

Staff Briefing Papers

Meeting Date April 21, 2022 Agenda Item 3**

Company Xcel Energy

Docket No. **E-002/M-21-433**

In the Matter of a Petition for a Proposed Tariff Modification for a Nonstandard Provision to Uniform Statewide Contract for Cogeneration and Small Power Production Facilities

Issue Should the Commission approve or modify Xcel Energy’s December 17, 2021 proposed tariff to allow a tenant to benefit from net metering (including the PV Demand Credit Rider) where the DER system is owned by the commercial property owner?

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 **Relevant Documents**

Date

Staff Briefing Papers	December 14, 2021
Xcel Energy Proposed Decision Option No. 5	December 17, 2021
Notice of Supplemental Comment Period	February 2, 2022
Department of Commerce – Division of Energy Resources Supplemental Comments	February 25, 2022
Xcel Energy Supplemental Comments	February 28, 2022

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

 **Relevant Documents**

Date

Xcel Energy Supplemental Reply Comments

March 10, 2022

TruNorth Solar Comments

March 11, 2022

I. Statement of the Issues

Should the Commission approve or modify Xcel Energy's December 17, 2021 proposed tariff to allow a tenant to benefit from net metering (including the PV Demand Credit Rider) where the DER system is owned by the commercial property owner?

II. Background

On June 29, 2021, Xcel Energy (Xcel or the Company) filed its petition requesting the Commission approve proposed tariff modifications related to the Uniform Statewide Contract (USC) to allow for non-Distributed Energy Resource (DER) owner/non-Interconnection Customer, namely a tenant, to obtain net metering and PV demand credit benefits.

On August 13, 2021, the Department of Commerce – Division of Energy Resources (Department) filed initial comments requesting additional information from Xcel Energy.

On August 23, 2021, Xcel Energy replied with the additional information requested.

On November 16, 2021, the Department replied to Xcel Energy's Reply and requested Commission approval of the revised, proposed tariff modifications.

On December 14, 2021, staff briefing papers were filed.

On December 22, 2021, the docket was on the Commission agenda meeting. The Commission discussed tariff language changes but instead opted for staff to issue a Notice of Supplemental Comment before making a decision.

On February 2, 2022, a Notice of Supplemental Comment Period was issued and asked:

1. Does the proposed tariff language¹ achieve the stated objective?
2. Does the proposed tariff language have identifiable unintended consequences or implementation concerns that warrants modification?
3. Should the landlord be able to either opt in or opt out on whether the tenant at the connected meter is the sole beneficiary of the net metering? Please comment on the following potential addition to the proposed language in Attachment A:
 - a) "The landlord owner may decide to assign the benefits of net metering to a tenant."; and/or
 - b) "The landlord owner may opt out of this arrangement upon written request acknowledging the new program or rate offering the DER will participate in."
4. Are there other issues or concerns related to this matter?²

There are two issues at hand (*see 3a and 3b in the Notice of Supplemental Comment Period*):

- Should the net metering benefits per Xcel Energy's tariff modification proposal be assigned to another tenant or the landlord owner?

¹ See Attachment A in staff briefing papers.

² 21-433 Notice of Supplemental Comment Period, p. 1.

- Can a landlord owner opt-out of Xcel’s tariff modification proposal?

III. Parties’ Comments

A. Department of Commerce

On February 25, 2022, the Department of Commerce (Department) filed supplemental comments.

The Department writes that Xcel had revised its proposed tariff. On December 17, 2021, Xcel submitted a revised decision option No. 5 ahead of the December 22, 2021 agenda meeting. The revised decision option clarified that “named customers receiving net metering benefits do not have additional responsibilities under the Uniform Statewide Contract other than the net metering benefits less the metering charges, but remain subject to the terms, conditions and responsibilities to which all retail electric customers are subject.”³ The revised decision option addressed the net metering rates that would apply to systems greater than 40kW that no longer qualify for the A50 net metering rate code.

