



July 31, 2025

Mike Bull
Acting Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: In the Matter of Implementation of 2023 Legislative Changes to Xcel Energy's Community Solar Garden Program.

Docket No. E002/CI-23-335, E002/M-13-867

Acting Executive Secretary Bull;

Included with this filing are the Reply Comments of the Coalition for Community Solar Access (CCSA) and Minnesota Solar Energy Industries Association (MnSEIA) (collectively, Joint Solar Associations) for the above-referenced dockets. These comments reflect the views of our organizations and interested members.

Sincerely,

/s/ Curtis P. Zaun, Esq.
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**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

Katie Sieben	Chair
Hwikwon Ham	Commissioner
Audrey Partridge	Commissioner
Joseph Sullivan	Commissioner
John Tuma	Commissioner

**In the Matter of Implementation of 2023
Legislative Changes to Xcel Energy's
Community Solar Garden Program.**

REPLY COMMENTS

July 31, 2025

Dockets E002/CI-23-335 & E002/M13-867

INTRODUCTION

The Coalition for Community Solar Access (CCSA) and Minnesota Solar Energy Industries Association (MnSEIA) (collectively, Joint Solar Associations) respectfully submit the following Reply Comments in response to the Minnesota Public Utilities Commission's (Commission) Notice of Comment Period, issued April 4, 2025, and the Commission's extensions issued on May 29, 2025, and June 25, 2025, in regard to the request of Xcel Energy ("Xcel") to increase the annual community solar garden (CSG) participation fee for the Legacy and Low-to-Moderate Income (LMI) CSG programs from \$500 to \$800 per MW.

CCSA is a national trade association representing more than 120 community solar companies, businesses, and nonprofits working to expand customer choice and access to solar for all American households and businesses through community solar. CCSA works with customers, utilities, local stakeholders, and policymakers to develop and implement policies and best practices that ensure highly successful community solar programs that champion the energy customer.

MnSEIA is a nonprofit association of over 170 members that works to protect the rights of all Minnesotans to solar generation and storage of electricity. Its members range from rooftop installers to non-profit organizations, manufacturers, developers and many others, all of whom collectively employ over 5,000 Minnesotans.

On December 19, 2024, Xcel filed a petition to change the annual participation fee for community solar gardens pursuant to Minn. Stat. § 216B.16 from \$500 per MW to \$800 per MW.¹ In its Reply Comments, Xcel increased its request from \$800 to \$1,200. Minn. Stat. § 216B.16, subd. 1, states that such filings “shall include statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested, and state the change proposed to be made in the rates then in force and the time when the modified rates will go into effect.” And notably, “The burden of proof to show that the rate change is just and reasonable shall be upon the public utility seeking the change.”² While the Joint Solar Associations are generally not opposed to the costs of any state program being paid by those who are responsible for them, and, as has been discussed in both the Proactive and Reactive Grid Upgrade Workgroups,³ are supportive of moving toward a model where upgrade costs are paid by those who benefit from them, Xcel’s request should be denied because Xcel has not met its burden of proof despite requests from both the Minnesota Department of Commerce (Commerce) and MnSEIA for the requisite detail and documentation for such a dramatic increase.⁴ This denial should be without prejudice so that Xcel can later file another petition with the information necessary to meet its burden of proof. However, even if the Commission determines that Xcel has met its burden of proof, the increase should be limited to the \$800 requested in its petition and noticed by the Commission.⁵

¹ See *In the Matter of Implementation of 2023 Legislative Changes to Xcel Energy’s Community Solar Garden Program*, Dkt. 23-335, Xcel, PETITION, p. ii (Dec. 19, 2024). (citing Minn. Stat. § 216B.16, subd. 1, as the controlling statute “for rate and tariff changes”).

² Minn. Stat. § 216B.16, subd. 4; see Minn. Stat. § 216B.03 (“Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers. To the maximum reasonable extent, the commission shall set rates to encourage energy conservation and renewable energy use and to further the goals of sections 216B.164, 216B.241, and 216C.05. Any doubt as to reasonableness should be resolved in favor of the consumer.”).

