

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

121 7th Place East, Suite 350

St. Paul, MN 55101-2147

In the Matter of the Petition of Northern
States Power Co. d/b/a Xcel Energy to
Revise Its Net Metering Tariffs to Apply
to Qualifying Facilities Up to 5 MW

Docket No. E-002/M-24-389

**PETITION FOR AMENDMENT AND
RECONSIDERATION
OF HENNEPIN COUNTY, MINNESOTA**

Introduction

In the above docket, Xcel Energy proposed, and the Commission adopted, certain changes to Xcel's Uniform Statewide Contract for Cogeneration and Small Power Production Facilities.¹ As part of those changes, it is unclear whether the Commission adopted the Federal Energy Regulatory Commission's (FERC's) "one-mile rule" as raised in Xcel's reply comments and thereby changed the way in which the "capacity" of a "net metered facility" is measured under state law. Due to this uncertainty, Hennepin County respectfully requests that the Commission amend its order to clarify whether it adopted FERC's one-mile rule for state net-metered facilities. To the extent it did so, Hennepin County respectfully petitions the Commission to reconsider that decision. Lastly, if the Commission adopted the one-mile rule, Hennepin County respectfully petitions the Commission to amend its order to clarify that such amendment does not modify Xcel's net metering contracts that were effective before the Commission's order.

Clarification is vital to the county's current and future renewable energy goals. The county entered two Statewide Contracts with Xcel in the fall of 2024 which provide for net

¹ Order Approving Net Metering Tariff Changes, Docket No. E-002/M-24-389, June 25, 2025.

metering at two county facilities in Plymouth. Xcel's position is that the one-mile rule requires it to combine the capacity of the county's two new solar facilities, each of which is under 1 MW but combined exceed the 1 MW statutory limit for net metering facilities, thus precluding application of the net metering structure provided for under the contracts. This abrogation deprives the county of the financial incentive to build solar arrays at its facilities, simply because some of those facilities are in proximity. Such a result contravenes the paramount policy goals underlying Minnesota's net metering statute.

Hennepin County respectfully brings this petition pursuant to Minnesota Rule part 7829.3000, which provides that a person aggrieved and directly affected by a Commission decision may file a petition for amendment or reconsideration within 20 days of the written order. To the extent the order adopts FERC's one-mile rule for state net-metered facilities under 1 MW and thus requires the capacity of separate facilities to be measured in the aggregate, the county would indeed be aggrieved by the order. Such an order would also be inconsistent with state law, which unambiguously states the capacity of distributed generation resources is measured by the number of megawatts at the point of interconnection between a distributed generation facility and the utility's electric system. Because it is unclear whether the Commission's order does *in fact* adopt FERC's one-mile rule for state net metering projects and such adoption would contravene existing law, it is necessary for the Commission to clarify its decision or, alternatively, reconsider its adoption of the one-mile rule, as more fully set forth below.

The county also respectfully requests that the Commission hold a hearing on this matter before it rules on the county's petition.

Background

1. The county's solar facilities.

With a population just over 1.25 million, Hennepin County is Minnesota's most populous county and the 34th-most populous county in the United States. The county paid Xcel Energy approximately \$8.6 million in 2024 for electric service for its more than

120 facilities, including facilities such as the Hennepin County Medical Center, Hennepin County Government Center, and Hennepin County Energy Recovery Center.

The county recently completed construction of its 720-kW solar facility at its new Public Safety Services (PSS) Headquarters in Plymouth and is close to completing construction of a second and separate 620-kW solar facility 0.17 miles from the PSS facility at its Adult Correctional Facility (ACF) in Plymouth. The two facilities are separately metered and are served from different Xcel distribution substations. See Attachment 1. The county planned for and constructed the arrays in reliance on two separate Uniform Statewide Contracts it signed with Xcel for each of the arrays, effective September 5, 2024, and October 9, 2024, respectively. See Attachment 2. Under the Uniform Contracts, Xcel agreed to purchase the monthly net amount of electric energy produced by the solar arrays at rate codes A53/A54 and A55/A56.² The accounts are not aggregated, and the county has not requested aggregation.

On November 11, 2024, Xcel's representative for the county's accounts emailed to say the county would no longer be able to net meter the facilities consistent with the contracts it signed. Xcel followed up with a letter on March 12, 2025 in which it took the position that neither the ACF nor PSS arrays are eligible for net metering because, combined, the capacity of the two arrays exceed the net metering statute's 1 MW per facility limit. See Attachment 3. Xcel's position is that it is *required* to combine the capacity of the two solar facilities because of FERC's "one-mile rule," which it purports was adopted by the Commission in this docket. As the Commission is aware, this federal rule applies to "qualifying facilities" and provides that where a small power production facility *seeking QF status* is located one mile or less from an affiliated small power production QF that use the same energy resource, the facility is subject to an irrebuttable

² Section 5 of the Uniform Contracts states that the "Utility will buy electricity from a net metered facility under the current rate schedule filed with the Commission or will compensate the facility in the form of a kilowatt-hour credit on the facility's energy bill."

presumption that it is considered to be located at the “same site” (and thus considered the same facility for capacity purposes) as the affiliated QF.³ Under the federal Public Utility Regulatory Policies Act of 1978 (PURPA),⁴ enacted to introduce greater competition in the electric generation market and to promote renewable energy, no one QF can exceed 80 MW. FERC enacted the one-mile rule to prevent developers seeking to sell energy to utilities under PURPA’s mandatory purchase obligation from essentially gaming the 80 MW limit by building more than one facility under separate limited liability companies in nearby locations that, combined, exceeded the 80 MW limit.

2. The Docket 24-389 Order.

On November 20, 2024, Xcel filed its petition in this docket. Citing the need for improved transparency and to streamline the interconnection process, Xcel proposed changes to its Uniform Statewide Contract for distributed energy sources between 1 MW and 5 MW by prohibiting the owners of these facilities seeking to net meter their generation from using the Uniform Statewide Contract and to instead negotiate a power purchase agreement with Xcel. The county did not participate in the docket and did not have reason to participate because it had already signed contracts for net-metered facilities under 1 MW.

The order is unclear as to whether the Commission adopted Xcel’s suggestion for adoption of the one-mile rule to Minnesota’s net metering program, laid out fully only in Xcel’s February 28, 2025 reply comments, and only after Xcel acknowledged several times that “net metering is outside the scope of PURPA,” that “it would make no sense” to measure the capacity of a qualified facility for federal PURPA requirements differently

³ *Qualifying Facility Rates and Requirements; Implementation Issues Under the Public Utility Regulatory Policies Act of 1978*, Order 872, 172 FERC ¶ 61,041, paragraph 469 (July 16, 2020)(Final Rule).

⁴ PURPA was enacted in 1978 as Public Law 95–617 (92 Stat. 3117) and appears generally in 16 U.S.C. § 2601, et. seq. Various provisions appear elsewhere in the United States Code.

than measuring a net metering facility for state law purposes.⁵ As explained below, there are many good reasons why FERC's one-mile rule should not be used to measure the capacity of net-metered facilities under 1 MW, including foremost that state law provides to the contrary and because FERC itself has stated that PURPA does not apply to state net-metering facilities.

Therefore, the county's interests are significantly implicated by the order if, as Xcel now argues, the order requires Xcel to abrogate its existing contracts and compel the county to negotiate new PPAs for the separate solar facilities. Xcel would aggregate the capacity of these facilities without the county's approval and mandate metering in 15-minute intervals instead of the monthly and annual intervals specified in the existing contracts, all to the county's substantial financial detriment.

Discussion

Hennepin County respectfully requests the Commission to amend its order in Docket 24-389 to clarify it did *not* adopt FERC's one-mile rule so as to combine the capacity of state net-metered facilities. Clarification is needed because Xcel is asserting the order adopts this rule and the county believes the order does not adopt such a rule and, in any event, adoption would be contrary to Minnesota law. To the extent the Commission adopted the one-mile rule, Hennepin County respectfully requests the Commission to reconsider its order.

Minnesota law defines a net metered facility as "an electric generation facility constructed for the purpose of offsetting energy use through the use of renewable energy or high-efficiency distributed generation sources." Minn. Stat. § 264.16, subd. 2(j). It further states that customers with a net metered facility:

having a capacity of 40 kilowatts or greater but less than 1,000 kilowatts that is interconnected to a public utility may elect to be compensated for the customer's net input into the utility system in the form of a kilowatt-hour credit on the customer's energy bill carried forward and applied to

⁵ Xcel Reply Comments, February 28, at 13.

subsequent energy bills. Any net input supplied by the customer into the utility system that exceeds energy supplied to the customer by the utility during a calendar year must be compensated at the applicable rate.

Minn. Stat. § 264.16, subd. 3a. Pursuant to the laws' plain language, Hennepin County's ACF and PSS arrays are eligible for net metering. Moreover, because FERC has made clear that its jurisdiction does not extend to state net metering, FERC's "one-mile rule" does not apply to the county's desire to offset its energy consumption under state law.

1. Minnesota statutes and rules measure capacity at the point of interconnection, not by the one-mile rule.

Neither Minnesota statutes, its rules, nor Xcel's QF tariffs purport to measure a net-metered facility's capacity by reference to the one-mile rule. Instead, they measure a distributed generation system's capacity in a straightforward, common-sense manner. Under the state law with respect to co-generation and small power production facilities, the term "capacity" is defined as "the number of megawatts alternating current (AC) *at the point of interconnection* between a distributed generation facility and a utility's electric system."⁶ Similarly, under applicable *and existing* Commission rules, "capacity means the capability to produce, transmit, or deliver electric energy, and is measured by the number of megawatts alternating current *at the point of common coupling*."⁷

Xcel's applicable tariffs – the tariffs in place at the time the county signed its Uniform Contracts with Xcel *and even after the tariff changes adopted in this docket* – also provide that the capacity of a distributed generation system must be measured as "the total capacity of all of the customer's systems *which are on the same set of aggregated meters*." Minnesota Electric Rate Book – MPUC No. 2, Section No. 9, 2nd Revised at Sheet No. 1, INDIVIDUAL SYSTEM CAPACITY LIMITS.⁸ The ACF and PSS solar

⁶ Minn. Stat. § 216B.164, subd. 2A(c) (emphasis added).

⁷ Minn. Rule pt. 7835.0100, subp. 4 (emphasis added).

⁸https://xcelnew.my.salesforce.com/sfc/p/#1U0000011ttV/a/8b0000002r6DF/aS_MPyau2II0kmtxQsWb7slykOVTYIxB7DCSRTF6bg

arrays are separately metered and are not aggregated, and each has its own Uniform Statewide Contract. Thus, even under Xcel’s own tariff, the capacities of the arrays are required to be separately measured, and each array measured at the point of interconnection is under 1 MW.

The Commission’s order cannot and does not amend or otherwise change existing state law – under both statute and rule – that provide unambiguously how the capacity of distributed energy resources is measured.

2. PURPA is inapplicable to state net metering.

In its reply comments, Xcel argued that PURPA and FERC’s implementing regulations tie the Commission’s hands regarding which facilities qualify for net metering and which do not. It is important, however, to parse what it means when both Xcel and the Department of Commerce state – correctly – that net metering is inapplicable to and “outside the scope of” PURPA.⁹

Under the Federal Power Act and PURPA Title II, FERC has jurisdiction over *wholesale sales* by public utilities or QFs, respectively. FERC has determined that under net metering programs, no purchase or sale of electricity at wholesale is taking place so long as a retail customer with on-site, behind-the-meter generation is not a net supplier of energy to the grid over the applicable retail billing period. Therefore, unless and until there is a demonstrated case in which net energy is being provided to the utility, FERC rules, including the one-mile rule, are inapplicable to net metering eligibility under Minnesota law.¹⁰ As FERC explained in 2009, “the Commission does not assert jurisdiction when the end-use customer that is also the owner of the generator receives a credit

⁹ “[N]et metering is an incentive mechanism that is *outside the scope of PURPA*.” Xcel Energy Petition, November 20, 2024, MPUC Docket 24-389, at 3 (emphasis supplied); Comments of the Department of Commerce, February 18, 2025, at 4; Xcel Energy Reply Comments, February 28, 2025, at 7.

¹⁰ See, NARUC PURPA Title Compliance Manual, at 104. <https://www.publicpower.org/system/files/documents/PURPA%20Title%20II%20Compliance%20Manual%202.0.pdf>

against its retail power purchases from the selling utility.”¹¹ Most recently, in *New England Ratepayers Ass’n*,¹² FERC specifically declined to answer whether credits to a retail customer under net metering are wholesale sales subject to FERC’s jurisdiction because the energy is sold to the utility’s retail load, or whether net metering is merely a function of retail billing, which falls under a state’s jurisdiction.