At the December 22 agenda meeting, Commissioner Schuerger proposed additional language to incorporate more flexibility in assigning net metering benefits and the ability to opt-out with written notice. “Specifically, Commissioner Schuerger proposed including the following language:

Where a landlord owner of a premises is the owner of a non-Solar*Rewards DER system that is the subject of a Section 10 tariff Interconnection Agreement or MN DIA, and that DER system is connected to the meter where a tenant is the named Customer receiving retail electrical service, then the landlord owner may decide to assign the benefits of net metering to a tenant. In that instance, the tenant and any subsequent tenant who is receiving electrical service at that premise shall be entitled to the net metering benefits as set forth in the Uniform Statewide Contract without the need for that tenant to sign the Uniform Statewide Contract. The landlord owner may opt out of the arrangement upon written request acknowledging the new program or rate offering the DER will participate in.”⁴

Based on discussion at the agenda meeting on December 22, the Department understands that a concern is whether a landlord/property owner (landlord owner or landlord) could assign all or a portion of net metering benefits to someone other than the tenant/named customer connected to the DER-connected meter.

The Department quotes Minn. Stat. §216B.164, Subd. 2a (f) and (g), which defines a customer as “the person who is named on the utility electric bill for the premises” and defines a designated meter as “a meter that is physically attached to the customer’s facility that the customer-generator designates as the first meter to which net metered credits are to be

³ 21-433 Department Supplemental Comments, p. 1.

⁴ 21-433 Department Supplemental Comments, p. 2.

applied as the primary meter for billing purposes when the customer is serviced by more than one meter.”⁵

The Department interprets §216B.164 to mean that DER facilities must be connected to one specific customer meter and then the net metering benefits will be applied to the retail customer’s bill. If the landlord would like to benefit from net metering, they can either connect to the DER facility or to a meter in their name. For example, the Department says that a DER facility could “be placed at a larger apartment complex and used to offset generation for the common areas of the complex such as hallways and public areas.”⁶ The Department points out that Xcel’s tariff proposal does not apply to master metered buildings in which all of the apartments in the building are connected to one master meter and the electricity charge is in the rent. Instead, the proposal implies that if the landlord is the named customer on the bill, the landlord, not the tenants, receives the net metering benefits.

The Department objects to assigning net metering benefits to a customer other than the retail customer of record on the meter except for one exception (*see 3a of the Notice of Supplemental Comment*):

The one instance for which the Department would not object to the assignment of benefits to the landlord and not the named customer is in the event of energy generation over a one-year period exceeding energy usage resulting in a net bill credit. In the event of a net bill credit, the Department does not find it unreasonable to assign the credit to the landlord owner of the DER facility.⁷

The Department says that this would encourage landlords to make greater investments in DER but does not recommend permitting landlord owners to assign net metering benefits to anyone other than themselves under circumstances other than this situation.

The Department proposes the following language:

Where a landlord owner of a premises is the owner of a non-Solar*Rewards DER system that is the subject of a Section 10 tariff Interconnection Agreement or MN DIA, and that DER system is connected to the meter where a tenant is the named Customer receiving retail electrical service, then ~~the landlord owner may decide to assign the benefits of net metering to a tenant. In that instance, the~~ tenant and any subsequent tenant who is receiving electrical service at that premise shall be entitled to the net metering benefits as set forth in the Uniform Statewide Contract without the need for that tenant to sign the Uniform Statewide Contract. In the event electric generation exceeds electric usage resulting in a credit balance, the credit balance may be assigned to the landlord owner. The landlord owner may opt out of the arrangement upon written request acknowledging the new program or rate offering the DER will participate in, and upon notification to the named customer of the change in the net metering arrangement

⁵ Minn. Stat. §216B.164, Subd. 2a
(<https://www.revisor.mn.gov/statutes/cite/216b.164#stat.216B.164.2a>)

⁶ 21-433 Department Supplemental Comments, p. 2.

⁷ 21-433 Department Supplemental Comments, p. 2.

and the impact to their bill. Any costs resulting from a need to alter the existing metering arrangements will be borne by the landlord owner.⁸

The Department doesn't object to allowing the landlord to opt-out of the proposed net metering arrangement if the landlord, upon written notice, identifies another program in which they would like to participate (*see 3b of the Notice of Supplemental Comment*). The Department recommends consumer protections for the opt-out process. In the Department's recommendation, the Commission would require adequate notice (at least 30 days) of the change to the named customer receiving net metering benefits and any impact the change will have on their bills. Also, if the opt-out requires changing the meter which the DER is connected, the Department recommends that the landlord pays for the disconnection and reconnection.

