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MINNESOTA PUBLIC
UTILITIES COMMISSION

March 10, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101

Re: Comments on Community Solar Gardens
Docket No. E002/M-13-867

Dear Mr. Wolf:

Please accept these comments from the Saint Paul Public Housing Agency (PHA) with regard to the Community Solar Garden program currently before the MPUC. The PHA is surprised and disappointed by Xcel's recent comments regarding Community Solar Gardens and Xcel's misguided interpretation of the legislation that has made renewable solar energy use in Minnesota a reality.

The PHA administers federal rent subsidies that provide safe, affordable housing to more than 21,000 Saint Paul residents. Almost half of those residents live in the 4,258 public housing homes and apartments that the PHA owns and manages. Over half of the PHA owned units (2,554) are in 16 high-rise apartment buildings for seniors, persons with disabilities and younger, single persons. The PHA has been working since last year on its Community Solar Garden prospects and has settled on an agreement that would allow renewable resources to offset 85% of the PHA's annual electrical consumption at its 16 hi-rises and Central Administrative Office. We are at the final stages of entering into an agreement with a developer.

The PHA supports the Solar Garden Community's efforts to help the program proceed forward as it was originally contemplated and designed. See Comments from Attorneys for the Solar Garden Community filed on February 24, and March 4, 2015. To stop now would only hurt Minnesotans, whose legislature passed this law in 2013, providing for renewable solar energy.

The PHA went through a thorough process that began with issuing a request for proposals to solar garden developers in 2014. As recognized by the PHA Board Chair, Tom Reding: "We're grateful that the state legislature created this opportunity encouraging solar energy use. ... The cost savings to the agency will be used to further support the PHA's mission of providing safe, affordable, quality housing." See January 29, 2015, Press Release attached. The PHA, with unanimous support of its Board of Commissioners, vetted the responses to the request for

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proposals with the expertise of two consultants, TKDA and Eutectics Consulting, LLC, who provided technical assistance in analyzing the proposals. The outcome was choosing a developer who provided a near shovel-ready community solar garden opportunity with renewable energy and significant savings to the PHA. As recognized by the Solar Garden Community, subscribers (like the PHA) and developers have spent money and time to make this exciting opportunity a reality.


Xcel Energy states in its comments filed on March 4, 2015, "to the extent the Commission believes that potentially worthy applications for utility-scale projects have been brought forward in the S*RC program, the company is prepared to address that issue as part of its recourse plan or in a separate docket." See Xcel Energy March 4th Reply Comments, footnote 8. The PHA submits that that is exactly the category under which the PHA falls. It is a worthy applicant that seeks to promote safe, affordable housing for Saint Paul's residents. If it can promote its mission using renewable energy while also redirecting any energy savings to affordable housing, it should not be prevented from doing so in order to protect Xcel's interests. The PHA clearly should not be summarily excluded from the program based on Xcel's wide sweeping claims that the Community Solar Garden program was not meant for projects the size of the PHA project.

As Attorneys for the Solar Garden Community wrote on February 24, "the very concept of an anchor tenant and the required number of subscribers to any single garden is detailed in the statute itself. It should therefore be relatively unremarkable that developers are identifying their anchor subscribers first." See Comments from Attorneys for the Solar Garden Community filed on February 24 at page 8. In fact, the due diligence performed by highly regarded mid-size entities (such as the PHA, colleges and universities, and municipalities) currently seeking to enter community solar garden subscription agreements creates an important subscriber-based process and investment infrastructure that other smaller subscribers may want evidence of before they sign on.

Through its comments, Xcel is trying to stifle innovation by preventing renewable energy from taking hold in Minnesota the way it was intended to by the legislature and the MPUC. At this late date, Xcel restates its earlier concerns and ignores the many months of collaborative work to get to where we are. Xcel, however, should not and does not have the final word. The State of Minnesota seeks to be a leader in renewable energy as evidenced by the progressive law passed by the legislature. Community solar gardens are poised to capture significant market share in the coming years as demonstrated by the demand in Minnesota and other states. The use of more renewable and cost effective energy is an important societal goal that trumps the dated views of any one energy provider.

Very truly yours,


Joni Gutzmann
Executive Director


Louise Toscano Seeba
Assistant City Attorney and
General Counsel for the PHA



January 29, 2015 - PRESS RELEASE – FOR IMMEDIATE RELEASE

The PHA seeks renewable energy opportunities: “going green and saving money”

Contact information: Jon Gutzmann, Louise Seeba, 651-266-8772

The Saint Paul Public Housing Agency (PHA) is pursuing a 25 year community solar garden agreement with Geronimo Energy for the PHA’s 16 residential hi-rises and the W.A. Boss central office building. The 16 hi-rises provide affordable housing to 2,550 low income seniors and other individuals. By entering into the agreement, the PHA will save an estimated \$183,000 per year in energy costs. In addition to the cost savings, renewable resources will be used to offset 85% of the PHA’s annual electrical consumption in these 17 buildings.

“This deal achieves two important goals: cost reduction and a reduced carbon footprint,” said PHA Executive Director Jon Gutzmann: “The PHA will save \$183,000 a year in utility costs by converting to renewable energy. Even if there were no cost savings, just converting 85% of our annual electrical consumption from coal to solar is good for the planet.”