Xcel’s reliance in its reply comments on FERC’s decision in *SunE B9 Holdings*¹³ to support its argument that PURPA *requires* application of FERC’s one-mile rule to measure the capacity of net metering facilities under Minnesota’s net metering statute is misplaced. In *SunE*, all the QFs were selling energy under traditional power purchase agreements to the interconnected utility (Duke Energy), who blended the energy with energy from its other generation resources and then resold that energy to its captive, retail customers. Consistent with *Sun Edison*, those sales constituted “sales for resale” and thus were wholesale sales over which, and unlike net metering sales at issue here, FERC has explicit jurisdiction.

3. FERC’s one-mile rule applies only to small power production facilities seeking to qualify as QFs under PURPA, which the county is not.

FERC recently revised its regulations governing qualifying small power producers and co-generators under PURPA. One of those changes related to the one-mile rule. FERC amended its criteria for qualifying small power production facilities (i.e., “QFs”) with respect to the size of the facility, which now provides:

For purposes of this paragraph, there is an irrebuttable presumption that affiliated small power production qualifying facilities that use the same energy resource and are located one mile or less from the facility *for which*

¹¹ *Sun Edison LLC*, 129 FERC ¶ 61,146 (2009). While FERC has stated it would assert jurisdiction “[o]nly if the end-use customer participating in the net metering program produces more energy than it needs over the applicable billing period, and thus is considered to have made a net sale of energy to a utility over the applicable billing period,” it has never actually done so.

¹² 172 FERC ¶ 61,042 (2020).

¹³ Xcel Reply Comments at 11; (157 FERC ¶ 61,044, Oct. 20, 2016).

qualification or recertification is sought are located at the same site as the facility *for which qualification or recertification is sought*.¹⁴

The remainder of this rule also makes clear that the presumptions – for QFs more than one mile and less than 10 miles and for QFs located 10 miles or more from a related QF – apply *only* to small power production facilities that *seek to qualify as QFs*. There are certainly benefits of being a QF, including (i) the right to sell energy or capacity to an incumbent utility under the mandatory “put” provisions of PURPA, (ii) the right to purchase certain services from utilities, and (iii) relief from certain regulatory burdens.¹⁵ Because the county does not seek (nor need) the benefit associated with QF status for its solar facilities, the one-mile rule is inapplicable. The county seeks only to avail itself of Minnesota’s net metering statute to offset its facilities’ grid power with direct renewable energy resources.

4. The Commission should amend its order to clarify that it does not affect the county’s net metering contracts with Xcel.

As discussed above, state law unambiguously provides how the capacity of distributed energy resources is measured.¹⁶ To the extent the Commission’s order purports to adopt the one-mile rule and thereby aggregate the capacity of separately metered resources so that the aggregated capacity is greater than 1 MW, such a decision would conflict with state law. As noted above, Minn. Stat. § 216B.164, subd. 2A(c) already enshrines how the capacity of a small power production facility is measured, and there is no dispute that the ACF and PSS facilities have separate points of interconnection with Xcel. Indeed, they are served from different Xcel substations. Minnesota rules provide similarly.¹⁷

¹⁴ 18 C.F.R. § 292.204(a)(2)(i)(A) (emphasis added).

¹⁵ See, e.g., <https://www.ferc.gov/qf>

¹⁶ See, Minn. Stat. § 216B.164, subd. 2A(c) (emphasis added).

¹⁷ Minn. Rules pt. 7835.0100, subp. 4; Minn. Rules pt. 7835.9910.

The Commission's order – to the extent it purports to adopt the one-mile rule – does not make ineffective the otherwise controlling statute or rules. Nor should the decision have any binding effect with respect to the county, which was not a party to the docket. Indeed, any decision that purports to adopt the one-mile rule raises significant questions regarding the effect and applicability of such a decision on persons, such as the county, that were not parties to the docket, and thus to its applicability generally.

As the Commission is aware, to the extent the Commission intended to make FERC's one-mile rule a "statement of general applicability and future effect . . . adopted to implement or make specific the law enforced or administered by that agency," it was required to strictly follow the rulemaking procedures under Minnesota's Administrative Procedure Act, as it did when it adopted Chapter 7835, including specifically Minn. Rules 7835.0100, subp. 4 and Minn. R. 7835.9910 which define capacity as measured at the point of interconnection. *See, e.g., White Bear Lake Care Ctr., Inc. v. Minn. Dep't of Pub. Welfare*, 319 N.W.2d 7, 9 (Minn. 1982)("[r]ules must be adopted in accordance with specific notice and comment procedures established by statute, and the failure to comply with necessary procedures results in invalidity of the rule").¹⁸

5. By enforcing the one-mile rule, Xcel seeks to abrogate the Uniform Statewide Contracts it signed in the fall of 2024 and on which the county spent more than \$4 million in reliance.

The county and Xcel entered separate Uniform Statewide Contracts for each of the arrays, pursuant to which the county was entitled to be compensated under the net metering rate codes A53/A54 and A55/A56, which provide that Xcel will credit the county for net exports of energy on a monthly and annual basis.¹⁹ The contracts were effective

¹⁸ In fact, such a modification could only be made in a docket like Docket 24-200 wherein the Commission initiated a rulemaking proceeding to consider its interpretation of and possible modification of the definition of capacity, which has been challenged and is currently pending in the Court of Appeals.

¹⁹ "The Utility will buy electricity from a metered facility under the current rate schedule filed with the Commission or will compensate the facility in the form of a kilowatt-credit on the facility's energy bill." Section 6, Uniform Statewide Contract.

September 5, 2024, and October 9, 2024, respectively. The county relied on the contracts' net metering rates in planning and constructing the arrays, at a cost to the county of approximately \$4.1 million.

The county has raised to Xcel that rescission of its contracts would amount to a breach of contract. In response, Xcel pointed in its June 6 letter to Section 17 of the Uniform Contract, which purports to give either party the right to "cancel" the contract at any time, for any reason, after providing the other party with 30 days' notice.²⁰ The county did not participate in the rulemaking docket that adopted chapter 7835, including the language of the Uniform Contract. It would note, however, that a provision that allows the utility to walk away from its contractual commitments after a party expended millions of dollars in good faith reliance on such contracts is *highly unusual* and certainly not reflective of the market for similar energy purchase contracts. Xcel has not currently provided notice of its cancellation of its Uniform Contracts with the county, but its suggestion that the rates in those contracts are no longer applicable effectively achieves the same result.

6. Public policy favors enforcing the contracts as executed.

Minnesota statute 216B.164, subd. 1 states "[t]his section shall *at all times* be construed in accordance with its intent to give the *maximum possible encouragement* to cogeneration and small power production consistent with protection of the ratepayers and the public." (Emphasis supplied). Xcel's position that the county arrays should not be entitled to net metering because of the inapplicable and never-adopted FERC one-mile

²⁰ Minn. R. 7835.9910 states that the "form for the uniform statewide contract *must be* applied to all new and existing interconnections between a utility and cogeneration and small power production facilities having less than 1,000 kilowatts of capacity." (Emphasis supplied). Section 17 of the Uniform Contract states "[t]his contract becomes effective as soon as it is signed by the QF and the Utility. This contract will remain in force until either the QF or the Utility gives written notice to the other that the contract is canceled. This contract will be canceled 30 days after notice is given."

rule is at odds with the statute's plain language and legislative intent. As Xcel is aware, the one-mile rule was intended to prevent energy developers from exceeding the PURPA 80-MW limit by daisy-chaining affiliated QFs next to one another, which together exceeded 80 MW, and forcing the interconnected utilities to purchase the energy at the utilities' avoided cost. It was not intended to prohibit net metering projects under a program encouraged by the state and over which the FERC has repeatedly stated it has no legal jurisdiction.

Conclusion

For the forgoing reasons, Hennepin County respectfully requests the Commission clarify that in its June 25, 2025 order it did *not* adopt FERC's one-mile rule so as to combine the capacity of state net metered facilities, and to the extent the order adopted such a rule, that it reconsider that aspect of the order because it is inconsistent with state and federal law.

Respectfully submitted,

Dated: July 15, 2025

KUTAK ROCK LLP

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HENNEPIN COUNTY, MINNESOTA

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ATTACHMENT 1



ATTACHMENT 2

UNIFORM STATEWIDE CONTRACT FOR COGENERATION AND SMALL POWER PRODUCTION FACILITIES

Customer Name: HENNEPIN COUNTY

Mailing Address: , Minnesota,

Premise Address: 1145 SHENANDOAH LN N

Telephone/Cell Number: 612348300

Application #: [05772029](#)

Premise Number: 304575704

Please note the following operating requirements:

Interconnection Customer will operate the DER as an inverter-based DER at a power factor as identified by the Engineering Study to mitigate voltage or power quality issues resulting from the interconnection of the DER. Operation outside the specified power factor range is not allowed at any time without permission by Area EPS Operator. It is the responsibility of Interconnection Customer and not Area EPS Operator to assure that all equipment is sized properly so as to not curtail real power production if that is an objective of the Interconnection Customer.

A). If Interconnection Customer is operating the DER at a fixed power factor, it shall be power factor 0.98 (leading). The use of the term "leading" means the DER is absorbing reactive power. The use of the term "lagging" means the DER is injecting reactive power. This power factor is specified at the reference point of applicability (RPA). This power factor is subject to change over time where in the judgment of the Area EPS Operator a change is needed in order to maintain appropriate quality of electricity to the retail customers of the Area EPS Operator and for reliability and safety issues as more distributed energy resources are added to a feeder, feeders are reconfigured, as load changes on a feeder, or for other reasons. The possible changes to the power factor are mentioned here to help set expectations that changes to this should be expected over time. The power factor shall be changed upon notice by the Area EPS Operator to the Interconnection Customer.

B). If Interconnection Customer is operating the DER using a Smart Inverter, the dynamic power factor shall be set in Volt-VAR Mode using the following parameters. These parameters are described in the Xcel Energy MN Standard URP Settings and are defined by IEEE 1547-2018.

QV_CURVE_V1-SS	0.92	V p.u.
QV_CURVE_Q1-SS	0.44	Var p.u.
QV_CURVE_V2-SS	0.98	V p.u.
QV_CURVE_Q2-SS	0.0	Var p.u.
QV_CURVE_V3-SS	1.02	V p.u.
QV_CURVE_Q3-SS	0.0	Var p.u.
QV_CURVE_V4-SS	1.08	V p.u.
QV_CURVE_Q4-SS	-0.44	Var p.u.

These parameters are specified at the reference point of applicability (RPA). These parameters are subject to change over time where in the judgment of the Area EPS Operator a change is needed in order to maintain appropriate quality of electricity to the retail customers of the Area EPS Operator and for reliability and safety issues as more distributed energy resources are added to a feeder, feeders are reconfigured, as load changes on a feeder, or for other reasons. These possible changes to the parameters are mentioned here to help set expectations that changes to these parameters should be expected over time. These parameters shall be changed upon notice by the Area EPS Operator to the Interconnection Customer.

For more information, please refer to the Technical Specifications Manual on Xcel Energy's Interconnection webpage: <https://mn.my.xcelenergy.com/s/renewable/developers/interconnection>.

Northern States Power Company, a Minnesota corporation

Minneapolis, Minnesota 55401

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

TECHNICAL AND SPECIAL TERMS FOR

Section No. 9

COGENERATION AND SMALL POWER PRODUCTION

2nd Revised Sheet No. 1

CAPACITY. The capability to produce, transmit, or deliver electric energy, which is measured by the number of megawatts alternating current at the point of common coupling between a QF or NMF and a utility's electric system.

FIRM POWER. Firm power is energy delivered by a QF or NMF to the utility with at least 65% on peak capacity factor in the billing period. The capacity factor is based upon a QF's or NMF's maximum on peak metered capacity delivered to the utility during the billing period.

GENERATION SYSTEM. For an interconnection not subject to the MN DIP, the generation system is the interconnected generator(s), controls, relays, switches, breakers, transformers, inverters and associated wiring and cables, up to the Point of Common Coupling. For an interconnection subject to the MN DIP, this term shall mean Distributed Energy Resources as defined in the MN DIP.

INDIVIDUAL SYSTEM CAPACITY LIMITS.