Overall, the Department recommends approval of Xcel's petition with their modifications to the tariff language.

B. Xcel Energy

1. Supplemental Comments

On December 17, 2022, the Company submitted an updated tariff request prior to the December 22 agenda meeting.

On February 28, 2022, Xcel Energy submitted supplemental comments. Xcel's supplemental comments address Item #3 of the Notice of Supplemental Comment Period, which was filed on February 2, 2022.

In its supplemental comments, Xcel first clarifies its definition of net metering benefits, which is the "*reduction of the tenant's retail electric bill to reflect the amount of on-site production from the PV system connected to their electric meter that off-sets energy that would have otherwise been sent by Xcel Energy during the time period associated with our applicable tariff (A50, A51, A52, A53, A54, A55 and A56).*"⁹ That allows the time period to be instantaneously, monthly, or annual. Further, "*net metering benefits also include the Company providing a bill credit or payment per the rate set forth in tariff and chosen by the customer for any excess production above usage during the applicable time period.*"¹⁰ The credit would go to the person/entity listed as the retail customer that is enrolled in the tariffed net metering plan.

Xcel experienced a situation that showed a tariff revision is needed. The current tariff does not allow a tenant to fully benefit from net metering. The only benefit (reduction on the retail bill based on the instantaneous version of net metering) doesn't result in a payment or credit to the tenant. Xcel's proposal attempts to give the tenant, the retail customer of record, the opportunity to realize this bill credit as well. The tenant could:

...get the bill credit or payment for excess production associated with the applicable time period. Current rules require the landlord to sign the Uniform Statewide Contract (as

⁸ 21-433 Department Supplemental Comments, p. 4. Emphasis is from the Department.

⁹ 21-433 Xcel Energy Supplemental Comments, p. 2. Emphasis is from the Company's.

¹⁰ 21-433 Xcel Energy Supplemental Comments, p. 2. Emphasis is from the Company's.

required by the Minnesota Distributed Energy Resources Interconnection Process (MN DIP)). Our proposal keeps this requirement but allows the tenant to receive the full net metering benefits of the system.^{11 12}

Xcel Energy describes the most likely scenario that would apply to this tariff change is one in which the tenant receiving the net metering benefits is the only tenant. However, Xcel says that the “proposed tariff modification language could also be applied to a multi-tenant building such as an apartment building or commercial strip mall; however, the DER system being installed would need to only connect to one tenant meter pertaining to the named customer receiving retail electric service.”¹³ There can be multiple rooftop solar systems, but for each system, only the tenant connected can receive the benefits.

Xcel discusses whether a landlord, acting as the owner of the DER but not the retail customer of record, could assign net metering benefits to another tenant (*see 3a of the Notice of Supplemental Comment*). Xcel does not have processes to assign net metering benefits or bill credits to a third person:

While our Solar*Rewards program does allow for certain “assignments,” none of the assignments are for the benefits of the reduced Xcel Energy bill, nor for the payment for excess production above on-site usage. Similarly, we have no process or system in place to “assign” the bill credits or payments for excess production associated with the applicable time period to a third person.¹⁴

While the Solar*Rewards program does allow for “assignments,” these aren’t for a reduced bill credit or payment for excess production, but for “incentive payments,” which is an upfront amount for all production during the Solar*Rewards contract period. This is not the same as Xcel’s modified tariff petition, because it is not paid as an incentive for excess production. Additionally, Solar*Rewards allows assignment of the Solar*Rewards contract if the assignee has purchased the premises and signed an interconnection agreement. For the landlord owner to decide to assign the benefits of net metering to another tenant, Xcel Energy would be required to perform:

...system development, additional business rules, IT work, and some time to create a process to allow for assignments at issue in Item 3.a of the Notice.¹⁵

As for allowing the landlord owner to opt-out of the proposed tariff and upon written request participate in another DER rate program (*see 3b of the Notice of Supplemental Comment*), Xcel says that the landlord could keep the account in their name if they do not want the tenant to benefit from net metering. If the landlord does not choose this option, the following tasks would have to take place:

¹¹ 21-433 Xcel Energy Supplemental Comments, p. 3.

¹² Xcel notes that if the tenant is served by a meter in the landlord’s name, the tenant cannot receive net metering benefits.

