



Minnesota Solar Energy Industries Association

We Move Minnesota Solar + Storage Forward

June 20, 2025

Will Seuffert
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**

Executive Secretary Seuffert,

Please find here the Initial Comments of the Minnesota Solar Energy Industries Association (MnSEIA) for the above-referenced docket. These comments reflect the views of our organization and interested members.

Sincerely,

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**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

Katie Sieben	Chair
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Joseph Sullivan	Commissioner
John Tuma	Commissioner

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

INITIAL COMMENTS of MnSEIA

June 20, 2025

Docket No. E002/CI-23-335

INTRODUCTION

MnSEIA respectfully submits the following Initial Comments in response to the Minnesota Public Utilities Commission’s *Notice of Comment Period*, issued April 4, 2025, and the Commission’s *Notice of Extension Variance* issued May 29, 2025, in regards to the request of Xcel Energy (“Xcel”) to increase the annual participation fee for the Legacy and LMI CSG programs.

INITIAL COMMENTS

On May 5, 2025, Xcel submitted a response in Docket 23-335/13-867, to the Public Utilities Commission (“Commission”)’s April 4, 2024, Notice of Comment Period and December 19, 2024, Xcel petition.¹ Xcel requested to considerably increase the annual participation fee for subscriber organizations participating in the Legacy

¹ In the Matter of Implementation of 2023 Legislative Changes to Northern States Power Co. D/B/A Xcel Energy’s CSG Program, Dkt. No. 23-335, Xcel Energy, Response (May 5, 2025) <https://efiling.web.commerce.state.mn.us/documents/%7BD0EFA196-0000-C23C-85F8-291279B8A718%7D/download?contentSequence=0&rowIndex=3>

Community Solar Garden (CSG) and Low-to-Moderate Income (LMI) CSG programs to \$800/MW, up from \$500, starting February 2026. This is a 60% jump in the participation fee - an additional \$300 per megawatt per year. While this proposed increase would require examination and these comments were drafted as such, Xcel filed initial comments on June 20 requesting a 120% fee increase, to \$1200/MW.² This dramatic and unexpected increase requires heightened scrutiny. Xcel notes that this increase is due to the annual amount of \$961,000 transferred to Commerce being extended through 2026 and 2027, adding \$1.8 million in apparently unexpected costs. In addition to this being a considerable change from the current fee and from the proposal in the notice of comment period, the fact that Xcel's initial projections were made without having taken into account the existing structure of the LMI CSG program, requires considerable examination. If the original \$500/MW participation fee included consideration of the annual amount transferred to Commerce, then continuing that annual transfer should not require a 120% increase in the participation fee.

MnSEIA appreciates Xcel's work administering the Legacy and LMI CSG programs and does not oppose any increase in the participation fee that is attributable to the cost causer and just and reasonable.³ We wholeheartedly agree that subscriber organizations in the LMI CSG programs should be responsible for additional costs created by their participation. Inherent in that position is a recognition that sufficient information must be provided which demonstrates what costs were actually incurred,

² In the Matter of Implementation of 2023 Legislative Changes to Northern States Power Co. D/B/A Xcel Energy's CSG Program, Dkt. No. 23-335, Xcel Energy, Initial Comments (June 20, 2025) <https://www.edockets.state.mn.us/documents/%7B20F18D97-0000-CE17-97EF-338708E94E64%7D/download?contentSequence=0&rowIndex=1> p. 2

³ This 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 every rate must be just and reasonable under Minn. Stat. 216B.03.

what specific activity they were incurred for, and how that directly relates to the CSG programs. As recognized by the Department of Commerce (Commerce) in its request for additional time, to date, insufficient information has been provided to stakeholders and the Commission to determine whether the costs incurred are caused by subscriber organizations and, even if they are directly attributable to them, just and reasonable. Further information is necessary before stakeholders and the Commission can accurately evaluate the proposed fee increase. So, we appreciate Commerce's request for more detailed information and look forward to discussing those details in the forthcoming reply comment period.

Our initial concern regarding Xcel's request to increase the participation fee is the lack of transparency, and, with more information, reply comments should provide a greater opportunity to respond to this request. Centrally, and for example, Xcel's May 5th filing reports a cost overrun from \$3.2 million to \$3.8 million in total system costs for supporting the LMI CSG program.⁴ This is primarily attributed to the consolidated billing implementation date being set to 2025 instead of Xcel's request of 2026, and changes to the application portal to accommodate legislative changes – systems integration cost remarkably less than projected, for which Xcel is to be commended.