1. Customers with a facility of 40-kilowatt AC capacity or more and participating in net metering and net billing may be required to limit the total generation capacity of individual distributed generation systems by either: a. for wind generation systems, limiting the total generation system capacity kilowatt alternating current to 120 percent of the customer's on-site maximum electric demand; or b. for solar photovoltaic and other distributed generation, limiting the total generation system annual energy production kilowatt hours alternating current to 120 percent of the customer's on-site annual electric energy consumption.
2. Limits under paragraph 1.(a) applicable to measuring on-site maximum electric demand must be based on standard 15-minute intervals, measured during the previous 12 calendar months. If a facility subject to the demand limits under paragraph 1.(a) has either less than 12 calendar months of actual electric usage or has no demand metering available, then the means of estimating annual demand or usage for purposes of applying these limits will be based on looking at information for similarly situated customers.
3. The total generation capacity of individual distributed generation systems is determined by the total capacity of all of the customer's systems which are on the same set of aggregated meters. On-site maximum electric demand and on-site annual electric energy consumption are determined by total demand or electric energy consumption associated with the same set of aggregated meters.
4. For wind generation systems, the Company will estimate customer demand use for purposes of calculating the 120 percent rule by determining a demand-billed customer's highest billed on-site kW demand in all bills issued during the most recent calendar year. For non-demand customers, the Company shall impute the equivalent peak demand level by first determining the customer's most recent on-site annual (12-month) billed kWh sales. Those kWh sales shall be divided by the product of an assumed 30% annual load factor and the number of actual hours in that year (either 8,760 hours in a standard year or 8,784 hours in a leap year). The resulting quotient will serve as the customer's estimated on site maximum electric demand.
5. For solar photovoltaic and other distributed generation systems, where 12 months of usage data is not available, the Company will estimate customer energy use for purposes of calculating the 120 percent rule by averaging four months of usage. If four months of usage is not available, the Company will apply the limits under paragraph 1.(a) based on looking at information for similarly situated customers.

Date Filed: 12-14-18

By: Christopher B. Clark
President, Northern States Power Company, a Minnesota corporation

Effective Date: 05-09-19

Docket No. E002/M-18-714

Order Date: 05-09-19

Northern States Power Company, a Minnesota corporation

Minneapolis, Minnesota 55401

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

TECHNICAL AND SPECIAL TERMS FOR

Section No. 9

COGENERATION AND SMALL POWER PRODUCTION

1st Revised Sheet No. 1.1

(Continued)

INTERCONNECTION COSTS. The reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the Company that are directly related to installing and maintaining the physical facilities necessary to permit interconnected operations with a qualifying facility. Costs are considered interconnection costs only to the extent that they exceeded the corresponding costs which the Company would have incurred if it had not engaged in interconnected operations, but instead generated from its own facilities or purchased from other sources an equivalent amount of electric energy or capacity. Costs are considered interconnection costs only to the extent that they exceed the costs utility would incur in selling electricity to the qualifying facility as a non-generating customer.

METERING CHARGE. The monthly metering charge recovers the cost and installation of the additional meter and the associated billing, operating, and maintenance expenses.

MN DIA. The Minnesota Distributed Energy Resource Interconnection Agreement. See Company Section 10 tariff.

MN DIP. The Minnesota Distributed Energy Resource Interconnection Process. See Company Section 10 tariff. The MN DIA shall be considered to be part of the MN DIP.

MN TECHNICAL REQUIREMENTS (OR MINNESOTA TECHNICAL REQUIREMENTS). These are as defined in the MN DIP, Attachment 1, Glossary of Terms, and also include all requirements in the Operating Agreement attached to the MN DIA.

NET INTERCONNECTION CHARGE. The net interconnection charge will be assessed on a non-refundable basis to recover the Company's reasonable costs of connection, switching, transmission, distribution, safety provisions, and administrative costs that are directly related to installing and maintaining the physical facilities necessary to permit interconnected operations with a QF or NMF in excess of the facilities and expenses recovered in the monthly metering charge.

NET METERED FACILITY (NMF). An electric generation facility constructed for the purpose of offsetting energy use through the use of renewable energy or high-efficiency distributed generation sources.

OFF PEAK PERIOD. The off peak period contains all other hours not included in the on peak period. Definition of on peak and off peak period is subject to change with change in Company's system operating characteristics.

ON PEAK PERIOD. The on peak period contains all hours between 9:00 a.m. and 9:00 p.m., Monday through Friday, except the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When a designated holiday occurs on Saturday, the preceding Friday will be designated a holiday. When a designated holiday occurs on Sunday, the following Monday will be designated a holiday.

QUALIFYING FACILITY (QF). A qualifying facility is a cogeneration or small power production facility which satisfies the conditions in 18 Code of Federal Regulations, Part 292.

SMALL QUALIFYING FACILITY (SQF). A small qualifying facility is a qualifying facility with certified capacity of 100 kW AC or less.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

EXCESS GENERATION-AVERAGE RETAIL UTILITY ENERGY
SERVICE
RATE CODE A50

Section No. 9
30th Revised No. 2

AVAILABILITY

This service corresponds to Minn. R. 7835.4012 and Minn. R. 7835.4013 (Average Retail Energy Rate) and to Paragraph 3.a of the Uniform Statewide Contract for Cogeneration and Small Power Production. Available to any qualifying facility (QF) of less than 40 kW AC capacity who receives non-time of day retail electric service from Company and offsets energy delivered by Company. The A50 Rate Code applies to the extent the energy delivered by the customer exceeds that supplied by the Company during the monthly billing period, and the rates below are for that net excess generation.

RATE

Metering charges are as set forth in the Section 10 tariff

Payment per kWh for Energy Delivered to Company in
Excess of Energy Used

	<u>Oct-May</u>	<u>Jun-Sep</u>
With Retail Non-Demand Metered Service	\$0.12159	\$0.13149
With Retail Demand Metered Service	\$0.07111	\$0.08394

TERMS AND CONDITIONS OF SERVICE

1. Energy used by customer in excess of energy delivered by the QF at the same site during the same billing period shall be billed in accordance with the appropriate non-time of day retail electric rate.
2. For demand metered General Service customers, the entire kW demand supplied by the Company at the same site during the same billing period shall be billed to the customer according to the appropriate general service demand charge rate.
3. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the QF. The net interconnection charge is the responsibility of the QF.
4. The voltage and phase of customer's generator must be consistent with existing service and approved by the Company.
5. The customer must comply with the MN Technical Requirements.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

SALE TO COMPANY AFTER CUSTOMER SELF-USE
RATE CODE A51, A52

Section No. 9
28th Revised Sheet No. 3

AVAILABILITY

This service corresponds to Minn. R. 7835.4012, .4014 (Simultaneous Purchase and Sale Billing Rate) and .4015 (Time-of-Day Purchase Rates) and to Paragraphs 3.b., 3.c., 4.a and 4.b of the Uniform Statewide Contract for Cogeneration and Small Power Production. Available to any qualifying facility (QF) customer of less than 1,000 kW AC capacity. The energy payment rates below apply to the energy which the customer exports to the Company after any self-use by the customer.

RATE

Metering charges are as set forth in the Section 10 tariff

Where the customer receives non-time of day retail electric service, the following Rate Code applies.

Payment Schedule for Energy Delivered to Company (A51)	<u>Oct-May</u>	<u>Jun-Sep</u>
Energy Payment per kWh	\$0.03031	\$0.03213
Capacity Payment for Firm Power per kWh	\$0.00176	\$0.01252

Where the customer receives time of day retail electric service, the following Rate Code applies.

Payment Schedule for Energy Delivered to Company (A52)	<u>Oct-May</u>	<u>Jun-Sep</u>
On Peak Energy Payment per kWh	\$0.03821	\$0.04484
Off Peak Energy Payment per kWh	\$0.02613	\$0.02525
Capacity Payment for Firm Power per On Peak kWh	\$0.00506	\$0.03589

DETERMINATION OF FIRM POWER

The customer will have supplied firm power if during the billing period an on peak capacity factor of at least 65% was achieved. The calculation of the on peak capacity factor will be as follows: the average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

(Continued on Sheet No. 9-3.1)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

SALE TO COMPANY AFTER CUSTOMER SELF-USE

Section No. 9

RATE CODE A51, A52 (Continued)

1st Revised Sheet No. 3.1

TERMS AND CONDITIONS OF SERVICE

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the retail rate applicable to the customer.
2. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the customer. The net interconnection charge is the responsibility of the customer.
3. The voltage and phase of customer's generator must be consistent with existing service and approved by the Company.
4. The customer must comply with the MN Technical Requirements.
5. Individual System Capacity Limits apply.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

MONTHLY NET METERING

Section No. 9

RATE CODE A53, A54

27th Revised Sheet No. 4

AVAILABILITY

This service corresponds to Minn. R. 7835.4012, .4014 (Simultaneous Purchase and Sale Billing Rate) and .4015 (Time-of-Day Purchase Rates) and to Paragraphs 3.b., 3.c., 4.a. and 4.b. of the Uniform Statewide Contract for Cogeneration and Small Power Production.

Available to any qualifying facility (QF) customer of less than 1,000 kW AC capacity. The energy payment rates below apply to the extent the energy delivered by the customer exceeds that supplied by the Company during the monthly billing period, and the rates below are for that net excess generation.

RATE

Metering charges are as set forth in the Section 10 tariff

Where the customer receives non-time of day retail electric service, the following Rate Code applies.

Payment Schedule for Energy Delivered to Company in Excess of Energy Used (A53)

	<u>Oct-May</u>	<u>Jun-Sep</u>
Energy Payment per kWh	\$0.03031	\$0.03213
Capacity Payment for Firm Power per kWh	\$0.00176	\$0.01252

Where the customer receives time of day retail electric service, the following Rate Code applies.

Payment Schedule for Energy Delivered to Company in Excess of Energy Used (A54)

	<u>Oct-May</u>	<u>Jun-Sep</u>
On Peak Energy Payment per kWh	\$0.03821	\$0.04484
Off Peak Energy Payment per kWh	\$0.02613	\$0.02525
Capacity Payment for Firm Power per On Peak kWh	\$0.00506	\$0.03589

DETERMINATION OF FIRM POWER

The customer will have supplied firm power if during the billing period an on peak capacity factor of at least 65% was achieved. The calculation of the on peak capacity factor will be as follows: the average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

MONTHLY NET METERING

Section No. 9

RATE CODE A53, A54 (Continued)

1st Revised Sheet No. 4.1

TERMS AND CONDITIONS OF SERVICE

1. Electric service provided by Company to customer in excess of energy delivered by the QF at the same site during the same billing period shall be billed in accordance with the retail rate applicable to customer.
2. For demand metered General Service customers, the entire kW demand supplied by the Company at the same site during the same billing period shall be billed to the customer according to the appropriate general service demand charge rate.
3. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the customer. The net interconnection charge is the responsibility of the customer.
4. The voltage and phase of customer's generator must be consistent with existing service and approved by the Company.
5. The customer must comply with the MN Technical Requirements.
6. Individual System Capacity Limits apply.

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MINNESOTA ELECTIC RATE BOOK - MPUC NO. 2

ANNUAL NET METERING (KWH BANKING OPTION)	Section No.	9
RATE CODE A55, A56	7th Revised Sheet No.	4.2

Availability

This service corresponds to Minn. R. 7835.4012, .4014 (Simultaneous Purchase and Sale Billing Rate), .4015 (Time-of-Day Purchase Rates), and .4017 (Net Metered Facility; Bill Credits), and to Paragraphs 5.a, 5.b, and 5.c of the Uniform Statewide Contract for Cogeneration and Small Power Production. Available to a qualifying facility (QF) or Net Metered Facility (NMF) customer who elects to be compensated for net input into the utility's system in the form of a kilowatt-hour credit on the customer's bill for that customer's account, subject to the following conditions:

- A. The customer is not receiving a value of solar rate under Minnesota Statutes, section 216B.164, subdivision 10;
- B. The customer is interconnected with the Company; and
- C. The customer has at least 40 kilowatt AC capacity but less than 1,000 kilowatt AC capacity.

Metering charges are as set forth in the Section 10 tariff

The Company compensates the customer, in the form of an energy payment, for the bank balance for kWh credits annually at the rate set forth below.