¹³ 21-433 Xcel Energy Supplemental Comments, p. 3.

¹⁴ 21-433 Xcel Energy Supplemental Comments, p. 4.

¹⁵ 21-433 Xcel Energy Supplemental Comments, p. 4.

- 1) The physical set-up and interconnection agreement would need to be reconfigured so that the PV system has its own meter and wouldn't physically tie into the tenant's meter;
- 2) Xcel would have to decide which compensation rate would apply based on the size of the system; and
- 3) If the system is larger than 40 kW, Xcel would have to execute a Power Purchase Agreement (PPA) with the landlord to sell production to the Company and then the landlord could designate who receives the PPA payments.

In their supplemental comments, Xcel Energy concludes that it cannot adjust the proposed tariff language to have the landlord assign net metering benefits to anyone other than the tenant connected to the DER system, allow the landlord to opt-out, or allow the landlord to enroll in some other DER program.

2. Supplemental Reply Comments

On March 10, 2022, Xcel Energy submitted supplemental reply comments addressing the Department's recommendation.¹⁶

The Company does not support the Department's new proposed language:

In the event electric generation exceeds electric usage resulting in a credit balance, the credit balance may be assigned to the landlord owner.¹⁷

The Company does not have the process or system to assign net metering benefits to someone other than the named customer (*see 3a of the Notice of Supplemental Comment*). Further, it does not believe that the Commission should regulate how assignments take place in the landlord/tenant relationship and that this can be done efficiently without Commission oversight. Instead, terms can be decided in tenant leases and the amount of monthly rent.

Specifically, Xcel takes issue with the following portions of the Department's comments. Xcel disagrees with the Department's interpretation of Minn. Stat. §216B.164, Subd. 2a (f), which defines customer as 'the person who is named on the utility electric bill for the premises.' Xcel argues that the Department contradicts itself when it proposes that a portion of the net metering benefit payments could be distributed to someone other than the named customer (in this case, the landlord or building owner).

Xcel Energy also takes issue with the Department's "one exception" which would allow the credit to go to the landlord if the energy generation over one year exceeds the energy usage required for a net bill credit. It says that the Department's proposal conflicts with Commission-approved tariffs and Minn. Stat. §216B.164, Subd. 3(b) and 3a(a),¹⁸ regarding excess

¹⁶ Xcel's supplemental reply comments do not address question 3b of the Notice of Supplemental Comment.

¹⁷ 21-433 Xcel Energy Supplemental Reply Comments, p. 1.

¹⁸ Minn. Stat. §216B.164, Subd. 3a.

(<https://www.revisor.mn.gov/statutes/cite/216b.164#stat.216B.164.3>)

generation. The one-year banking that the Department refers to is the subject of Xcel's A55/A56 net metering rate codes in tariff sheets 9-4.2 and 9-4.3,¹⁹ and the provisions of calendar year banking in Minn. Stat. §216B.164, Subd. 3a. Xcel says that both its tariffs and Minn. Stat. §216B.164, Subd. 3a reaffirm that the payment for excess production is to go to the customer. Also, the calendar year banking is only available for a net metered facility having a capacity of 40 kW or greater but less than 1,000 kW, because that would require a PPA agreement in which a customer could designate who should receive the payments.

To sum, the Company says that the Department's recommendation should not be accepted regarding reassignment of benefits, because it conflicts with state statute and with its calendar year banking tariff. Xcel does not have the processes or systems to accommodate the Department's recommendation and that landlords and tenants can regulate themselves.

C. TruNorth Solar

On March 6, 2022, TruNorth Solar (TruNorth) submitted comments.

TruNorth supports Xcel Energy's petition. It writes that Xcel's current tariffs require that net metering benefits are only for accounts managed by the property owner or landlord:

This causes great disruption to commercial real estate owners desiring to install solar on their properties but not wishing to take over their tenants electric bills. Landlords in general do not want to take over their tenants electric billing as it complicates prior lease agreements and personal accountability for one's own electrical usage.²⁰

TruNorth says that the petition is flexible and allows the landlord and tenant one of two options. First, a solar project can be done traditionally with the landlord as the retail customer, and therefore, receive the net metering benefits. This is the default option if the landlord wants to keep the benefits. TruNorth recognizes that landlords have full authority and responsibility for their property, rooftop solar arrays, and whether retail bills and net metering benefits are in their name.

