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Burl W. Haar, Executive Secretary

STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

**NOTICE OF COMMENT PERIOD ON ANNUAL REPORT CONTENTS,  
S-REC TRACKING AND SHELF-LIFE, AND OTHER CLARIFICATIONS  
ON IMPLEMENTATION OF THE SES**

*Issued: December 30, 2013*

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

**PUC Docket Number/s:** E999/CI-13-542

**Comment Period:** Initial comment period closes January 31, 2014 at 4:30pm.  
Reply comment period closes February 10, 2014 at 4:30pm.

**General Topics Open for Comment:**

- Should the Commission issue any clarifications on S-REC shelf life?
- What information should be provided in the utilities' annual reports on the SES?
- Should the Commission authorize an additional tracking system to track compliance with the SES?
- Are there other clarifications to be made about the SES as it should be read within the RES statute?

See additional explanation and more detailed questions for comment on Attachment 1.

**Project Background:** Minn. Laws 2013, Chapter 85, Article 10, Section 3 amended Minn. Stat. §216B.1691 (the Renewable Energy Statute or RES) to establish a Solar Energy Standard (SES) for public utilities. In its July 25, 2013 notice<sup>1</sup> requesting comments on customers excluded from the SES, the Commission stated that further notice(s) would be issued on other SES implementation issues, including, but not limited to, content requirements for annual SES reports and S-REC shelf-life and tracking.

**Submit Public Comments:** E-mail to [PublicComments.PUC@state.mn.us](mailto:PublicComments.PUC@state.mn.us).

Persons without e-mail access may send by U.S. mail to Burl Haar, Executive Secretary, Minnesota Public Utilities Commission, 121 7<sup>th</sup> Place East, Suite 350, St. Paul MN 55101-2147. Please include the Commission's docket number in all communications.

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<sup>1</sup> The Commission issued an additional notice on the customer exclusion issues on December 3, 2013.

**Filing Requirements:** Utilities, telecommunications carriers, official parties, and state agencies are **required** to file documents using the Commission’s electronic filing system (eFiling). All parties, participants and interested persons are encouraged to use eFiling: [www.puc.state.mn.us](http://www.puc.state.mn.us), select “eFiling,” and follow the prompts.

**Full Case Record:** All documents filed in this docket are available on the Commission’s website at [www.puc.state.mn.us](http://www.puc.state.mn.us), select “Search eDockets,” enter the year (2013) and the docket number (542), select “Search.”

**Subscribe to the Docket:** Receive notification when new documents are filed in this docket at [www.puc.state.mn.us](http://www.puc.state.mn.us), select “Subscribe to a Docket,” and follow the prompts.

**Questions about this docket or Commission process and procedure?** Contact Commission staff, Michelle Rebholz, at [651-201-2206](tel:651-201-2206) or Susan Mackenzie at [651-201-2241](tel:651-201-2241).

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## Attachment 1

The Commission has issued a series of Orders implementing Minn. Stat. §216B.1691, Renewable Energy Objectives and Standards, in Dockets E-999/CI-03-869 (general implementation) and E-999/CI-04-1616 (REC tracking). Some of these Orders may need to be amended or clarified, or orders specific to the SES issued, given the nature of the Solar Energy Standard.

- 1) The Commission determined that the shelf life of a REC is the first year of generation plus an additional four years<sup>2</sup>. However, a 2013 addition to Minn. Stat. §216B.1691, subd. 2f(f) states: “Notwithstanding any law to the contrary, a solar renewable energy credit associated with a solar photovoltaic device installed and generating electricity in Minnesota after August 1, 2013, but before 2020 *may be used to meet the solar energy standard* established under this subdivision.”
  - a) Should the Commission clarify that an S-REC that meets the requirements under subd. 2(f) has no shelf life for purposes of meeting the SES?
  - b) Subd. 2(f) is silent on the shelf life of a S-REC that is installed and generating after August 1, 2013 but before 2020 located outside of Minnesota. Should the Commission consider clarifying that S-RECs that meet the timeframe in Subd. 2(f) but are located outside of Minnesota also have no shelf life? Why or why not?
- 2) Minn. Stat. §216B.1691, subd. 7 states that if the Commission finds noncompliance, it “may order the electric utility to construct facilities, purchase energy generated by eligible energy technology, purchase renewable energy credits, or engage in other activities to achieve compliance. If an electric utility fails to comply with an order under this subdivision, the commission may impose a financial penalty on the electric utility in an amount not to exceed the estimated cost of the electric utility to achieve compliance.” The Commission has received informal inquiries asking whether this provision also applies to the SES or just the RES.
  - a) Should the Commission issue a clarification?
  - b) If so, does the provision apply to the SES given that the first sentence of subdivision 7 states that the Commission shall regularly investigate whether a utility is in compliance with subdivisions 2 and 2a, not 2f? Does the 2013 addition of subd. 2f (b) “The solar energy standard established in this subdivision is subject to all the provisions of this section governing a utility’s standard obligation under subdivision 2a” relevant to this question?
- 3) Minn. Stat. §216B.1691, subd. 2f(g) states that beginning on July 1, 2014 and each July 1 through 2020, each public utility shall file a report with the Commission reporting its progress in meeting the SES.
  - a) The Commission has already established a biennial process whereby the Department and others investigate compliance with the RES, and then the Commission issues a finding on current RES compliance as well as likelihood of future compliance with the RES. The next biennial process will start with the filing of information by June 1, 2014. Should the SES be included in or excluded from this biennial process at this time? (Reference Dockets 12-958 and 10-989 for the Commission’s past biennial dockets.)

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<sup>2</sup> December 18, 2007 ORDER ESTABLISHING ITNITAL PROTOCOLS FOR TRADING RENEWABLE ENERGY CREDITS, Dockets E-999/Ci-04-1616 and E-999/CI-03-869.

- b) What information should be included in utilities' annual reports on the SES? In its August 29, 2013 comments in this docket at page 5, the Department recommended the following:  
"Reporting could be included with the utilities annual RES reporting (June 1st for the previous calendar year), and should include the annual Minnesota retail sales, annual excluded customer sales, and annual solar generation." Please comment on this recommendation.
- c) Should utilities also be required to list efforts to meet the standard, obstacles anticipated, and potential solutions to the obstacles, as required for biennial reports under Minn. Stat. §216B.1691? Should utilities be required to comment on the anticipated mix of utility scale versus smaller solar projects that will be used to meet the standard?
- 4) Minn. Stat. §216B.1691, subd. 4(d) states that "The commission shall require all electric utilities to participate in a commission-approved credit-tracking system *or systems*." Minnesota's RES applies to 16 utilities. In contrast, Minnesota's SES applies to only 4 utilities. Should the Commission consider an additional tracking system specifically for the SES? In addition, the Commission has received comments in the past that some small units that would be eligible for the RES are not registered in MRETS. Should the Commission consider an additional tracking system for small units that are eligible for the RES?
- 5) Are there other topics related to how the SES provision of the statute, subdivision 2f, should be read in light of its inclusion in Minn. Stat. §216B.1691?