³ *In the Matter of a Commission Inquiry Into a Framework for Proactive Distribution Grid Upgrades and Cost Allocation for Xcel Energy*, Dkt. 24-318, CCSA, INITIAL COMMENTS, p. 7-8 (May 8, 2025).

In the Matter of a Commission Inquiry Into a Framework for Proactive Distribution Grid Upgrades and Cost Allocation for Xcel Energy, Dkt. 24-318, MnSEIA, INITIAL COMMENTS, p. 3 (May 8, 2025).

⁴ See Exhibit A, Public Xcel Responses to Commerce IRs 4-7. MnSEIA requested to see public Information Requests on this matter from Commerce on July 1, 2025, and received the IRs attached here.

⁵ See Minn. Stat. § 216B.16, subd. 5 (“In no event shall the rates exceed the level of rates requested by the public utility, except that individual rates may be adjusted upward or downward.”).

BACKGROUND

When the original CSG program was launched in 2014, now called the Legacy CSG Program, Xcel was allowed to assess an annual participation fee for CSGs of \$300 per CSG. A May 2019 PUC order increased the participation fee to \$500 per CSG.⁶ In 2023, when the new LMI CSG program was launched, Xcel proposed to change the participation fee from a flat \$500 per CSG to \$500 per MW, for both the Legacy and LMI CSG programs, which the Commission approved in its December 23, 2023, Order. On December 19, 2024, Xcel filed a petition under Minn. Stat. § 216B.16 requesting that the annual participation fee be increased again from \$500 to \$800 per MW. On June 20, 2025, Xcel submitted Reply Comments increasing its request from \$800 per MW to \$1,200 per MW.⁷ This represents a 233 percent increase from its initial increase request, and a 240 percent total fee increase from the current annual fee.

REPLY COMMENTS

The Joint Solar Associations provide the following comments in response to the issues noticed by the Commission.

Should the Commission approve Xcel Energy's request to increase the annual participation fee for the Legacy CSG program and the LMI CSG program from \$500 per MW to \$800 per MW prorated by project size, to be applied beginning in February 2026, for recovery of program costs assessed by the Department of Commerce?

As previously noted, the Joint Solar Associations appreciate Xcel's work administering the Legacy and LMI CSG programs and do not oppose any increase in the participation fee that is just, reasonable and properly noticed.⁸ Because this is a request by Xcel to change a rate under Minn. Stat. § 216B.16, the burden of proof to establish that the rate change is just and reasonable is on Xcel.⁹ To meet that burden,

⁶*In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its Proposed Community Solar Garden Program*, Dkt. 13-867, Dkt. 18-714, Dkt. 13-105, Dkt. 16-1022. PUC, ORDER APPROVING REVISED TARIFFS WITH MODIFICATIONS AND REQUIRING COMPLIANCE FILINGS (May 9, 2019)

⁷*In the Matter of Implementation of 2023 Legislative Changes to Xcel Energy's Community Solar Garden Program*, Dkt. 23-335, Xcel Energy, REPLY COMMENTS (June 20, 2025).

⁸ While Xcel admits its petition is a request to change a rate, it is worth noting that the annual CSG participation fee would fall under the broad definition of rate found in Minn. Stat. 216B.02, subd. 5, which includes, among other things, every charge, fare, toll, or tariff charged or collected by any public utility, and must be just and reasonable under Minn. Stat. 216B.03.

⁹ See Minn. Stat. § 216B.16, subd. 4.

Xcel must provide “statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested.”¹⁰ Because Xcel has not met its burden, the request should be denied at this time.