The second option allows the net metering benefits to be applied to the tenant's existing retail electric bill. Currently, there is no remedy for the situation in which landlords allow net metering benefits to be applied to the tenant's bill. TruNorth says that this is unfortunate because commercial property owners rarely pay tenant's electric bills. If the landlord does not desire this option, they can take over the retail account.

TruNorth does not believe that the petition allows the tenant to force a solar project on their landlord but that it provides flexibility for landlord and tenant partnerships to engage in clean energy. TruNorth notes that other incentives, i.e. Solar*Rewards, can be assigned instead.

¹⁹ Xcel tariff sheets, Section 9 – Cogeneration. (https://www.xcelenergy.com/staticfiles/xcel-responsive/Company/Rates%20&%20Regulations/Regulatory%20Filings/MN%20fillings/Me_Section_9.pdf)

²⁰ 21-433 TruNorth comments, p. 1.

IV. Staff Analysis

The Notice of Supplemental Comment focused on two main areas of concern coming out of the December 22, 2021 agenda meeting. The two issues are potential additions to Xcel's proposed tariff modifications:

3. Should the landlord be able to either opt in or opt out on whether the tenant at the connected meter is the sole beneficiary of the net metering? Please comment on the following potential addition to the proposed language in Attachment A:²¹
 - a) "The landlord owner may decide to assign the benefits of net metering to a tenant."; and/or
 - b) "The landlord owner may opt out of this arrangement upon written request acknowledging the new program or rate offering the DER will participate in."²²

A. Reassignment of Benefits

The Department does not support assigning net metering benefits to individuals beyond the customer of record but does support returning net benefits to the landlord *if* the energy generation over a one-year period exceeds energy usage resulting in a net bill credit. The Department's proposed tariff language regarding assigning net metering benefits is as follows:

In the event electric generation exceeds electric usage resulting in a credit balance, the credit balance may be assigned to the landlord owner.

Xcel Energy does not support assigning any net metering benefits to individuals beyond the customer of record, including the landlord. The Company states it would have to perform system development, additional business rules, IT work, and more time to create a process and therefore it would not be possible. Instead, Xcel says that landlords and tenants should be allowed to decide upon terms of a lease amongst themselves.

TruNorth supports Xcel's proposed language regarding assigning net metering benefits, stating that this is a good way for landlords and tenants to work together on clean energy.

B. Opt-out Upon Written Request

The Department's language allows the landlord to opt-out of the proposed net metering arrangement if the landlord identifies another program that they want to participate in and informs the Company in writing. The Department also recommends consumer protections, requiring notice from Xcel Energy within 30 days of the change to the named customer receiving net metering benefits and any impact the change will have on their bills. Additionally, the Department recommends that the landlord pays for the disconnection, reconnection, and changing the meter. The Department's proposed tariff language regarding opting-out is:

²¹ The proposed language in Attachment A from the Notice of Supplemental Comment Period is Attachment A in staff briefing papers.

²² 21-433 Notice of Supplemental Comment Period, p. 1.

The landlord owner may opt out of the arrangement upon written request acknowledging the new program or rate offering the DER will participate in, and upon notification to the named customer of the change in the net metering arrangement and the impact to their bill. Any costs resulting from a need to alter the existing metering arrangements will be borne by the landlord owner.²³

Xcel does not support the Department's revised tariff language on opting-out. The Company's original proposal does not have any language regarding opting out of the arrangement. To opt-out, the Company says that the following tasks must happen for the landlord to keep or retain ownership of the retail account in the landlord's name:

1. The physical set-up and interconnection agreement would need to be reconfigured;
2. The compensation rate that would apply would have to be decided; and
3. Xcel would have to execute a PPA if the system is larger than 40 kW.

