- Minnesota Power may conduct negotiations with selected bidders and may terminate negotiations at any time.
- Any and all decisions are conditioned on the approval of Minnesota Power's management and Board of Directors as well as all required regulatory and other approvals, including Minnesota Power obtaining MPUC approval on terms acceptable to Minnesota Power.
- Minnesota Power reserves the right to modify or supplement this RFP at any time during this process. Any such modifications or supplements shall become part of this process and shall be addressed as part of any proposal submitted.

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF ST. LOUIS    )

AFFIDAVIT OF SERVICE VIA  
E-FILING AND  
FIRST CLASS MAIL

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Susan Romans, of the City of Duluth, County of St. Louis, State of Minnesota, says that on the **3<sup>rd</sup>** day of **October, 2016**, she e-filed Minnesota Power's Compliance Filing in Docket No. E-015/M-15-825 on the Minnesota Public Utilities Commission and the Minnesota Department of Commerce via electronic filing. The persons on the Official MPUC Service List were served as requested.



\_\_\_\_\_  
Susan Romans

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022191	Electronic Service	Yes	OFF_SL_15-825_Official
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	OFF_SL_15-825_Official
Emma	Fazio	emma.fazio@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-825_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_15-825_Official
Mindy	Granley	mgranley@d.umn.edu	UMD Office of Sustainability	1208 Kirby Dr  Duluth, MN 55812	Electronic Service	No	OFF_SL_15-825_Official
Margaret	Hodnik	mhodnik@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	OFF_SL_15-825_Official
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