

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

In the Matter of Xcel Energy's Plan for a
Community Solar Garden Program Pursuant to
MINN. STAT. §216B.1641

PUC Docket No. E-002/M-13-867

COMMENT

An ad hoc community of solar businesses, including Geronimo Energy, LLC; SoCore Energy, LLC; SunEdison, LLC; Sunrise Energy Ventures, LLC; and TruNorth Solar, LLC (collectively, the "Solar Garden Community" or "SGC"), all with invested interests in the success of the community solar garden program in Minnesota ("CSG Program"), files this very brief comment in response to the Minnesota Public Utilities Commission's ("Commission") March 13, 2015, notice (the "March Notice").

I. INTRODUCTION

The March Notice opens two broad topics for comment.¹ First, whether and when there should be a transfer from the applicable retail rate (ARR) to the value of solar (VOS) for purposes of calculating the bill credit under the CSG Program, and whether an adder is necessary to provide a bill credit rate that will reasonably allow for the creation, financing and accessibility of CSGs. Second, replies to any comments filed to date, including those comments filed in response to the Commission's notices issued on October 9, 2014, and January 28, 2015. Believing the better part of valor is discretion, the SGC uses the opportunity created by the March Notice sparingly to limit its comments on issues that are forward-looking in character. Namely, that any changes to the CSG program, whether they be on the ARR, VOS, and/or any adder or other change deemed necessary, be prospective from the date of the Commission's order and that the Commission consider the strengths and limitations of the working group.

¹ Although there are three bullet points of topics, the second is broad enough to encompass the more specific reference to the notices issued on October 9, 2014, and January 28, 2015.

II. AVOID RETROACTIVE CHANGES

The SGC understands that the Commission has a morass of comments, concerns, recommendations and information before it in this docket that may be the subject of the Commission's deliberation within the next few months. Despite the significant work from all parties culminating in the Commission's order approving the CSG program,² the current state of this docket was driven in large part by Xcel Energy's unsolicited comment dated February 10, 2015 ("Xcel's February Comment"). The SGC refers the Commission and other parties to its comment dated February 24, 2015, and reply comment dated March 4, 2014, as its responses to Xcel's February Comment. The SGC appreciates the swift intermediate action taken by the Commission to respond to Xcel's February Comment and interject a greater level of certainty in the program to provide developers the opportunity to continue developing their projects.³ We commend the Commission for upholding its prior decisions in this docket, particularly as they affect those with projects in the middle of the process and heavily reliant on the CSG Program designed under existing statutes, orders, and tariffs.

But the Commission's March Letter left open how any adjustments to the CSG Program would be implemented. The Commission's March Letter states that "[p]otential adjustments, if any, to the program will be fully evaluated [in the spring or early summer of 2015]."⁴ The SGC emphasizes that the thoughtful and deliberate action taken in the CSG Docket has created a fundamentally sound program that is working and that should be allowed to play out more fully before rushing to judgments about its success or failure. Although the SGC understands that any new program will require tweaks as implementation issues arise, the SGC simply asks that the Commission keep the basic program design whole, with any necessary changes implemented on a prospective-only basis for those that submit applications after the effective date of any future Commission order. In other words, if the Commission makes any changes to the CSG Program, it should clearly state that those changes will not affect existing applications under the CSG Program. Doing so will help ensure that existing CSG project applications with feasible interconnection applications will have the regulatory certainty to come to fruition.

² *In the Matter of Xcel Energy's Plan for a Community Solar Garden Program Pursuant to Minn. Stat. §216B.1641*, Docket No. E-002/M-13-867, ORDER APPROVING SOLAR-GARDEN PLAN WITH MODIFICATIONS (Sept. 17, 2014) ("CSG Plan Approval Order").

³ *In the Matter of Xcel Energy's Plan for a Community Solar Garden Program Pursuant to Minn. Stat. §216B.1641*, Docket No. E-002/M-13-867, LETTER FROM COMMISSION (March 10, 2015) ("Commission's March Letter").

⁴ *Id.*

III. WORKING GROUP IS NOT DESIGNED TO ADDRESS FUNDAMENTAL ISSUES

In response to the Commission's March Letter, Xcel Energy submitted a letter dated March 13, 2015 ("Xcel's March Letter"), wherein it continued to claim its issues of concern remain "unresolved" and suggested reconvening the Solar*Rewards Community Implementation Workgroup ("Implementation Workgroup") to attempt to find workable solutions to them. The SGC is troubled by the tone and allegations of Xcel's March Letter. For example, it is unclear what legal basis Xcel Energy is relying upon to assert that issues that were previously resolved via the substantial work of the parties and the Commission (*e.g.*, CSG size) are now "unresolved." Xcel Energy should not be permitted to foist additional Implementation Workgroup meetings upon developers simply because it disagrees with the manner in which the Commission previously resolved an issue.

Setting aside whether it is appropriate to have the Implementation Workgroup revisiting issues that received substantial attention in this docket from stakeholders and were settled by Commission order, the Implementation Workgroup is not designed to take on significant program or policy issues, or anything where there is substantial disagreement among the members. Most of the SGC members participate in the Implementation Workgroup on a regular basis and appreciate Xcel's willingness to convene a forum to address implementation issues and seek solutions. But the very fact that the group is largely convened and facilitated by Xcel instead of a neutral third-party limits any ability to resolve disputes by reaching consensus, let alone coming together to make effective recommendations. The SGC appreciates that Xcel is in charge of administering its own program and that the Implementation Workgroup could help resolve more minor issues and avoid the need for Commission attention to such matters. The SGC does not, however, believe revisiting program design in the Implementation Workgroup is appropriate or that doing so will yield effective results.

IV. TIMING AND SCHEDULE IS CRITICAL

While this docket is rife with important issues the SGC could address in this comment, we fear that so doing risks letting the perfect be the enemy of the good. There is virtually no upper limit of time and resources that could be invested in getting this program perfect. But there is a quickly depleting amount of time available to get solar projects built with the current

federal tax benefits. As the SGC has raised in prior comments, Minnesota's construction season is very short and the competition for product, labor and resources to build solar projects in 2016 is going to be extraordinary. If the State of Minnesota is truly serious about growing solar and seeing CSGs built reasonably affordably, time is of the essence. Instead of revisiting settled CSG Program design issues at this critical juncture, we need the Commission to corral a willing partner in Xcel Energy to move developers through the application process as efficiently as possible in order to capture the federal tax benefits and thus be reasonably financeable at the current rate and per the statutory guidance. Missing this window through unwarranted delays to implementation would be a hugely unfortunate consequence to ratepayers who will pay more for solar and to Minnesotans eager to see a new industry take off in our state and reap the many benefits of clean distributed solar generation.

V. CONCLUSION

The SGC greatly appreciates the opportunity to offer these brief thoughts on CSG Program implementation. It is critical for the Commission to reaffirm its prior orders and allow the CSG application process to play out more fully. With additional information gleaned from that learning process, the Commission will be better able to tweak the CSG Program on a going forward basis. The SGC looks forward to continued thoughtful dialogue among the parties.

Dated: April 2, 2015

Respectfully submitted,

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