Opting-out of Xcel's tariff proposal is possible, even though it takes the multiple steps that Xcel lays out. Disconnection and reconnection is fairly simple. Deciding upon compensation rates is not difficult; it is based on size, whether the landlord owner is on a time of use meter, and how does the landlord want to bank excess production. Entering into a PPA takes into consideration many factors. Commonly, the Company offers a standard contract that is net metered and uses the Uniform Statewide Contract.²⁴

In their proposed language, the Department suggests that a landlord bear the cost of disconnection and reconnection. The Department also suggests that the tenant be notified within 30 days of the landlord opting-out. A different customer notification is already in Xcel's proposed tariff language: "Northern States Power Company shall provide written notice to the then-current tenant of the applicability of certain provisions of the Uniform Statewide Contract and of the applicable net metering rate code."²⁵ It is likely that landlords and tenants would have some type of agreement within the terms of the lease or the monthly rent regarding the tenant being connected to the DER-connected meter. By receiving a notice, the tenant would have some idea of the impact to their bill before their lease terms change.

²³ 21-433 Department Supplemental Comments, p. 4. Emphasis is from the Department.

²⁴ Xcel tariff sheets, Section 9 – Cogeneration. (https://www.xcelenergy.com/staticfiles/xcel-responsive/Company/Rates%20&%20Regulations/Regulatory%20Filings/MN%20fillings/Me_Section_9.pdf)

²⁵ See Attachment A in briefing papers.

V. Decision Options

1. Approve Xcel Energy's December 17, 2021 tariff modifications. (*Xcel, TruNorth*)
2. Accept one or both of the Department of Commerce's proposed tariff language modifications: (*Department*)

A. Accept the Department of Commerce's proposed tariff language modification regarding reassigning net metering benefits:

In the event electric generation exceeds electric usage resulting in a credit balance, the credit balance may be assigned to the landlord owner.

Where a landlord owner of a premises is the owner of a non-Solar*Rewards DER system that is the subject of a Section 10 tariff Interconnection Agreement or MN DIA, and that DER system is connected to the meter where a tenant is the named Customer receiving retail electrical service, then ~~the landlord owner may decide to assign the benefits of net metering to a tenant. In that instance, the~~ tenant and any subsequent tenant who is receiving electrical service at that premise shall be entitled to the net metering benefits as set forth in the Uniform Statewide Contract without the need for that tenant to sign the Uniform Statewide Contract.

[AND/OR?]

B. Accept the Department of Commerce's proposed tariff language addition regarding opting-out of the program: (*Department*)

The landlord owner may opt out of the arrangement upon written request acknowledging the new program or rate offering the DER will participate in, and upon notification to the named customer of the change in the net metering arrangement and the impact to their bill. Any costs resulting from a need to alter the existing metering arrangements will be borne by the landlord owner.

[OR]

3. Reject the Department of Commerce's proposed tariff language modifications. (*Xcel*)
4. Require Xcel Energy to file a compliance filing no later than 10 days from the date the order is issued.

Staff recommends decision options 1 and 4. Staff takes no position on decision options 2 and 3.

VI. Attachment A

Xcel Energy's proposed tariff language to be added at [Section 9; Sheet No. 12.1](#)²⁶ from December 17, 2021 proposed decision option No. 5:

Where a landlord owner of a premises is the owner of a non-Solar*Rewards DER system that is the subject of a Section 10 tariff Interconnection Agreement or MN DIA, and that DER system is connected to the meter where a tenant is the named Customer receiving retail electrical service, then the tenant (and any subsequent tenant) who is receiving electrical service at that premise shall be entitled to the net metering benefits as set forth in the Uniform Statewide Contract without the need for that tenant to sign the Uniform Statewide Contract. As used in this section, and consistent with Minn. Stat. § 216B.02, the term "tenant" means any of the following: 1. a tenant or cooperative or condominium owner in a building owned, leased, or operated by the owner of the DER system; or 2. an occupant of a manufactured home or trailer park owned, leased, or operated by the owner of the DER system. The benefits (but not the responsibilities) of net metering as, set forth in the Uniform Statewide Contract shall flow to the named customer whose meter is connected to the DER, subject to offset for metering charges. The named customer remains responsible for terms, conditions and responsibilities of all retail electric customers that may also be identified as responsibilities in the Uniform Statewide Contract. In the absence of an affirmative selection by the tenant, then the A50 net metering rate code shall apply provided that the tenant would otherwise qualify for that rate code. If the tenant does not qualify for the A50 net metering rate code, then in the absence of a selection by the tenant the A55 net metering rate code shall apply for retail customers on non-time of day service, and the A56 net metering rate code shall apply for retail customers on time of day service, provided that the tenant would otherwise qualify for these rate codes. The then current tenant can contact Northern States Power Company by telephone or other reasonable means mutually agreed upon at any time to change this selection from among the available net metering rate codes for that premise. Northern States Power Company shall provide written notice to the then-current tenant of the applicability of certain provisions of the Uniform Statewide Contract and of the applicable net metering rate code. The monthly metering charges associated with the QF DER system would be applied to the tenant notwithstanding provisions to the contrary that may be in the Interconnection Agreement or MN DIA, and the net metering benefits less monthly metering charges are the only terms being assigned to the Interconnection Customer to the named customer receiving retail service at the meter where the DER is interconnected. This tariff provision only applies where the DER system is physically