Energy Payment per kWh for Customers on non-time of day Service Tariffs (A55)	Annual	\$0.03098
Time of Day Service Customers (A56)	Annual	
On Peak Energy Payment per kWh	\$0.04065	
Off Peak Energy Payment per kWh	\$0.02581	
Capacity Payment for FirmPower where customer receives	Oct-May	Jun-Sep
non-time of day retail electric service per kWh	\$0.00176	\$0.01252
time of day retail electric service per on-peak kWh	\$0.00506	\$0.03589

Determination of Firm Power

The customer will have supplied firm power if during the billing period an on peak capacity factor of at least 65% was achieved. The calculation of the on peak capacity factor will be as follows: the average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

(Continued on Sheet No. 9-4.3)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

ANNUAL NET METERING(KWH BANKING OPTION)

Section No. 9

RATE CODE A55, A56 (Continued)

1st Revised Sheet No. 4.3

TERMS AND CONDITIONS OF SERVICE

1. Electric service provided by Company to customer in excess of energy delivered by the QF or NMF including the depletion of any banked excess generation at the same site shall be billed in accordance with the retail rate applicable to customer.
2. For demand metered General Service customers, the entire kW demand supplied by the Company at the same site during the same billing period shall be billed to the customer according to the appropriate general service demand charge rate.
3. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the customer. The net interconnection charge is the responsibility of the customer.
4. The voltage and phase of customer's generator must be consistent with existing service and approved by the Company.
5. The customer must comply with the MN Technical Requirements.
6. Individual System Capacity Limits apply.
7. The Company will credit customers electing to "bank" annually via an on-bill credit for that customer's account posted on the bill following the billing cycle that includes December 31 and reflects payment for the bank balance for kWh credits accumulated up through the closing date on that bill which includes December 31. The effect of netting customer generation against customer use occurs on a roughly annual basis, but for administrative purposes may be a few days off from a calendar year. The bank balance increases or decreases monthly, but at end of any given monthly billing cycle never goes below zero.
8. To choose Annual Net Metering, the customer should select Paragraphs 5.a. in the Uniform Statewide Contract for Cogeneration and Small Power Production, in addition to either Paragraph 5.b. or 5.c of that contract.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

RULES AND REGULATIONS APPLICABLE TO	Section No. 9
COGENERATION AND SMALL POWER PRODUCTION	3rd Revised Sheet No. 5
FACILITIES	

APPLICATION OF THE MN DIP

To the extent that an application or interconnection is subject to the MN DIP, and there is any inconsistency between the interconnection requirements of this Section 9 related to Cogeneration and Small Power Production and the MN DIP as set forth in the Section 10 tariff or the MN Technical Requirements, the interconnection requirements of the MN DIP and MN Technical Requirements shall control over the interconnection requirements of this Section 9 tariff related to Cogeneration and Small Power Production. Notwithstanding this, for purposes of interpreting this Section 9 tariff related to Cogeneration and Small Power Production the MN DIP or MN Technical Requirements will not control over the interconnection requirements of this Section 9 tariff related to Cogeneration and Small Power Production that define the terms "Qualifying Facility" and "Generation System".

FACILITY LOCATION AND COMPLIANCE

Customer agrees to locate the qualifying facility (QF) or Net Metered Facility (NMF) so as to not cause a hazard to the Company distribution system. Wind generators may only be installed at Company approved locations that preclude any possibility of the generation system contacting any Company facilities if the system accidentally topples over. The total tower height, including the propeller when in the highest position, must be used in the determination. Customer agrees that the installation shall be in compliance with all applicable electric codes and the QF will be operated only after the installation has been inspected and approved by the appropriate authorities. Customer understands and agrees that Company approval of the proposed or installed QF does not preclude the necessity of customer obtaining all required permits, building and zoning variations, and applicable inspections.

TECHNICAL INTERCONNECTION REQUIREMENTS

The MN Technical Requirements apply. Before a customer signs the Uniform Statewide Contract, the Company must distribute to that customer a copy of, electronic link to, the then-current MN Technical Requirements.

CONNECTION AND SAFETY DISCONNECT SWITCH

Company agrees to permit customer to connect the proposed QF to the Company distribution system on the load side of customer's meter. The connection must be made through a customer provided, customer installed, National Electrical Manufacturer's Association approved, manual safety disconnect switch of adequate ampere capacity. The switch shall not open the neutral when the switch is open. This switch shall have provisions for being padlocked in the open position with a standard Company padlock. Customer agrees to locate the switch in a position accessible to Company personnel, and further agrees that the switch may be operated by Company personnel at all times that such operation is deemed necessary by Company for safety and operating reasons. QF's using line commutated synchronous inverters shall have the inverters connected on the load side (QF side) of the safety disconnect switch.

(Continued on Sheet No. 9-5.1)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

RULES AND REGULATIONS APPLICABLE TO COGENERATION

Section No. 9

ANDSMALL POWER PRODUCTION FACILITIES (Continued)

Original Sheet No. 5.1

DISTRIBUTION SYSTEM ADEQUACY

The proposed QF installation will be reviewed by Company to determine adequacy of the associated Company distribution system components. The customer agrees to reimburse Company for the addition, modification, or replacement of any distribution system components made necessary by customer's QF or NMF installation.

INTERFERENCE

Customer agrees to disconnect the QF or NMF from the Company distribution system or to reimburse Company for cost of necessary system modifications if operation of the QF or NMF causes radio, television, or electrical service interference to other customers, or interference with the operation of Company's system.

SPECIAL METERING

Customer agrees to allow Company at Company's expense to install necessary special metering and measuring equipment at the above address to provide information on the effect of the QF or NMF.

(Continued on Sheet No. 9-6)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

RULES AND REGULATIONS APPLICABLE TO	Section No.	9
COGENERATION AND SMALL POWER PRODUCTION	3rd Revised Sheet No.	6
FACILITIES (Continued)		

MAIN SERVICE METERING SCENARIOS

1. No Sale to Company

If customer does not intend to sell energy to Company, the billing of customer's electrical consumption provided by Company will be on the available retail rates and the electric meter measuring this consumption will be configured to allow measurement only of energy flow into the customer's premises. Customer will provide all meter socket replacement and rewiring required to accommodate this meter that measures energy flow in one direction only. Where the customer chooses no sale to the Company, the customer will need to sign either the Section 10 Interconnection Agreement where the MN DIP does not apply, or the MN DIA where the MN DIP does apply, but does not need to sign the Section 9 Uniform Statewide Contract. Even if the no sale option is selected, for systems sized 40 kW AC or larger, the customer will still need a production meter for a new interconnection of a generating system, and the metering charge will correspond to the applicable metering charge in the Section 10 tariff.

Or

2. Sales of All or Part of Customer Produced Energy

If customer intends to sell energy to Company under this Section 9 tariff, a meter will be installed by the Company that will record energy delivered. Production meters are not required for systems rated under 40 kW. Customer will provide all meter socket replacement and rewiring required to install any applicable meter.

REVENUE LOSS

Company shall not be liable for revenue lost by customer due to Company's inability to purchase or wheel customer generated energy for any reason not within Company's reasonable control.

(Continued on Sheet No. 9-7)

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RULES AND REGULATIONS APPLICABLE TO	Section No. 9
COGENERATION AND SMALL POWER PRODUCTION	2nd Revised Sheet No. 7
FACILITIES (Continued)	

KIND OF CUSTOMER SERVICE SUPPLIED TO COMPANY

Customer agrees to supply and Company agrees to accept electric service in the form of 277/480 3ph phase, 3 wire for single phase and 4 wire for three phase wire, alternating current at a nominal frequency of 60 hertz, and at a nominal voltage of 277/480 3ph located at 1145 SHENANDOAH LN N, PLYMOUTH, Hennepin, Minnesota, 55447-3201

PARALLEL OPERATION

Customer shall provide the necessary equipment as approved by Company to operate the QF or NMF in parallel with Company's distribution system. The QF or NMF shall be equipped consistent with the MN Technical Requirements.

INSURANCE

The customer shall maintain during the term of this agreement liability insurance which insures customer against all claims for property damage and for personal injury or death arising out of, resulting from, or in any manner connected with the installation, operation, and maintenance of the QF or NMF. The insurance requirements are as set forth in the Section 10 tariff.

SPECIAL LOSS FACTOR ADJUSTMENT

If the SQF is located at a site outside Company service territory and energy is delivered to Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between point of generation and point of receipt by Company.

(Continued on Sheet No. 9-8)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

RULES AND REGULATIONS APPLICABLE TO COGENERATION

Section No. 9

AND SMALL POWER PRODUCTION FACILITIES (Continued)

3rd Revised Sheet No. 8

SPECIAL INTERCONNECTION FACILITIES

The metering charge assumes common use of all Company facilities, up to the metering point, for both receipt and delivery of energy. Any additional facilities required by Company to accommodate the QF or NMF will require QF or NMF to pay a net interconnection charge in advance.

METERING REQUIREMENTS

The QF or NMF shall make provision for on-site metering. On-site use of QF or NMF output shall be unmetered for purposes of compensation. QF or NMF shall cooperate with and allow Company to install and have access to on-site monitoring equipment for purposes of gathering QF or NMF performance data. A Company-owned bi-directional meter is required to be installed at each service location associated with each new Customer generation source subject to this tariff. A production meter may be required, in addition to the bi-directional meter, in certain circumstances. A production meter is not required for systems rated under 40 kW AC, unless that system is subject to an incentive or program rule requiring a production meter (e.g., Solar*Rewards). A production meter is required for all systems rated 40 kW AC or above. Customer will provide all meter housing and socket replacement and rewiring to install the metering.

BI-DIRECTIONAL METER

A bi-directional meter located at the main service will record energy delivered to the customer from the Company, and energy received by the Company from customer. Installation of a new bi-directional meter may not be required if the configuration of a customer's facilities allows and a previously installed bi-directional meter provides the information necessary for billing purposes.

PRODUCTION METER

The second (Production) meter will record energy generated by the QF or NMF system only. The Company shall install, or cause to be installed, own, operate and maintain the Production meter to measure the AC production of the QF or NMF system when a production meter is required. At customer's request, additional production meters, beyond Company-required production meters, may be installed if approved by the Company at the Customer's expense.

METERING CHARGES

Customer shall be charged the applicable metering charges as set forth in the Section 10 tariff. Payment for any additional facilities required by Company to accommodate the QF or NMF system will be consistent with the MN DIP, and where applicable, the MN DIA.

(Continued on Sheet No. 9-8.1)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

RULES AND REGULATIONS APPLICABLE TO COGENERATION

Section No. 9

AND SMALL POWER PRODUCTION FACILITIES (Continued)

Original Sheet No. 8.1

AGGREGATION OF METERS

The Company will aggregate meters at the request of a customer for services provided under Rate Codes A50, A51, A52, A53, A54, A55 or A56. The Company must aggregate for billing purposes a customer's designated distributed generation bi-directional meter with one or more aggregated retail meters if a customer requests that it to do so. To qualify for aggregation:

- 1. the meters must be located on contiguous property owned by the customer requesting the aggregation,
- 2. the account(s) associated with the meters must be in the name of the same customer,
- 3. the retail services associate with the aggregated meters of a customer must be either all time-of-day or all non-time-of-day,
- 4. the total of all aggregated meters must be subject in the aggregate to the size limitation under the single Rate Code chosen by the customer applicable to all of the aggregated meters (i.e., Rate Code A50, A51, A52, A53, A54, A55 or A56), and
- 5. if the customer has chosen the A53, A54, A55 or A56 rate code, the total of all aggregated meters is subject in the aggregate to the Individual System Capacity Limits,

As the term is used here, "contiguous property" means property owned or leased by the customer sharing a common border, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way, or Company rights-of-way. The Company must comply with a request by a customer-generator to aggregate additional meters within 90 days. The specific meters must be identified at the time of the request. In the event that more than one meter is identified, the customer must designate the rank order for the aggregated meters to which the net metered credits are to be applied. At least 60 days prior to the beginning of the next annual billing period, a customer may amend the rank order of the aggregated meters. The aggregation of meters applies only to charges that use kilowatt-hours as the billing determinant. All other charges applicable to each meter account shall be billed to the customer. The Company will first apply the kilowatt-hour credit to the charges for the designated meter and then to the charges for the aggregated meters in the rank order specified by the customer. If the Net Metered Facility supplies more electricity to the Company than the energy usage recorded by the customer-generator's designated and aggregated meters during a monthly billing period, the Company will apply, at the election of the customer, any excess production based on a monthly credit (Rate Codes A50, A51, A52, A53 or A54) or the Annual Metering (kWh Banking Option, Rate Codes A55 or A56). Where a monthly credit is chosen, Company shall apply monetary credits to the customer's next monthly bill for the excess kilowatt-hours. The fee to cover the administrative costs incurred in implementing meter aggregation requests is \$3.00 per month per retail meter for the meters that are aggregated.

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RULES AND REGULATIONS APPLICABLE TO COGENERATION

Section No. 9

AND SMALL POWER PRODUCTION FACILITIES (Continued)

1st Revised Sheet No. 8.2

OWNERSHIP OF RENEWABLE ENERGY CREDITS

Generators own all renewable energy credits unless:

- A. other ownership is expressly provided for by a contract between a generator and a utility;
- B. state law specifies a different outcome; or
- C. specific Commission orders or rules specify a different outcome.