The Community Solar Garden program was created by the legislature in 2013 and was approved by the Minnesota Public Utilities Commission in early 2014. Under the program, Xcel Energy customers can purchase a subscription to a Community Solar Garden in exchange for a credit on their monthly energy bill.

“Solar Energy is a clean, reliable and cost-competitive source of electricity generation,” commented Nathan Franzen, Director of Solar for Geronimo Energy. “Over the life of the contract, PHA will save over \$4 million in energy costs while helping the state of Minnesota meets its goal of 80% reduction in carbon emissions.”

Geronimo’s Rosemount Community Solar Garden development was selected by the PHA after competing in a Request for Proposals to solar garden developers in 2014. The over \$40,000,000 project, located in the City Rosemount was approved by the Rosemount City Council in December and will provide power directly to the local community and is expected to employ over 250 construction and related services during installation.

PHA Board Chair Tom Reding said, “We’re grateful that the State legislature created this opportunity encouraging solar energy use. The PHA is proud to be a statewide and national leader in renewable energy -- the first housing authority to take advantage of community solar gardens. The cost savings to the agency will be used to further support the PHA’s mission of providing safe, affordable, quality housing.”

Louise Seeba, PHA’s General Counsel, oversaw the proposal process to get to this exciting juncture. “The law allowing this relationship is brand new,” she recognized. “The PHA moved

carefully but quickly to seek proposals from community solar garden providers that could deliver the agency energy credits that also resulted in savings to the PHA. The agency met with and interviewed the finalists and could not be happier with the opportunity to partner with Geronimo,” she said.

About the Saint Paul Public Housing Agency:

The PHA administers federal rent subsidies that provide safe, affordable housing to more than 21,000 Saint Paul residents. Almost half of those residents live in the 4258 public housing homes and apartments that the PHA owns and manages. Section 8 Housing Choice Vouchers pay part of the rent in privately-owned properties for another 4,589 households (families and individuals).

Over half of the PHA-owned units (2,554) are in 16 high-rise apartment buildings for seniors, persons with disabilities and younger single people. Most of the high-rise apartments are efficiency or one-bedroom units. The hi-rises are widely dispersed throughout the city.

Almost 1300 townhomes are in the PHA’s four housing developments for families. The largest family development is McDonough Homes in the North End, which has 580 units. Roosevelt Townhomes on the East Side has 320 family units; and Mt. Airy Homes, close to downtown, has 298 family units. The smallest family development is Dunedin Terrace on the West Side, with 88 units. Another 400 families rent PHA “scattered site” homes that are distributed throughout the city.

The PHA also administers the federal rent subsidy program called “Housing Choice Vouchers”, previously known as Section 8. The rental vouchers help over 4500 households pay affordable rents in privately-owned apartments and rental homes.

Families in both public housing and Section 8-subsidized apartments pay about 30% of their income for rent and utilities, and the federal housing subsidy pays the rest of the cost.

The total insured value of the PHA’s public housing properties is about \$600 million. The total annual budget for public housing, Section 8 and related programs is about \$70 million. Public housing residents pay over \$12 million a year to the PHA for rent and utilities. HUD will provide about \$11.6 million this year for the public housing “operating subsidy” and another \$6 million for major modernization work. The Section 8 program alone will bring about \$36 million in federal funds to Saint Paul this year, most of which is then paid out as rent subsidies to private property owners. Federal funding for both Section 8 and public housing has been cut significantly by the “sequestration” and other Congressional actions and the prospects for future funding are uncertain.

The St. Paul PHA has a national reputation for successful programs and has been recognized in many ways over its 37-year history.

The agency has earned HUD’s “High Performer” rating for 24 consecutive years in its public housing program, and for 13 consecutive years in its Section 8 program, based on performance indicators like these:

- All of the PHA’s public housing units are fully occupied: less than 1% vacancy rate every year for over 17 years.
- PHA residents pay rent on time. The PHA’s collection losses are under two percent of all rents and charges billed.

- PHA residents comply with their lease. Only 1-2% of residents are evicted for serious lease violations each year.
- The PHA's public housing units are well maintained. Maintenance requests are completed quickly: Emergencies repairs are done in less than 24 hours, and most routine requests in an average of less than 5 days. Residents report almost 100% satisfaction with work orders.
- Crime rates in PHA properties are consistently lower than city-wide averages.
- The PHA spends its capital grants from HUD on time, following approved plans and budgets.
- The PHA compiled a 15 year record with zero findings on its annual audits and has won awards for its financial reporting.

The PHA received HUD's National Outstanding Sustained Performance Awards in 1991 and 1996, and was the highest-rated large housing agency in the country in 1996 (the only year HUD published such a national ranking). www.stpha.org

About Geronimo Energy:

Geronimo Energy is a utility-scale wind and solar energy developer headquartered in Edina, Minnesota. Geronimo has developed three operating wind farms and several solar projects in Minnesota. Geronimo is poised to build six additional wind projects with an aggregate nameplate capacity of over 1,000 megawatts (MW) throughout the Midwest and over 150 MWs of solar, including the 100MW Aurora Solar Project in Minnesota by 2016. Geronimo has a multi-gigawatt development pipeline of wind and solar projects in various stages of development throughout the United States. For more information about Geronimo Energy, www.geronimoenergy.com.

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