Xcel’s petition provides nothing more than simple tables with no detailed explanation, documents or evidence to substantiate its rate change request. Because of the lack of information, Commerce requested additional information. The responses Commerce received provided little additional information and no additional evidence to substantiate any of Xcel’s facts.¹¹ As such, MnSEIA requested additional information from Xcel that it reasonably believes is consistent with how any company would approach a project. As noted long ago in a study titled *Project Management in the Utility and Infrastructure Industries* by the Project Management Institute, “In today’s society, as many projects run over budget, behind schedule and fail to meet stakeholders’ expectations, effective project management becomes of paramount importance.”¹² Accordingly, MnSEIA sent Information Requests trying to determine how Xcel managed and continues to manage its administration of the CSG programs, which, according to Project Cost Estimation: Key Steps for Accurate Budgeting, are: 1) Break down the project scope into deliverables or phases; 2) Estimate the duration of each deliverable or phase; 3) Calculate the cost of each task and deliverable; 4) Add external costs; and, 5) Calculate the total project cost estimate.¹³

Xcel’s responses to MnSEIA’s Information Requests failed to provide any documentation or other corroborating evidence to support its costs and, notably, indicate that Xcel does not provide any detailed tracking of its costs. Instead, Xcel apparently allocates costs across numerous jurisdictions, instead of tracking the actual cost for the work that is performed directly related to the CSG programs in Minnesota. For example, in response to the request for a detailed breakdown of the \$27,384 2024 IT/Billing expense, Xcel stated, “The Company used an allocator to assign these costs - each state with a unique interconnection portfolio was allocated an equal portion of the costs for this project. Then, within the state’s allocation, each program option was assigned its portion of cost based on the quantity of customers participating in that program in 2023.”¹⁴ But in 2025 the expense was estimated to be \$250,000 without any

¹⁰ Minn. Stat. § 216B.16, subd. 1.

¹¹ See Exhibit A.

¹² Project Management Institute, *Project Management in the Utility and Infrastructure Industries*, p. 53 (PDF p. 1) (Presented Sept. 29, 1997) (available at <https://www.wcu.edu/pmi/1997/97UT10.PDF>).

¹³ Scoro, *Project Cost Estimation: Key Steps for Accurate Budgeting* (June 9, 2025) (available at <https://www.scoro.com/blog/project-cost-estimation/>).

¹⁴ *In the Matter of Implementation of 2023 Legislative Changes to Xcel Energy’s Community Solar Garden Program*, Dkt. 23-335, Xcel, INFORMATION REQUEST NO 1, p. 3 (July 23, 2025).

detailed breakdown.¹⁵ With regard to the \$92,234 2024 Subscriber Management expense, Xcel stated that it “does not track hours by task for projects such as these.”¹⁶ A review of the responses provided to Commerce and MnSEIA would provide numerous additional examples.

While such an approach may be reasonable in some business situations, it would not be just or reasonable for costs that Xcel claims are directly attributable to CSGs in Minnesota and are asking the Commission to make CSG developers pay. Moreover, no documentation or other evidence was provided to support Xcel’s claimed expenses. As such, the Commission has no credible evidence to corroborate Xcel’s claim that these expenses or estimates are directly related to Minnesota’s CSG programs.

However, while the Joint Solar Associations generally agree that costs that are attributable to developers or that they benefit from can be considered just and reasonable, costs that the Minnesota Legislature has explicitly determined others are legally responsible for would not be considered just and reasonable. For example, the Joint Solar Associations agree with Nokomis that the Minnesota Legislature explicitly stated that Xcel is responsible for Commerce’s cost to administer the CSG program.¹⁷ As noted by Nokomis, the relevant bill language states that Commerce is appropriated \$961,000 each year for activities required under Minnesota Statutes, section 216B.1641 for community solar gardens and that “[t]his appropriation must be assessed directly to the public utility subject to Minnesota Statutes, section 116C.779.”¹⁸ The Legislature had the ability to direct this fee to be assessed to CSG developers or subscribers, but did not. The Joint Solar Associations agree with Nokomis that the Legislature has the authority to direct who pays for programs. It is neither unfair or unreasonable for the Legislature to require Xcel to pay for some portion of the LMI CSG Program, given the direct benefits Xcel may receive. Not only does Xcel receive the benefit of electrical system upgrades paid for by CSG developers in order to interconnect, the company also receives all of the Renewable Energy Credits (RECs) from the program, helping Xcel to meet both its and Minnesota’s renewable energy goals. As noted by Commerce’s 2024 legislatively mandated report on the LMI CSG Program, the program provides a net benefit to both the

¹⁵ *In the Matter of Implementation of 2023 Legislative Changes to Xcel Energy’s Community Solar Garden Program*, Dkt. 23-335, Xcel, INFORMATION REQUEST NO 2, p. 2-3 (July 23, 2025).