DISTRIBUTED GENERATION PPAs WHERE RATE CODES A51-A56 DO NOT APPLY

If a qualifying facility (QF) has capacity of at least 40 kW AC but less than 1,000 kW AC and does not comply with the Individual System Capacity Limits, then the rate codes A51-A56 do not apply. These rate codes also do not apply, for example, where the QF or other distributed generation (DG) has a capacity of 1,000 kW AC or more. In circumstances where Rate Codes A51-A56 do not apply, then the Section 9 Uniform Statewide Contract also does not apply. Where the Section 9 Uniform Statewide Contract does not apply, the DG customer may apply for interconnection under the Company's Section 10 tariff. Whether the Company pays for energy or capacity delivered to it would depend on whether there is a power purchase agreement (PPA) and further depend on the rates, terms and conditions in the PPA. Nothing in this tariff shall be construed to obligate Company to enter into a PPA. The obligation to enter into such a PPA with a DG customer takes into consideration many factors, including whether there is a Legally Enforceable Obligation (LEO) of the Company to enter into such a PPA and the proposed rates, terms and conditions. The Company may also voluntarily enter into a PPA with a DG customer. Should a DG customer and Company enter into a PPA where the Section 9 Uniform Statewide Contract does not apply (and no other Section 9 tariffed contract applies, such as a Solar*Rewards contract), then the following procedures will apply:

1. If the DG is over 10 MW AC nameplate capacity, the PPA along with the associated Interconnection Agreement will need to be approved by the Commission.
2. If the DG has a nameplate capacity of 40 kW up to and including 10 MW AC, and is for a term of more than 5 years, the Company shall file the PPA with the Commission and the Company shall be permitted to proceed with the PPA beginning 32 days after filing if no objection or intent to object is filed within 30 days of filing. If there is an objection or intent to object filed in this 30-day time frame, then the Commission will need to issue an order approving the PPA before the PPA is approved.
3. If the DG has a nameplate capacity of 40 kW up to and including 10 MW AC, and is for a term of 5 years or less, the Company may proceed with the PPA, but the Commission can examine the prudence of rates in the PPA during any request for rate recovery..
4. Notwithstanding the above, if the Commission has otherwise directed that a Commission order is needed for the PPA to be approved then that Commission directive shall apply.

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Minneapolis, Minnesota 55401

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

STANDARD CONTRACT AND AGREEMENT FORMS

Section No. 9

1st Revised Sheet No. 9

Listed below are the titles of standard contract or service agreement forms Company requires of customers for cogeneration and small power production purchase services. Copies of the forms are shown on the following sheets in the order listed.

1. Uniform Statewide Contract for Cogeneration and Small Power Production Facilities

The form for the Uniform Statewide Contract must be applied to all new and existing interconnections between the Company and cogeneration and small power production facilities having less than 1,000 kilowatts AC of capacity except that any existing interconnection contract executed between the Company and a QF with capacity of less than 40 kilowatts AC remains in force until terminated by mutual agreement of the parties or as otherwise specified in the contract.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

UNIFORM STATEWIDE CONTRACT FOR

Section No. 9

COGENERATION AND SMALL PRODUCTION

2nd Revised Sheet No. 10

FACILITIES

UNIFORM STATEWIDE CONTRACT FOR

COGENERATION AND SMALL POWER PRODUCTION FACILITIES

THIS CONTRACT is entered into on Aug 1, 2024, by Northern States Power Company, a Minnesota corporation and wholly owned subsidiary of Xcel Energy Inc. (hereafter called "Utility") and HENNEPIN COUNTY (hereafter called "QF").

RECITALS

The QF has installed electric generating facilities, consisting of an interconnected qualified facility, rated at 620.000 kilowatts of electricity, on property located at 1145 SHENANDOAH LN N, PLYMOUTH, Hennepin, Minnesota, 55447-3201.

The QF is prepared to generate electricity in parallel with the Utility.

The QF's electric generating facilities meet the requirements of the Minnesota Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and Small Power Production and any technical standards for interconnection the Utility has established that are authorized by those rules.

The Utility is obligated under federal and Minnesota law to interconnect with the QF and to purchase electricity offered for sale by the QF.

A contract between the QF and the Utility is required by the Commission's rules.

AGREEMENTS

The QF and the Utility agree:

1. The Utility will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.
2. The Cooperative Electric Association or Municipally Owned Electric Utility will buy electricity from the QF under the current rate schedule filed with the Commission. The QF elects the rate schedule category hereinafter indicated:
____ a. Average retail utility energy rate under part 7835.3300.
____ b. Simultaneous purchase and sale billing rate under part 7835.3400.
____ c. Time-of-day purchase rates under part 7835.3500.

A copy of the presently filed rate schedule is attached to this contract.

(Continued on Sheet No. 9-10.1)

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Minneapolis, Minnesota 55401

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

UNIFORM STATEWIDE CONTRACT FOR

Section No. 9

COGENERATION AND SMALL PRODUCTION

Original Sheet No. 10.1

FACILITIES (Continued)

3. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated:

- _____ a. Average retail utility energy rate under part 7835.4013.
- _____ b. Simultaneous purchase and sale billing rate under part 7835.4014.
- _____ c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

4. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF is not a net metered facility and has at least 40 kilowatts capacity but less than 1,000 kilowatt capacity, the QF elects the rate schedule category hereinafter indicated:

- _____ a. Simultaneous purchase and sale billing rate under part 7835.4014.
- _____ b. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

5. The Utility will buy electricity from a net metered facility under the current rate schedule filed with the Commission or will compensate the facility in the form of a kilowatt-hour credit on the facility's energy bill. If the net metered facility has at least 40 kilowatts capacity but less than 1,000 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated (choose par. a, and then also choose either par. b or par. c): **A55**

- 5/A a. Kilowatt-hour energy credit on the customer's energy bill, carried forward and applied to subsequent energy bills, with an annual true-up under part 7835.4017.
- A55 b. Simultaneous purchase and sale billing rate under part 7835.4014.
- _____ c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

6. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Utility or of the Commission, and the QF and the Utility agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.

(Continued on Sheet No. 9-11)

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Minneapolis, Minnesota 55401

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

UNIFORM STATEWIDE CONTRACT FOR

Section No. 9

COGENERATION AND SMALL PRODUCTION

1st Revised Sheet No. 11

FACILITIES (Continued)

7. The Utility will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 5, will be made under one of the following options as chosen by the QF: Bill Credit

- ☒ a. Credit to the QF's account with the Utility.
☐ b. Paid by check to the QF within 15 days of the billing date.

8. Renewable energy credits associated with generation from the facility are owned by: HENNEPIN COUNTY (QF) .

9. The QF must operate its electric generating facilities within any rules, regulations, and policies adopted by the Utility not prohibited by the Commission's rules on Cogeneration and Small Power Production which provide reasonable technical connection and operating specifications for the QF. (Northern States Power Company's Rules and Regulations Applicable to Cogeneration and Small Power Production Facilities are attached). This agreement does not waive the QF's right to bring a dispute before the Commission as authorized by Minnesota Rules, part 7835.4500, and any other provision of the Commission's rules on Cogeneration and Small Power Production authorizing Commission resolution of a dispute.

10. The Utility's rules, regulations, and policies must conform to the Commission's rules on Cogeneration and Small Power Production.

11. The QF will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance.

12. The QF is responsible for the actual, reasonable costs of interconnection which are estimated to be \$ (No fees outstanding). The QF will pay the Utility in this way: Consistent with the process outlined in the Section 10 Interconnection Tariff.

13. The QF will give the Utility reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Utility's side of the interconnection. If the Utility enters the QF's property, the Utility will remain responsible for its personnel.

14. The Utility may stop providing electricity to the QF during a system emergency. The Utility will not discriminate against the QF when it stops providing electricity or when it resumes providing electricity.

(Continued on Sheet No. 9-12)

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Minneapolis, Minnesota 55401

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

UNIFORM STATEWIDE CONTRACT FOR

Section No. 9

COGENERATION AND SMALL PRODUCTION

1st Revised Sheet No. 12

FACILITIES (Continued)

15. The Utility may stop purchasing electricity from the QF when necessary for the Utility to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Utility will notify the QF before it stops purchasing electricity in this way: Consistent with the process outlined in the Section 10 Interconnection Tariff.

16. The QF will keep in force liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be consistent with the requirements of the Section 10 Interconnection Tariff. (\$300,000 for systems up to 40 kWAC; \$1,000,000 for systems larger than this up to 250 kWAC; and \$2,000,000 for systems larger than this up to 1MW) (The amount must be consistent with the Commission's interconnection standards under Minnesota Rules, par 7835.4750).

17. This contract becomes effective as soon as it is signed by the QF and the Utility. This contract will remain in force until either the QF or the Utility gives written notice to the other that the contract is canceled. This contract will be canceled 30 days after notice is given.

18. This contract contains all the agreements made between the QF and the Utility except that this contract shall at all times be subject to all rules and orders issued by the Public Utilities Commission or other government agency having jurisdiction over the subject matter of this contract. The QF and the Utility are not responsible for any agreements other than those stated in this contract.

THE QF AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT THE BEGINNING OF THIS CONTRACT.

QF (System Owner)

NORTHERN STATES POWER COMPANY,

a Minnesota corporation and wholly owned

subsidiary of Xcel Energy Inc.

By _____ *David Hough* _____
aj.vandenberghe@hennepin.us

(Title) _____ County Administrator _____

By _____ *Kerry Klemm* _____
kerry.r.klemm@xcelenergy.com

(Title) **Manager and above, Customer Strategy and Solutions**

Date _____ 09/05/2024 _____

Date _____ 09/05/2024 _____

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

UNIFORM STATEWIDE CONTRACT FOR

Section No. 9

COGENERATION AND SMALL PRODUCTION

1st Revised Sheet No.

12.1

FACILITIES - Approved Nonstandard Provisions Consistent with Minn. R. 7835.9920

1. Where a tenant has signed the Uniform Statewide Contract for a generation system that is the subject of a Solar*Rewards Contract with Addendum for Solar*Rewards Customer Contract (Addressing Solar*Rewards Program for Low-Income Tenants for Single Family Homes or Multi-Unit Dwellings), and that tenant later moves out and a new tenant moves in, then that new 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 terms and conditions, and benefits and responsibilities, set forth in the Uniform Statewide Contract shall apply to the then-current tenant. In the absence of an affirmative selection by the tenant, then the A50 net metering rate code shall apply. 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 the Uniform Statewide Contract and of the applicable net metering rate code.
2. 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 from 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.

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By: Christopher B. Clark
President, Northern States Power Company, a Minnesota corporation

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Order Date: 05-13-22

UNIFORM STATEWIDE CONTRACT FOR COGENERATION AND SMALL POWER PRODUCTION FACILITIES

Customer Name: Hennepin County

Mailing Address: 300 South Sixth Street, Minneapolis Minnesota, 55487

Premise Address: 1345 Shenandoah Lane N.

Telephone/Cell Number: 612-543-3526

Application #: [05751450](#)

Premise Number: 999999972

Please note the following operating requirements:

Interconnection Customer will operate the DER as an inverter-based DER at a power factor as identified by the Engineering Study to mitigate voltage or power quality issues resulting from the interconnection of the DER. Operation outside the specified power factor range is not allowed at any time without permission by Area EPS Operator. It is the responsibility of Interconnection Customer and not Area EPS Operator to assure that all equipment is sized properly so as to not curtail real power production if that is an objective of the Interconnection Customer.

A). If Interconnection Customer is operating the DER at a fixed power factor, it shall be power factor 0.98 (leading). The use of the term "leading" means the DER is absorbing reactive power. The use of the term "lagging" means the DER is injecting reactive power. This power factor is specified at the reference point of applicability (RPA). This power factor is subject to change over time where in the judgment of the Area EPS Operator a change is needed in order to maintain appropriate quality of electricity to the retail customers of the Area EPS Operator and for reliability and safety issues as more distributed energy resources are added to a feeder, feeders are reconfigured, as load changes on a feeder, or for other reasons. The possible changes to the power factor are mentioned here to help set expectations that changes to this should be expected over time. The power factor shall be changed upon notice by the Area EPS Operator to the Interconnection Customer.

B). If Interconnection Customer is operating the DER using a Smart Inverter, the dynamic power factor shall be set in Volt-VAR Mode using the following parameters. These parameters are described in the Xcel Energy MN Standard URP Settings and are defined by IEEE 1547-2018.

QV_CURVE_V1-SS	0.92	V p.u.
QV_CURVE_Q1-SS	0.44	Var p.u.
QV_CURVE_V2-SS	0.98	V p.u.
QV_CURVE_Q2-SS	0.0	Var p.u.
QV_CURVE_V3-SS	1.02	V p.u.
QV_CURVE_Q3-SS	0.0	Var p.u.
QV_CURVE_V4-SS	1.08	V p.u.
QV_CURVE_Q4-SS	-0.44	Var p.u.

These parameters are specified at the reference point of applicability (RPA). These parameters are subject to change over time where in the judgment of the Area EPS Operator a change is needed in order to maintain appropriate quality of electricity to the retail customers of the Area EPS Operator and for reliability and safety issues as more distributed energy resources are added to a feeder, feeders are reconfigured, as load changes on a feeder, or for other reasons. These possible changes to the parameters are mentioned here to help set expectations that changes to these parameters should be expected over time. These parameters shall be changed upon notice by the Area EPS Operator to the Interconnection Customer.

For more information, please refer to the Technical Specifications Manual on Xcel Energy's Interconnection webpage: <https://mn.my.xcelenergy.com/s/renewable/developers/interconnection>.

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

TECHNICAL AND SPECIAL TERMS FOR

Section No. 9

COGENERATION AND SMALL POWER PRODUCTION

2nd Revised Sheet No. 1

CAPACITY. The capability to produce, transmit, or deliver electric energy, which is measured by the number of megawatts alternating current at the point of common coupling between a QF or NMF and a utility's electric system.

