

**STATE OF MINNESOTA BEFORE THE MINNESOTA  
PUBLIC UTILITIES COMMISSION**

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

**In the Matter of Formal Complaint of  
Hennepin County, Minnesota Against Xcel  
Energy Under Minn. Stat. 216B.164**

**PUC Docket Number E-002/C-25-435**

**April 10, 2026**

**Reply Comments**

The League of Minnesota Cities (“League”) is a non-profit organization that has a voluntary membership of 841 out of 856 Minnesota cities, 12 townships, and 69 special districts. It represents cities’ common interests before courts and other governmental bodies and provides a variety of services to its members, including advocacy, information, education, training, policy-development, and risk-management services. The League’s mission is to promote excellence in local government through effective advocacy, expert analysis, and trusted guidance for all Minnesota cities.

The League submits the following Reply Comments related to the complaint filed by Hennepin County against Xcel Energy (“Xcel”) at the Minnesota Public Utilities Commission (“Commission”) on December 23, 2025. These comments address the topics open for comment listed in the Commission’s January 13, 2026, Notice of Comment Period.

A number of the League’s member cities have invested taxpayer money to develop and invest in small solar energy generating facilities that take advantage of cities’ ownership and management of multiple parcels of land. A common trend is the development of solar facilities on various city buildings, such as a city hall, public works facility, jail, or parks department. These facilities provide energy, will help stabilize energy costs for the next 30 or more years, and improve the environment for all of our citizens.

Member cities have made these investments, and plan to continue to do so, based on the ability to recover some of the costs from net metering on small facilities. The law which requires the average retail utility energy rate for a qualifying facility with a capacity under 40 kW or an annual kWh credit for a net metered facility with a capacity from 40 kW to 1 MW is necessary to make development of small-scale solar facilities viable. Xcel’s improper implementation of the FERC’s One-Mile Rule for purposes of Minnesota’s compensation programs would negatively impact current solar projects and hinder or eliminate the development of future solar projects. This will harm our citizens by impairing our ability to manage the cost of energy and improve the environment.

After reviewing the filings in this docket, we provide the following comments.

**1) The Commission has jurisdiction over the subject matter of the Formal Complaint.**

Minnesota law gives the Commission authority to resolve disputes between a utility and the owner of a solar facility under Minn. Stat. § 216B.17, Minn. Stat. § 216A.05, subd. 1, Minn. Stat. § 216B.164, subd. 5, and Minn. R. 7835.4500. All commenters appear to agree on this issue.

**2) There are reasonable grounds to investigate the allegations in the Formal Complaint.**

We agree with the comments filed by Hennepin County, the Joint Solar Parties, and the Environmental Law & Policy Center/Vote Solar that there are reasonable grounds to investigate the allegations in the Formal Complaint. Xcel is implementing a rule that, for the reasons discussed by the parties, violates the plain language of Minnesota law. See Minn. Stat. § 216B.164, subd. 3a; Minn. R. 7835.4017. It is impacting Hennepin County and would impact the League’s members in the same way.

**3) It is in the public interest for the Commission to investigate the allegations in the Complaint.**

We once again agree with the comments filed by Hennepin County, the Joint Solar Parties, and the Environmental Law & Policy Center/Vote Solar that it is in the public interest to investigate the allegations in the Formal Complaint. All utilities in the State of Minnesota are monopolies. Accordingly, it is in the public interest for the Commission to ensure that Xcel is complying with the law and maximizing small power production. See Minn. Stat. § 216B.164, subd. 1. Allowing Xcel to apply FERC’s One-Mile Rule for state compensation eligibility will harm our citizens and Minnesota’s ability to meet its clean energy goals.

**4) The Commission should investigate the Formal Complaint through an informal or expedited proceeding.**

The material facts are not in dispute and the parties present a straightforward legal issue regarding whether Xcel is violating Minnesota law. Accordingly, an informal or expedited proceeding would appear to be the quickest way to stop Xcel’s violation of the law.

**Summary of Recommendations**

In summary, the League recommends that the Commission investigate the Formal Complaint by Hennepin County against Xcel for the following reasons:

- The Commission has jurisdiction over the subject matter of the Formal Complaint;
- There are reasonable grounds for the Commission to investigate the allegations in the Formal Complaint; and
- It is in the public interest for the Commission to investigate the allegations in the Formal Complaint.

Because the material facts related to this matter do not appear to be in dispute and the law is clear, an expedited or informal proceeding would appear to be the appropriate procedure to resolve this dispute as quickly as possible. Xcel is intentionally violating Minnesota's net metering laws and the Commission should immediately direct it to stop its illegal conduct and comply with Minnesota law. Failure to do so will have a significant impact on the League's member cities, our taxpayers, and our environment, making it harder for us and Minnesota to meet its clean energy goals.

Thank you for considering our input on this important matter.

Sincerely,

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