

**MINNESOTA PUBLIC UTILITIES COMMISSION  
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In the Matter of Implementation of 2023  
Legislative Changes to Northern States  
Power Co. d/b/a Xcel Energy's  
Community Solar Garden Program

Docket No. E-002/CI-23-335

**INITIAL COMMENTS OF THE  
MINNESOTA DEPARTMENT  
OF COMMERCE**

**INTRODUCTION**

The Minnesota Department of Commerce respectfully submits the following initial comments in response to the Commission's amended May 29, 2025 comment period notice. The Public Utilities Commission should find that the subject matter of this comment period is within the purview of the Public Utilities Commission. The Commission does have reasonable grounds to consider the petition brought by the Company and subsequent comments and doing so would be within public interest. Because the issues within this docket are within the Commission's jurisdiction, the Commission should proceed using the informal notice-and-comment process to facilitate timely resolution.

**BACKGROUND**

On December 19, 2024, Xcel submitted a petition for approval of tariff changes to both the Legacy Community Solar Garden program and Low-to-Moderate-Income-Accessible (LMI-Accessible) Community Solar Garden programs. Xcel is proposing to increase the participation fee for both programs from \$500 per MW to \$800 per MW, prorated by project size, beginning in

February 2026.<sup>1</sup> Xcel justifies this increase by pointing to legislative language: “\$961,000 each year is for activities required under Minnesota Statutes, section 216B.1641 for community solar gardens.”<sup>2</sup> Xcel’s other justification is their updated administrative costs for managing subscribers. Xcel’s motivation for the fee increase is to recover administrative costs over a five-year period from 2026-2030.<sup>3</sup>

## ANALYSIS

### **I. THE CURRENT APPLICATION FEE FOR THE LMI CSG PROGRAM IS SEEMINGLY REASONABLE AS XCEL HAS NOT OVERRECOVERED.**

In a December 2023 order, the Commission set the current “application fee at a rate of \$4,125 per MW for CSGs in the LMI-Accessible Program, with opportunity to refund following a comment period.<sup>4</sup> Per Xcel’s comments, this fee is to be paid by the LMI CSG project within 10 business days after receipt of Department approval into the LMI CSG program.<sup>5</sup> The Company states they have not received application fee payment for 53.5 MW of these LMI CSG projects – totaling \$220,753.<sup>6</sup> The Company states that system costs to support the LMI CSG Program are up from forecasted numbers mainly due to timeline and scope shifts.<sup>7</sup> The bulk of this change stems from an actual cost that is significantly higher than forecasted in the category of ‘consolidated billing.’<sup>8</sup> The Department would benefit from increased clarity regarding Table 3 of

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<sup>1</sup> Petition – Participation Fee. Xcel Energy. December 19, 2025. (eDocket No. 202412-213221-01).

<sup>2</sup> Further, “This appropriation must be assessed directly to the public utility subject to Minnesota Statutes, section 116C.779.” 2023 Minnesota Legislation in Chapter 60, Article 10, Section 2, Subd. 2(y).

<sup>3</sup> Petition – Participation Fee. Xcel Energy. Page 5. December 19, 2025.

<sup>4</sup> PUC Order Implementing New Legislation Governing Community Solar Gardens. Page 25. December 28, 2023. (eDocket No. 202312-201621-02).

<sup>5</sup> Xcel Comments. Page 3. May 2025.

<sup>6</sup> Xcel Comments. Page 3. Table 1. May 2025.

<sup>7</sup> Xcel Comments. Page 4. May 2025.

<sup>8</sup> Xcel Comments. Page 4. Table 3. May 2025.

Xcel's comments, specifically the difference between forecasted (\$200,000) and actual cost (\$1,610,473) in the 'consolidated billing' category.

At this time, the Company is not requesting a change in the application fee.<sup>9</sup> The Company is hopeful that the LMI Accessible CSG program will continue to grow over the next several years, enabling a future cost recovery of \$2,887,500 between the years of 2025 and 2033.<sup>10</sup> Due to high IT costs, including the increase in consolidated billing system costs, the Company doesn't anticipate a refund of the application fee. The current application fee is seemingly reasonable as the Company is not currently or in the future (based on Company projections) over-recovering.

**II. THE COMMISSION SHOULD CONSIDER XCEL ENERGY'S REQUEST TO INCREASE THE PARTICIPATION FEE FOR THE LEGACY CSG PROGRAM AND THE LMI CSG PROGRAM BEGINNING IN FEBRUARY 2026.**

In December 2023 PUC Order, the Commission approved a participation fee of \$500 per MW.<sup>11</sup> Xcel is proposing a \$300 per MW increase in the participation fee.<sup>12</sup> The Commission should use this opportunity to consider whether this is appropriate in reflection of the Company's purported cost increases. Again, in Table 3 of Xcel's comments, the largest increase to the system costs to support the LMI CSG program fall under the category of 'consolidated billing.'

The Company anticipates recovering ongoing costs of IT system maintenance through the ongoing CSG participation fee. Based on Xcel's allocation tracker that incorporates their proposed participation fee, Xcel currently projects a cumulative shortfall in 2029.<sup>13</sup> Relying on the

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<sup>9</sup> Xcel Comments. Page 5. May 2025.

<sup>10</sup> Xcel Comments. Page 5. May 2025.

<sup>11</sup> PUC Order Implementing New Legislation Governing Community Solar Gardens. Page 25. December 28, 2023. (eDocket No. 202312-201621-02).

<sup>12</sup> Xcel Comments. Page 5-6. May 2025.

<sup>13</sup> Xcel Comments. Attachment A. Page 7. May 2025.

information shared by the Company, the Department is unopposed to the requested increase in participation fee.

**III. THE COMMISSION SHOULD APPROVE A FUTURE PROCESS OF UPDATING THE ANNUAL PARTICIPATION FEE AT LEAST EVERY TWO YEARS THROUGH A MOTION FILED IN THE ABOVE REFERENCED DOCKETS.**

If the Commission is amenable to updating the LMI CSG participation fee as requested by the Company during this comment period, it would be sensible to allow for a future process that permits Xcel to request an updated participation fee and for the Department to have the opportunity to assess this request, thereby encouraging transparency from the Company around their costs in managing this program.

**CONCLUSION**

For these reasons, the Department recommends that the Commission consider the Company's petition to increase the participation fee of the LMI CSG program as it is unopposed by the Department at the current time and should be reconsidered as needed in the future.

Dated: June 20, 2025

Respectfully submitted,

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