FIRM POWER. Firm power is energy delivered by a QF or NMF to the utility with at least 65% on peak capacity factor in the billing period. The capacity factor is based upon a QF's or NMF's maximum on peak metered capacity delivered to the utility during the billing period.

GENERATION SYSTEM. For an interconnection not subject to the MN DIP, the generation system is the interconnected generator(s), controls, relays, switches, breakers, transformers, inverters and associated wiring and cables, up to the Point of Common Coupling. For an interconnection subject to the MN DIP, this term shall mean Distributed Energy Resources as defined in the MN DIP.

INDIVIDUAL SYSTEM CAPACITY LIMITS.

1. Customers with a facility of 40-kilowatt AC capacity or more and participating in net metering and net billing may be required to limit the total generation capacity of individual distributed generation systems by either: a. for wind generation systems, limiting the total generation system capacity kilowatt alternating current to 120 percent of the customer's on-site maximum electric demand; or b. for solar photovoltaic and other distributed generation, limiting the total generation system annual energy production kilowatt hours alternating current to 120 percent of the customer's on-site annual electric energy consumption.

2. Limits under paragraph 1.(a) applicable to measuring on-site maximum electric demand must be based on standard 15-minute intervals, measured during the previous 12 calendar months. If a facility subject to the demand limits under paragraph 1.(a) has either less than 12 calendar months of actual electric usage or has no demand metering available, then the means of estimating annual demand or usage for purposes of applying these limits will be based on looking at information for similarly situated customers.

3. The total generation capacity of individual distributed generation systems is determined by the total capacity of all of the customer's systems which are on the same set of aggregated meters. On-site maximum electric demand and on-site annual electric energy consumption are determined by total demand or electric energy consumption associated with the same set of aggregated meters.

4. For wind generation systems, the Company will estimate customer demand use for purposes of calculating the 120 percent rule by determining a demand-billed customer's highest billed on-site kW demand in all bills issued during the most recent calendar year. For non-demand customers, the Company shall impute the equivalent peak demand level by first determining the customer's most recent on-site annual (12-month) billed kWh sales. Those kWh sales shall be divided by the product of an assumed 30% annual load factor and the number of actual hours in that year (either 8,760 hours in a standard year or 8,784 hours in a leap year). The resulting quotient will serve as the customer's estimated on site maximum electric demand.

5. For solar photovoltaic and other distributed generation systems, where 12 months of usage data is not available, the Company will estimate customer energy use for purposes of calculating the 120 percent rule by averaging four months of usage. If four months of usage is not available, the Company will apply the limits under paragraph 1.(a) based on looking at information for similarly situated customers.

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Minneapolis, Minnesota 55401

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

TECHNICAL AND SPECIAL TERMS FOR

Section No. 9

COGENERATION AND SMALL POWER PRODUCTION

1st Revised Sheet No. 1.1

(Continued)

INTERCONNECTION COSTS. The reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, and administrative costs incurred by the Company that are directly related to installing and maintaining the physical facilities necessary to permit interconnected operations with a qualifying facility. Costs are considered interconnection costs only to the extent that they exceeded the corresponding costs which the Company would have incurred if it had not engaged in interconnected operations, but instead generated from its own facilities or purchased from other sources an equivalent amount of electric energy or capacity. Costs are considered interconnection costs only to the extent that they exceed the costs utility would incur in selling electricity to the qualifying facility as a non-generating customer.

METERING CHARGE. The monthly metering charge recovers the cost and installation of the additional meter and the associated billing, operating, and maintenance expenses.

MN DIA. The Minnesota Distributed Energy Resource Interconnection Agreement. See Company Section 10 tariff.

MN DIP. The Minnesota Distributed Energy Resource Interconnection Process. See Company Section 10 tariff. The MN DIA shall be considered to be part of the MN DIP.

MN TECHNICAL REQUIREMENTS (OR MINNESOTA TECHNICAL REQUIREMENTS). These are as defined in the MN DIP, Attachment 1, Glossary of Terms, and also include all requirements in the Operating Agreement attached to the MN DIA.

NET INTERCONNECTION CHARGE. The net interconnection charge will be assessed on a non-refundable basis to recover the Company's reasonable costs of connection, switching, transmission, distribution, safety provisions, and administrative costs that are directly related to installing and maintaining the physical facilities necessary to permit interconnected operations with a QF or NMF in excess of the facilities and expenses recovered in the monthly metering charge.

NET METERED FACILITY (NMF). An electric generation facility constructed for the purpose of offsetting energy use through the use of renewable energy or high-efficiency distributed generation sources.

OFF PEAK PERIOD. The off peak period contains all other hours not included in the on peak period. Definition of on peak and off peak period is subject to change with change in Company's system operating characteristics.

ON PEAK PERIOD. The on peak period contains all hours between 9:00 a.m. and 9:00 p.m., Monday through Friday, except the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When a designated holiday occurs on Saturday, the preceding Friday will be designated a holiday. When a designated holiday occurs on Sunday, the following Monday will be designated a holiday.

QUALIFYING FACILITY (QF). A qualifying facility is a cogeneration or small power production facility which satisfies the conditions in 18 Code of Federal Regulations, Part 292.

SMALL QUALIFYING FACILITY (SQF). A small qualifying facility is a qualifying facility with certified capacity of 100 kW AC or less.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

EXCESS GENERATION-AVERAGE RETAIL UTILITY ENERGY
SERVICE
RATE CODE A50

Section No. 9
30th Revised No. 2

AVAILABILITY

This service corresponds to Minn. R. 7835.4012 and Minn. R. 7835.4013 (Average Retail Energy Rate) and to Paragraph 3.a of the Uniform Statewide Contract for Cogeneration and Small Power Production. Available to any qualifying facility (QF) of less than 40 kW AC capacity who receives non-time of day retail electric service from Company and offsets energy delivered by Company. The A50 Rate Code applies to the extent the energy delivered by the customer exceeds that supplied by the Company during the monthly billing period, and the rates below are for that net excess generation.

RATE

Metering charges are as set forth in the Section 10 tariff

Payment per kWh for Energy Delivered to Company in
Excess of Energy Used

	<u>Oct-May</u>	<u>Jun-Sep</u>
With Retail Non-Demand Metered Service	\$0.12159	\$0.13149
With Retail Demand Metered Service	\$0.07111	\$0.08394

TERMS AND CONDITIONS OF SERVICE

1. Energy used by customer in excess of energy delivered by the QF at the same site during the same billing period shall be billed in accordance with the appropriate non-time of day retail electric rate.
2. For demand metered General Service customers, the entire kW demand supplied by the Company at the same site during the same billing period shall be billed to the customer according to the appropriate general service demand charge rate.
3. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the QF. The net interconnection charge is the responsibility of the QF.
4. The voltage and phase of customer's generator must be consistent with existing service and approved by the Company.
5. The customer must comply with the MN Technical Requirements.

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President, Northern States Power Company, a Minnesota corporation

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Order Date: 003-09-22

Northern States Power Company, a Minnesota corporation

Minneapolis, Minnesota 55401

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

SALE TO COMPANY AFTER CUSTOMER SELF-USE
RATE CODE A51, A52

Section No. 9
28th Revised Sheet No. 3

AVAILABILITY

This service corresponds to Minn. R. 7835.4012, .4014 (Simultaneous Purchase and Sale Billing Rate) and .4015 (Time-of-Day Purchase Rates) and to Paragraphs 3.b., 3.c., 4.a and 4.b of the Uniform Statewide Contract for Cogeneration and Small Power Production. Available to any qualifying facility (QF) customer of less than 1,000 kW AC capacity. The energy payment rates below apply to the energy which the customer exports to the Company after any self-use by the customer.

RATE

Metering charges are as set forth in the Section 10 tariff

Where the customer receives non-time of day retail electric service, the following Rate Code applies.

Payment Schedule for Energy Delivered to Company (A51)	<u>Oct-May</u>	<u>Jun-Sep</u>
Energy Payment per kWh	\$0.03031	\$0.03213
Capacity Payment for Firm Power per kWh	\$0.00176	\$0.01252

Where the customer receives time of day retail electric service, the following Rate Code applies.

Payment Schedule for Energy Delivered to Company (A52)	<u>Oct-May</u>	<u>Jun-Sep</u>
On Peak Energy Payment per kWh	\$0.03821	\$0.04484
Off Peak Energy Payment per kWh	\$0.02613	\$0.02525
Capacity Payment for Firm Power per On Peak kWh	\$0.00506	\$0.03589

DETERMINATION OF FIRM POWER

The customer will have supplied firm power if during the billing period an on peak capacity factor of at least 65% was achieved. The calculation of the on peak capacity factor will be as follows: the average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

(Continued on Sheet No. 9-3.1)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

SALE TO COMPANY AFTER CUSTOMER SELF-USE

Section No. 9

RATE CODE A51, A52 (Continued)

1st Revised Sheet No. 3.1

TERMS AND CONDITIONS OF SERVICE

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the retail rate applicable to the customer.
2. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the customer. The net interconnection charge is the responsibility of the customer.
3. The voltage and phase of customer's generator must be consistent with existing service and approved by the Company.
4. The customer must comply with the MN Technical Requirements.
5. Individual System Capacity Limits apply.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

MONTHLY NET METERING

Section No. 9

RATE CODE A53, A54

27th Revised Sheet No. 4

AVAILABILITY

This service corresponds to Minn. R. 7835.4012, .4014 (Simultaneous Purchase and Sale Billing Rate) and .4015 (Time-of-Day Purchase Rates) and to Paragraphs 3.b., 3.c., 4.a. and 4.b. of the Uniform Statewide Contract for Cogeneration and Small Power Production. Available to any qualifying facility (QF) customer of less than 1,000 kW AC capacity. The energy payment rates below apply to the extent the energy delivered by the customer exceeds that supplied by the Company during the monthly billing period, and the rates below are for that net excess generation.

RATE

Metering charges are as set forth in the Section 10 tariff

Where the customer receives non-time of day retail electric service, the following Rate Code applies.

Payment Schedule for Energy Delivered to Company in Excess of Energy Used (A53)	<u>Oct-May</u>	<u>Jun-Sep</u>
Energy Payment per kWh	\$0.03031	\$0.03213
Capacity Payment for Firm Power per kWh	\$0.00176	\$0.01252

Where the customer receives time of day retail electric service, the following Rate Code applies.

Payment Schedule for Energy Delivered to Company in Excess of Energy Used (A54)	<u>Oct-May</u>	<u>Jun-Sep</u>
On Peak Energy Payment per kWh	\$0.03821	\$0.04484
Off Peak Energy Payment per kWh	\$0.02613	\$0.02525
Capacity Payment for Firm Power per On Peak kWh	\$0.00506	\$0.03589

DETERMINATION OF FIRM POWER

The customer will have supplied firm power if during the billing period an on peak capacity factor of at least 65% was achieved. The calculation of the on peak capacity factor will be as follows: the average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

(Continued on Sheet No. 9-4.1)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

MONTHLY NET METERING

Section No. 9

RATE CODE A53, A54 (Continued)

1st Revised Sheet No. 4.1

TERMS AND CONDITIONS OF SERVICE

1. Electric service provided by Company to customer in excess of energy delivered by the QF at the same site during the same billing period shall be billed in accordance with the retail rate applicable to customer.
2. For demand metered General Service customers, the entire kW demand supplied by the Company at the same site during the same billing period shall be billed to the customer according to the appropriate general service demand charge rate.
3. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the customer. The net interconnection charge is the responsibility of the customer.
4. The voltage and phase of customer's generator must be consistent with existing service and approved by the Company.
5. The customer must comply with the MN Technical Requirements.
6. Individual System Capacity Limits apply.

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MINNESOTA ELECTIC RATE BOOK - MPUC NO. 2

ANNUAL NET METERING (KWH BANKING OPTION)	Section No.	9
RATE CODE A55, A56	7th Revised Sheet No.	4.2

Availability

This service corresponds to Minn. R. 7835.4012, .4014 (Simultaneous Purchase and Sale Billing Rate), .4015 (Time-of-Day Purchase Rates), and .4017 (Net Metered Facility; Bill Credits), and to Paragraphs 5.a, 5.b, and 5.c of the Uniform Statewide Contract for Cogeneration and Small Power Production. Available to a qualifying facility (QF) or Net Metered Facility (NMF) customer who elects to be compensated for net input into the utility's system in the form of a kilowatt-hour credit on the customer's bill for that customer's account, subject to the following conditions:

- A. The customer is not receiving a value of solar rate under Minnesota Statutes, section 216B.164, subdivision 10;
- B. The customer is interconnected with the Company; and
- C. The customer has at least 40 kilowatt AC capacity but less than 1,000 kilowatt AC capacity.

Metering charges are as set forth in the Section 10 tariff

The Company compensates the customer, in the form of an energy payment, for the bank balance for kWh credits annually at the rate set forth below.