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https://www.xcelenergy.com/staticfiles/xn/Regulatory%20&%20Resource%20Planning/Minnesota/Me/Section_9.pdf

connected to the meter where a tenant is the named Customer receiving retail electric service. Accordingly, in the case of multi-tenant apartment buildings, this tariff provision only applies where the DER system is physically connected to the meter where a tenant is the named Customer receiving retail electric service.

VII.Attachment B

The Department of Commerce’s proposed tariff language to be added at [Section 9; Sheet No. 12.1](#)²⁷ from February 25, 2022 supplemental comments:

Where a landlord owner of a premises is the owner of a non-Solar*Rewards DER system that is the subject of a Section 10 tariff Interconnection Agreement or MN DIA, and that DER system is connected to the meter where a tenant is the named Customer receiving retail electrical service, then ~~the landlord owner may decide to assign the benefits of net metering to a tenant. In that instance,~~ the tenant and any subsequent tenant who is receiving electrical service at that premise shall be entitled to the net metering benefits as set forth in the Uniform Statewide Contract without the need for that tenant to sign the Uniform Statewide Contract. In the event electric generation exceeds electric usage resulting in a credit balance, the credit balance may be assigned to the landlord owner. The landlord owner may opt out of the arrangement upon written request acknowledging the new program or rate offering the DER will participate in, and upon notification to the named customer of the change in the net metering arrangement and the impact to their bill. Any costs resulting from a need to alter the existing metering arrangements will be borne by the landlord owner. As used in this section, and consistent with Minn. Stat. § 216B.02, the term “tenant” means any of the following: 1. a tenant or cooperative or condominium owner in a building owned, leased, or operated by the owner of the DER system; or 2. an occupant of a manufactured home or trailer park owned, leased, or operated by the owner of the DER system. The benefits (but not the responsibilities) of net metering as, set forth in the Uniform Statewide Contract shall flow to the named customer whose meter is connected to the DER, subject to offset for metering charges. The named customer remains responsible for terms, conditions and responsibilities of all retail electric customers that may also be identified as responsibilities in the Uniform Statewide Contract. In the absence of an affirmative selection by the tenant, then the A50 net metering rate code shall apply provided that the tenant would otherwise qualify for that rate code. If the tenant does not qualify for the A50 net metering rate code, then in the absence of a selection by the tenant the A55 net metering rate code shall apply for retail customers on non-time of day service, and the A56 net

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https://www.xcelenergy.com/staticfiles/xn/Regulatory%20&%20Resource%20Planning/Minnesota/Me_Section_9.pdf

metering rate code shall apply for retail customers on time of day service, provided that the tenant would otherwise qualify for these rate codes. The then current tenant can contact Northern States Power Company by telephone or other reasonable means mutually agreed upon at any time to change this selection from among the available net metering rate codes for that premise. Northern States Power Company shall provide written notice to the then-current tenant of the applicability of certain provisions of the Uniform Statewide Contract and of the applicable net metering rate code. The monthly metering charges associated with the QF DER system would be applied to the tenant notwithstanding provisions to the contrary that may be in the Interconnection Agreement or MN DIA, and the net metering benefits less monthly metering charges are the only terms being assigned to the Interconnection Customer to the named customer receiving retail service at the meter where the DER is interconnected. This tariff provision only applies where the DER system is physically connected to the meter where a tenant is the named Customer receiving retail electric service. Accordingly, in the case of multi-tenant apartment buildings, this tariff provision only applies where the DER system is physically connected to the meter where a tenant is the named Customer receiving retail electric service.