On consolidated billing, the three-sentence explanation in table 2 of Xcel's response filing—no details given other than additional staff time—does not give stakeholders a clear picture of the drivers behind the cost escalation. Xcel's compliance filings on the implementation of consolidated billing earlier in the year also do not report

⁴ In the Matter of Implementation of 2023 Legislative Changes to Northern States Power Co. D/B/A Xcel Energy's CSG Program, Dkt. No. 23-335, Xcel Energy, Response (May 5, 2025) p. 4, Table 3

any details on predicted changes to projected costs or potential overruns.⁵ What specifically required the additional staff time that was not anticipated when Xcel initially evaluated the work that was required? Were initial cost projections not assessed based on the Commission’s timeline?

The application portal is run through Salesforce, a third-party service. Salesforce’s Energy & Utilities Cloud platform is advertised as a pre-built, customizable, and less expensive alternative to in-house software and potentially offering utilities a 23% reduction in operational costs due to its flexibility⁶. It is notable that Xcel, as a large client, has significant annual Salesforce costs – \$147,314 in 2024 – and that these costs are projected to stabilize in future years now that the necessary updates have been made⁷. These expenses seem reasonable at first pass, but additional information should be provided. Are these costs solely attributable to CSGs or do they include other distributed generation portals or systems? ⁸ It is unclear whether Xcel is discussing modifications to the MN DIP application portal⁹– an interconnection portal that accepts many kinds of distributed generation (DG) and is required to accept applications of up to 10 MW in capacity, regardless of whether a project is a CSG – or the CSG program portal Xcel maintains. A project only enters the CSG portal once it has been approved by Commerce. If the “application portal” discussed on Tables 2 and 3 is the MN DIP application portal,

⁵ In the Matter of Implementation of 2023 Legislative Changes to Northern States Power Co. D/B/A Xcel Energy’s CSG Program, Dkt. No. 23-335, Xcel Energy, Compliance Filing (December 9, 2025) <https://efiling.web.commerce.state.mn.us/documents/%7B503CAD93-0000-CE16-ADAB-4AE6ED80F5C1%7D/download?contentSequence=0&rowIndex=16>

⁶ Energy & Utilities Cloud Datasheet, Salesforce <https://www.salesforce.com/en-us/wp-content/uploads/sites/4/documents/industries/energy/energy-utilities-cloud-product-datasheet.pdf>

⁷ In the Matter of Implementation of 2023 Legislative Changes to Northern States Power Co. D/B/A Xcel Energy’s CSG Program, Dkt. No. 23-335, Xcel Energy, Response (May 5, 2025) Attachment A

⁸ *Id.* at 4, table 3.

those costs should not be paid by subscriber organizations, or solely paid by subscriber organizations, as this functionality should have been present already and is needed for multiple kinds of DG. If Xcel is discussing the CSG program portal, and what seems to be a relatively simple change is generating these large administrative costs, further scrutiny may be warranted.

Having said that, some of the changes to program thresholds for statutory updates should in theory require only minimal adjustments. Xcel notes that application portal changes cost more than double what was expected, from \$800,000 to \$1.6 million. While these Salesforce subscription and update costs may not directly translate to Xcel's operational environment—and may not account for all labor costs—they raise a legitimate question: are there more efficient ways for Xcel to implement and administer these changes? More granular detail on what modifications were made to which portal would be helpful in further understanding the participation fee increase, as it is unclear how Xcel is using existing software tools.

On the second issue made available for comment by the Commission — cadence of fee assessments and updates — we agree with Xcel that revisiting the fee structure every two years via these dockets is appropriate⁹. On the third issue—whether the current application fee for the LMI CSG program is reasonable for cost recovery—we agree with Xcel that the current fee should remain unchanged at this time¹⁰.

⁹ In the Matter of Implementation of 2023 Legislative Changes to Northern States Power Co. D/B/A Xcel Energy's CSG Program, Dkt. No. 23-335, Xcel Energy, Initial Comments (June 20, 2025) at 3

¹⁰ *Id.* at 4

CONCLUSION

In summary, MnSEIA is not opposed to the proposed fee increase if the costs presented are just and reasonable.¹¹ However, currently available information is too limited to make that assessment, especially given the dramatic change to \$1200/MW in initial comments from the proposed \$800/MW at the onset of the comment period. We request Xcel provide a more detailed breakdown in terms of work and cost on the topic of application portal changes and all other information that supports the requested increase is directly attributable to CSGs and the costs are just and reasonable. Additionally, we agree with Xcel that revisiting the fee structure every two years is reasonable, and that an increase in the application fee is not needed at this time. We look forward to seeing the responses to the Department of Commerce's information requests in initial comments, and will speak further to the now-increased fee change in reply comments.

¹¹ See Minn. Stat. 216B.03.

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CERTIFICATE OF SERVICE

I, David Moberg, hereby certify that on the 20th of June, I e-filed with the eDockets system Initial Comments of the Minnesota Solar Energy Industries Association, and served copies on the attached list of persons by electronic filing.

/s/ David K. Moberg
David Moberg