Energy Payment per kWh for Customers on non-time of day Service Tariffs (A55)	Annual	\$0.03098
Time of Day Service Customers (A56)	Annual	
On Peak Energy Payment per kWh	\$0.04065	
Off Peak Energy Payment per kWh	\$0.02581	
Capacity Payment for FirmPower where customer receives	Oct-May	Jun-Sep
non-time of day retail electric service per kWh	\$0.00176	\$0.01252
time of day retail electric service per on-peak kWh	\$0.00506	\$0.03589

Determination of Firm Power

The customer will have supplied firm power if during the billing period an on peak capacity factor of at least 65% was achieved. The calculation of the on peak capacity factor will be as follows: the average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

(Continued on Sheet No. 9-4.3)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

ANNUAL NET METERING(KWH BANKING OPTION)

Section No. 9

RATE CODE A55, A56 (Continued)

1st Revised Sheet No. 4.3

TERMS AND CONDITIONS OF SERVICE

1. Electric service provided by Company to customer in excess of energy delivered by the QF or NMF including the depletion of any banked excess generation at the same site shall be billed in accordance with the retail rate applicable to customer.
2. For demand metered General Service customers, the entire kW demand supplied by the Company at the same site during the same billing period shall be billed to the customer according to the appropriate general service demand charge rate.
3. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the customer. The net interconnection charge is the responsibility of the customer.
4. The voltage and phase of customer's generator must be consistent with existing service and approved by the Company.
5. The customer must comply with the MN Technical Requirements.
6. Individual System Capacity Limits apply.
7. The Company will credit customers electing to "bank" annually via an on-bill credit for that customer's account posted on the bill following the billing cycle that includes December 31 and reflects payment for the bank balance for kWh credits accumulated up through the closing date on that bill which includes December 31. The effect of netting customer generation against customer use occurs on a roughly annual basis, but for administrative purposes may be a few days off from a calendar year. The bank balance increases or decreases monthly, but at end of any given monthly billing cycle never goes below zero.
8. To choose Annual Net Metering, the customer should select Paragraphs 5.a. in the Uniform Statewide Contract for Cogeneration and Small Power Production, in addition to either Paragraph 5.b. or 5.c of that contract.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

RULES AND REGULATIONS APPLICABLE TO	Section No. 9
COGENERATION AND SMALL POWER PRODUCTION	3rd Revised Sheet No. 5
FACILITIES	

APPLICATION OF THE MN DIP

To the extent that an application or interconnection is subject to the MN DIP, and there is any inconsistency between the interconnection requirements of this Section 9 related to Cogeneration and Small Power Production and the MN DIP as set forth in the Section 10 tariff or the MN Technical Requirements, the interconnection requirements of the MN DIP and MN Technical Requirements shall control over the interconnection requirements of this Section 9 tariff related to Cogeneration and Small Power Production. Notwithstanding this, for purposes of interpreting this Section 9 tariff related to Cogeneration and Small Power Production the MN DIP or MN Technical Requirements will not control over the interconnection requirements of this Section 9 tariff related to Cogeneration and Small Power Production that define the terms "Qualifying Facility" and "Generation System".

FACILITY LOCATION AND COMPLIANCE

Customer agrees to locate the qualifying facility (QF) or Net Metered Facility (NMF) so as to not cause a hazard to the Company distribution system. Wind generators may only be installed at Company approved locations that preclude any possibility of the generation system contacting any Company facilities if the system accidentally topples over. The total tower height, including the propeller when in the highest position, must be used in the determination. Customer agrees that the installation shall be in compliance with all applicable electric codes and the QF will be operated only after the installation has been inspected and approved by the appropriate authorities. Customer understands and agrees that Company approval of the proposed or installed QF does not preclude the necessity of customer obtaining all required permits, building and zoning variations, and applicable inspections.

TECHNICAL INTERCONNECTION REQUIREMENTS

The MN Technical Requirements apply. Before a customer signs the Uniform Statewide Contract, the Company must distribute to that customer a copy of, electronic link to, the then-current MN Technical Requirements.

CONNECTION AND SAFETY DISCONNECT SWITCH

Company agrees to permit customer to connect the proposed QF to the Company distribution system on the load side of customer's meter. The connection must be made through a customer provided, customer installed, National Electrical Manufacturer's Association approved, manual safety disconnect switch of adequate ampere capacity. The switch shall not open the neutral when the switch is open. This switch shall have provisions for being padlocked in the open position with a standard Company padlock. Customer agrees to locate the switch in a position accessible to Company personnel, and further agrees that the switch may be operated by Company personnel at all times that such operation is deemed necessary by Company for safety and operating reasons. QF's using line commutated synchronous inverters shall have the inverters connected on the load side (QF side) of the safety disconnect switch.

(Continued on Sheet No. 9-5.1)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

RULES AND REGULATIONS APPLICABLE TO COGENERATION

Section No. 9

ANDSMALL POWER PRODUCTION FACILITIES (Continued)

Original Sheet No. 5.1

DISTRIBUTION SYSTEM ADEQUACY

The proposed QF installation will be reviewed by Company to determine adequacy of the associated Company distribution system components. The customer agrees to reimburse Company for the addition, modification, or replacement of any distribution system components made necessary by customer's QF or NMF installation.

INTERFERENCE

Customer agrees to disconnect the QF or NMF from the Company distribution system or to reimburse Company for cost of necessary system modifications if operation of the QF or NMF causes radio, television, or electrical service interference to other customers, or interference with the operation of Company's system.

SPECIAL METERING

Customer agrees to allow Company at Company's expense to install necessary special metering and measuring equipment at the above address to provide information on the effect of the QF or NMF.

(Continued on Sheet No. 9-6)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

RULES AND REGULATIONS APPLICABLE TO	Section No.	9
COGENERATION AND SMALL POWER PRODUCTION	3rd Revised Sheet No.	6
FACILITIES (Continued)		

MAIN SERVICE METERING SCENARIOS

1. No Sale to Company

If customer does not intend to sell energy to Company, the billing of customer's electrical consumption provided by Company will be on the available retail rates and the electric meter measuring this consumption will be configured to allow measurement only of energy flow into the customer's premises. Customer will provide all meter socket replacement and rewiring required to accommodate this meter that measures energy flow in one direction only. Where the customer chooses no sale to the Company, the customer will need to sign either the Section 10 Interconnection Agreement where the MN DIP does not apply, or the MN DIA where the MN DIP does apply, but does not need to sign the Section 9 Uniform Statewide Contract. Even if the no sale option is selected, for systems sized 40 kW AC or larger, the customer will still need a production meter for a new interconnection of a generating system, and the metering charge will correspond to the applicable metering charge in the Section 10 tariff.

Or

2. Sales of All or Part of Customer Produced Energy

If customer intends to sell energy to Company under this Section 9 tariff, a meter will be installed by the Company that will record energy delivered. Production meters are not required for systems rated under 40 kW. Customer will provide all meter socket replacement and rewiring required to install any applicable meter.

REVENUE LOSS

Company shall not be liable for revenue lost by customer due to Company's inability to purchase or wheel customer generated energy for any reason not within Company's reasonable control.

(Continued on Sheet No. 9-7)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

RULES AND REGULATIONS APPLICABLE TO Section No. 9

COGENERATION AND SMALL POWER PRODUCTION 2nd Revised Sheet No. 7

FACILITIES (Continued)

KIND OF CUSTOMER SERVICE SUPPLIED TO COMPANY

Customer agrees to supply and Company agrees to accept electric service in the form of 277/480 3ph phase, 3 wire for single phase and 4 wire for three phase wire, alternating current at a nominal frequency of 60 hertz, and at a nominal voltage of 277/480 3ph located at 1345 Shenandoah Lane N., Plymouth, Hennepin, Minnesota, 55447

PARALLEL OPERATION

Customer shall provide the necessary equipment as approved by Company to operate the QF or NMF in parallel with Company's distribution system. The QF or NMF shall be equipped consistent with the MN Technical Requirements.

INSURANCE

The customer shall maintain during the term of this agreement liability insurance which insures customer against all claims for property damage and for personal injury or death arising out of, resulting from, or in any manner connected with the installation, operation, and maintenance of the QF or NMF. The insurance requirements are as set forth in the Section 10 tariff.

SPECIAL LOSS FACTOR ADJUSTMENT

If the SQF is located at a site outside Company service territory and energy is delivered to Company through facilities owned by another utility, energy payments will be adjusted downward reflecting losses occurring between point of generation and point of receipt by Company.

(Continued on Sheet No. 9-8)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

RULES AND REGULATIONS APPLICABLE TO COGENERATION

Section No. 9

AND SMALL POWER PRODUCTION FACILITIES (Continued)

3rd Revised Sheet No. 8

SPECIAL INTERCONNECTION FACILITIES

The metering charge assumes common use of all Company facilities, up to the metering point, for both receipt and delivery of energy. Any additional facilities required by Company to accommodate the QF or NMF will require QF or NMF to pay a net interconnection charge in advance.

METERING REQUIREMENTS

The QF or NMF shall make provision for on-site metering. On-site use of QF or NMF output shall be unmetered for purposes of compensation. QF or NMF shall cooperate with and allow Company to install and have access to on-site monitoring equipment for purposes of gathering QF or NMF performance data. A Company-owned bi-directional meter is required to be installed at each service location associated with each new Customer generation source subject to this tariff. A production meter may be required, in addition to the bi-directional meter, in certain circumstances. A production meter is not required for systems rated under 40 kW AC, unless that system is subject to an incentive or program rule requiring a production meter (e.g., Solar*Rewards). A production meter is required for all systems rated 40 kW AC or above. Customer will provide all meter housing and socket replacement and rewiring to install the metering.

BI-DIRECTIONAL METER

A bi-directional meter located at the main service will record energy delivered to the customer from the Company, and energy received by the Company from customer. Installation of a new bi-directional meter may not be required if the configuration of a customer's facilities allows and a previously installed bi-directional meter provides the information necessary for billing purposes.

PRODUCTION METER

The second (Production) meter will record energy generated by the QF or NMF system only. The Company shall install, or cause to be installed, own, operate and maintain the Production meter to measure the AC production of the QF or NMF system when a production meter is required. At customer's request, additional production meters, beyond Company-required production meters, may be installed if approved by the Company at the Customer's expense.

METERING CHARGES

Customer shall be charged the applicable metering charges as set forth in the Section 10 tariff. Payment for any additional facilities required by Company to accommodate the QF or NMF system will be consistent with the MN DIP, and where applicable, the MN DIA.

(Continued on Sheet No. 9-8.1)

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RULES AND REGULATIONS APPLICABLE TO COGENERATION

Section No. 9

AND SMALL POWER PRODUCTION FACILITIES (Continued)

Original Sheet No. 8.1

AGGREGATION OF METERS

The Company will aggregate meters at the request of a customer for services provided under Rate Codes A50, A51, A52, A53, A54, A55 or A56. The Company must aggregate for billing purposes a customer's designated distributed generation bi-directional meter with one or more aggregated retail meters if a customer requests that it to do so. To qualify for aggregation:

- 1. the meters must be located on contiguous property owned by the customer requesting the aggregation,
- 2. the account(s) associated with the meters must be in the name of the same customer,
- 3. the retail services associate with the aggregated meters of a customer must be either all time-of-day or all non-time-of-day,
- 4. the total of all aggregated meters must be subject in the aggregate to the size limitation under the single Rate Code chosen by the customer applicable to all of the aggregated meters (i.e., Rate Code A50, A51, A52, A53, A54, A55 or A56), and
- 5. if the customer has chosen the A53, A54, A55 or A56 rate code, the total of all aggregated meters is subject in the aggregate to the Individual System Capacity Limits,

As the term is used here, "contiguous property" means property owned or leased by the customer sharing a common border, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way, or Company rights-of-way. The Company must comply with a request by a customer-generator to aggregate additional meters within 90 days. The specific meters must be identified at the time of the request. In the event that more than one meter is identified, the customer must designate the rank order for the aggregated meters to which the net metered credits are to be applied. At least 60 days prior to the beginning of the next annual billing period, a customer may amend the rank order of the aggregated meters. The aggregation of meters applies only to charges that use kilowatt-hours as the billing determinant. All other charges applicable to each meter account shall be billed to the customer. The Company will first apply the kilowatt-hour credit to the charges for the designated meter and then to the charges for the aggregated meters in the rank order specified by the customer. If the Net Metered Facility supplies more electricity to the Company than the energy usage recorded by the customer-generator's designated and aggregated meters during a monthly billing period, the Company will apply, at the election of the customer, any excess production based on a monthly credit (Rate Codes A50, A51, A52, A53 or A54) or the Annual Metering (kWh Banking Option, Rate Codes A55 or A56). Where a monthly credit is chosen, Company shall apply monetary credits to the customer's next monthly bill for the excess kilowatt-hours. The fee to cover the administrative costs incurred in implementing meter aggregation requests is \$3.00 per month per retail meter for the meters that are aggregated.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

RULES AND REGULATIONS APPLICABLE TO COGENERATION

Section No. 9

AND SMALL POWER PRODUCTION FACILITIES (Continued)

1st Revised Sheet No. 8.2

OWNERSHIP OF RENEWABLE ENERGY CREDITS

Generators own all renewable energy credits unless:

- A. other ownership is expressly provided for by a contract between a generator and a utility;
- B. state law specifies a different outcome; or
- C. specific Commission orders or rules specify a different outcome.