¹⁶ *In the Matter of Implementation of 2023 Legislative Changes to Xcel Energy’s Community Solar Garden Program*, Dkt. 23-335, Xcel, INFORMATION REQUEST NO 7, (July 23, 2025) at 2.

¹⁷ See *In the Matter of Implementation of 2023 Legislative Changes to Xcel Energy’s Community Solar Garden Program*, Dkt. 23-335, Nokomis Energy, INITIAL COMMENTS, (June. 20, 2025) at 4-5.

¹⁸ See 2023 Minn. Laws ch. 60, art. 10, Sec. 2, Subd. 2(y) (emphasis added).

state and Xcel ratepayers, and several cost-savings for the company itself,¹⁹ including avoided transmission, distribution, and construction costs. Up until 2023, Xcel was the only party receiving a benefit who didn't pay anything for it.

Should the Commission approve a future process of updating the annual participation fee at least every two years through a motion filed in the above referenced dockets?

As previously noted, the Joint Solar Associations agree with Xcel and others that revisiting the fee structure every two years via these dockets is appropriate²⁰.

Is the initially determined application fee for the LMI CSG program of \$4,125 per MW reasonable for Xcel Energy to assess to recover actual costs?

As previously noted, the Joint Solar Associations agree with Xcel and others that the current \$4,125 application fee should remain unchanged at this time.²¹

CONCLUSION

In summary, the Joint Solar Associations are opposed to the proposed fee increase because Xcel has not met its burden of proving the proposed fee increase is just and reasonable.²² Xcel has failed to provide any detailed information or documentation to substantiate the first increase it is requesting today, or the expanded increase requested in Initial Comments. The Commission has no corroborating evidence to substantiate any of the costs Xcel claims are attributable to the CSG programs. And while Xcel may refuse to provide any information it claims is non-public to MnSEIA, it could have provided the documentation to the Commission, who is legally authorized to review non-public data and required to substantiate the claims of the utilities it regulates.²³ However, if the Commission determines that Xcel has met its burden of proof under Minn. Stat. § 216B.16 and that a fee increase is just and reasonable under Minn. Stat. § 216B.03, the Joint Solar Associations respectfully request that the increase be limited to the \$300 increase that Xcel originally requested and that was noticed by the Commission. Additionally, we agree with Xcel

¹⁹See Minnesota Department of Commerce, *Community Solar Garden Study*, 2024, (December 15, 2024). <https://www.lrl.mn.gov/docs/2024/mandated/241703.pdf>, Fig. 4 and Table 16. p. 97.

²⁰ *In the Matter of Implementation of 2023 Legislative Changes to Xcel Energy's Community Solar Garden Program*, Dkt. No. 23-335, Xcel Energy, Initial Comments (June 20, 2025) at 3.

²¹ *Id.* at 4

²² See Minn. Stat. 216B.03.

²³ See Minn. Stat. § 216B.16; *see also* Minn. Stat. § 216A.07, subd. 2 (Commerce “is responsible for the enforcement of chapters 216A, 216B and 237 and the orders of the commission issued pursuant to those chapters”).

that revisiting the fee structure every two years is reasonable, and that an increase in the application fee is not needed at this time.

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CERTIFICATE OF SERVICE

I, David Moberg, hereby certify that on the 31st of July, 2025, I e-filed with the eDockets system these Reply Comments and served copies on the included list of persons by electronic filing.

/s/ David K. Moberg
David Moberg