DISTRIBUTED GENERATION PPAs WHERE RATE CODES A51-A56 DO NOT APPLY

If a qualifying facility (QF) has capacity of at least 40 kW AC but less than 1,000 kW AC and does not comply with the Individual System Capacity Limits, then the rate codes A51-A56 do not apply. These rate codes also do not apply, for example, where the QF or other distributed generation (DG) has a capacity of 1,000 kW AC or more. In circumstances where Rate Codes A51-A56 do not apply, then the Section 9 Uniform Statewide Contract also does not apply. Where the Section 9 Uniform Statewide Contract does not apply, the DG customer may apply for interconnection under the Company's Section 10 tariff. Whether the Company pays for energy or capacity delivered to it would depend on whether there is a power purchase agreement (PPA) and further depend on the rates, terms and conditions in the PPA. Nothing in this tariff shall be construed to obligate Company to enter into a PPA. The obligation to enter into such a PPA with a DG customer takes into consideration many factors, including whether there is a Legally Enforceable Obligation (LEO) of the Company to enter into such a PPA and the proposed rates, terms and conditions. The Company may also voluntarily enter into a PPA with a DG customer. Should a DG customer and Company enter into a PPA where the Section 9 Uniform Statewide Contract does not apply (and no other Section 9 tariffed contract applies, such as a Solar*Rewards contract), then the following procedures will apply:

1. If the DG is over 10 MW AC nameplate capacity, the PPA along with the associated Interconnection Agreement will need to be approved by the Commission.
2. If the DG has a nameplate capacity of 40 kW up to and including 10 MW AC, and is for a term of more than 5 years, the Company shall file the PPA with the Commission and the Company shall be permitted to proceed with the PPA beginning 32 days after filing if no objection or intent to object is filed within 30 days of filing. If there is an objection or intent to object filed in this 30-day time frame, then the Commission will need to issue an order approving the PPA before the PPA is approved.
3. If the DG has a nameplate capacity of 40 kW up to and including 10 MW AC, and is for a term of 5 years or less, the Company may proceed with the PPA, but the Commission can examine the prudence of rates in the PPA during any request for rate recovery..
4. Notwithstanding the above, if the Commission has otherwise directed that a Commission order is needed for the PPA to be approved then that Commission directive shall apply.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

STANDARD CONTRACT AND AGREEMENT FORMS

Section No. 9

1st Revised Sheet No. 9

Listed below are the titles of standard contract or service agreement forms Company requires of customers for cogeneration and small power production purchase services. Copies of the forms are shown on the following sheets in the order listed.

1. Uniform Statewide Contract for Cogeneration and Small Power Production Facilities

The form for the Uniform Statewide Contract must be applied to all new and existing interconnections between the Company and cogeneration and small power production facilities having less than 1,000 kilowatts AC of capacity except that any existing interconnection contract executed between the Company and a QF with capacity of less than 40 kilowatts AC remains in force until terminated by mutual agreement of the parties or as otherwise specified in the contract.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

UNIFORM STATEWIDE CONTRACT FOR

Section No. 9

COGENERATION AND SMALL PRODUCTION

2nd Revised Sheet No. 10

FACILITIES

UNIFORM STATEWIDE CONTRACT FOR

COGENERATION AND SMALL POWER PRODUCTION FACILITIES

THIS CONTRACT is entered into on Oct 2, 2024, by Northern States Power Company, a Minnesota corporation and wholly owned subsidiary of Xcel Energy Inc. (hereafter called "Utility") and Hennepin County (hereafter called "QF").

RECITALS

The QF has installed electric generating facilities, consisting of an interconnected qualified facility, rated at 720.000 kilowatts of electricity, on property located at 1345 Shenandoah Lane N., Plymouth, Hennepin, Minnesota, 55447.

The QF is prepared to generate electricity in parallel with the Utility.

The QF's electric generating facilities meet the requirements of the Minnesota Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and Small Power Production and any technical standards for interconnection the Utility has established that are authorized by those rules.

The Utility is obligated under federal and Minnesota law to interconnect with the QF and to purchase electricity offered for sale by the QF.

A contract between the QF and the Utility is required by the Commission's rules.

AGREEMENTS

The QF and the Utility agree:

1. The Utility will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.
2. The Cooperative Electric Association or Municipally Owned Electric Utility will buy electricity from the QF under the current rate schedule filed with the Commission. The QF elects the rate schedule category hereinafter indicated:
☐ a. Average retail utility energy rate under part 7835.3300.
☐ b. Simultaneous purchase and sale billing rate under part 7835.3400.
☐ c. Time-of-day purchase rates under part 7835.3500.

A copy of the presently filed rate schedule is attached to this contract.

(Continued on Sheet No. 9-10.1)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

UNIFORM STATEWIDE CONTRACT FOR

Section No. 9

COGENERATION AND SMALL PRODUCTION

Original Sheet No. 10.1

FACILITIES (Continued)

3. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated:

- _____ a. Average retail utility energy rate under part 7835.4013.
- _____ b. Simultaneous purchase and sale billing rate under part 7835.4014.
- _____ c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

4. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF is not a net metered facility and has at least 40 kilowatts capacity but less than 1,000 kilowatt capacity, the QF elects the rate schedule category hereinafter indicated:

- A53 _____ a. Simultaneous purchase and sale billing rate under part 7835.4014.
- _____ b. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

5. The Utility will buy electricity from a net metered facility under the current rate schedule filed with the Commission or will compensate the facility in the form of a kilowatt-hour credit on the facility's energy bill. If the net metered facility has at least 40 kilowatts capacity but less than 1,000 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated (choose par. a, and then also choose either par. b or par. c): A53

- _____ a. Kilowatt-hour energy credit on the customer's energy bill, carried forward and applied to subsequent energy bills, with an annual true-up under part 7835.4017.
- _____ b. Simultaneous purchase and sale billing rate under part 7835.4014.
- _____ c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

6. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Utility or of the Commission, and the QF and the Utility agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.

(Continued on Sheet No. 9-11)

Date Filed: 03-11-16

By: Christopher B. Clark

Effective Date: 07-21-17

President, Northern States Power Company, a Minnesota corporation

Docket No. E002/M-16-222

Order Date: 05-22-17

Northern States Power Company, a Minnesota corporation

Minneapolis, Minnesota 55401

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

UNIFORM STATEWIDE CONTRACT FOR

Section No. 9

COGENERATION AND SMALL PRODUCTION

1st Revised Sheet No. 11

FACILITIES (Continued)

7. The Utility will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 5, will be made under one of the following options as chosen by the QF: Bill Credit
- ☒ a. Credit to the QF's account with the Utility.
- ☐ b. Paid by check to the QF within 15 days of the billing date.
8. Renewable energy credits associated with generation from the facility are owned by: Hennepin County (QF) .
9. The QF must operate its electric generating facilities within any rules, regulations, and policies adopted by the Utility not prohibited by the Commission's rules on Cogeneration and Small Power Production which provide reasonable technical connection and operating specifications for the QF. (Northern States Power Company's Rules and Regulations Applicable to Cogeneration and Small Power Production Facilities are attached). This agreement does not waive the QF's right to bring a dispute before the Commission as authorized by Minnesota Rules, part 7835.4500, and any other provision of the Commission's rules on Cogeneration and Small Power Production authorizing Commission resolution of a dispute.
10. The Utility's rules, regulations, and policies must conform to the Commission's rules on Cogeneration and Small Power Production.
11. The QF will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance.
12. The QF is responsible for the actual, reasonable costs of interconnection which are estimated to be \$ (No fees outstanding). The QF will pay the Utility in this way: Consistent with the process outlined in the Section 10 Interconnection Tariff.
13. The QF will give the Utility reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Utility's side of the interconnection. If the Utility enters the QF's property, the Utility will remain responsible for its personnel.
14. The Utility may stop providing electricity to the QF during a system emergency. The Utility will not discriminate against the QF when it stops providing electricity or when it resumes providing electricity.

(Continued on Sheet No. 9-12)

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By: Christopher B. Clark

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Order Date: 05-22-17

Northern States Power Company, a Minnesota corporation

Minneapolis, Minnesota 55401

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

UNIFORM STATEWIDE CONTRACT FOR

Section No. 9

COGENERATION AND SMALL PRODUCTION

1st Revised Sheet No. 12

FACILITIES (Continued)

15. The Utility may stop purchasing electricity from the QF when necessary for the Utility to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Utility will notify the QF before it stops purchasing electricity in this way: Consistent with the process outlined in the Section 10 Interconnection Tariff.

16. The QF will keep in force liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be consistent with the requirements of the Section 10 Interconnection Tariff. (\$300,000 for systems up to 40 kWAC; \$1,000,000 for systems larger than this up to 250 kWAC; and \$2,000,000 for systems larger than this up to 1MW) (The amount must be consistent with the Commission's interconnection standards under Minnesota Rules, par 7835.4750).

17. This contract becomes effective as soon as it is signed by the QF and the Utility. This contract will remain in force until either the QF or the Utility gives written notice to the other that the contract is canceled. This contract will be canceled 30 days after notice is given.

18. This contract contains all the agreements made between the QF and the Utility except that this contract shall at all times be subject to all rules and orders issued by the Public Utilities Commission or other government agency having jurisdiction over the subject matter of this contract. The QF and the Utility are not responsible for any agreements other than those stated in this contract.

THE QF AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT THE BEGINNING OF THIS CONTRACT.

QF (System Owner)

NORTHERN STATES POWER COMPANY,

a Minnesota corporation and wholly owned

subsidiary of Xcel Energy Inc.

By David J. Hough
aj.vandenberghe@hennepin.us

(Title) Hennepin County Administrator

By Kerry Klemm
kerry.r.klemm@xcelenergy.com

(Title) Manager and above, Customer Strategy and Solutions

Date 10/08/2024

Date 10/09/2024

Date Filed: 03-11-16

By: Christopher B. Clark

Effective Date: 07-21-17

President, Northern States Power Company, a Minnesota corporation

Docket No. E002/M-16-222

Order Date: 05-22-17

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

UNIFORM STATEWIDE CONTRACT FOR

Section No. 9

COGENERATION AND SMALL PRODUCTION

1st Revised Sheet No.

12.1

FACILITIES - Approved Nonstandard Provisions Consistent with Minn. R. 7835.9920

1. Where a tenant has signed the Uniform Statewide Contract for a generation system that is the subject of a Solar*Rewards Contract with Addendum for Solar*Rewards Customer Contract (Addressing Solar*Rewards Program for Low-Income Tenants for Single Family Homes or Multi-Unit Dwellings), and that tenant later moves out and a new tenant moves in, then that new 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 terms and conditions, and benefits and responsibilities, set forth in the Uniform Statewide Contract shall apply to the then-current tenant. In the absence of an affirmative selection by the tenant, then the A50 net metering rate code shall apply. 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 the Uniform Statewide Contract and of the applicable net metering rate code.
2. 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 from 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.

Date Filed: 06-29-21

By: Christopher B. Clark
President, Northern States Power Company, a Minnesota corporation

Effective Date: 05-23-23

Docket No. E002/M-21-433

Order Date: 05-13-22

ATTACHMENT 3

From: Sedlacek, Jake A <Jake.Sedlacek@xcelenergy.com>
Sent: Monday, November 11, 2024 10:22 AM
To: AJ Van den Berghe
Subject: [External] Detail on Distributed Generation

CAUTION: This email was sent from outside of Hennepin County. Unless you recognize the sender and know the content, do not click links or open attachments.

AJ – the following is from Jim Denniston in our legal and regulatory area. Please forward on to the appropriate people in your organization so we can have a healthy discussion on how to best integrate Hennepin County’s new solar energy into the grid while maximizing benefits for your stakeholders!

The application of the 1-mile rule to determine the size of a “Qualifying Facility” (QF) for purposes of eligibility to participate in net metering is based on Minnesota statute (Minn. Stat. § 216B.164) which defines when net metering is available based on the capacity size of a QF, and on FERC regulation and order which define how to determine the capacity size of a QF. Under this statute, if the QF has a capacity over 1 MW, then net metering is not available.

Under FERC regulations and order, the capacity size of a QF is determined by using the 1-mile rule. The FERC analysis in SunE B9 Holdings, (157 FERC ¶ 61,044, issued October 20, 2016) is informative. The specific context in that case was whether the cumulative capacity of a number of PV inverters owned by affiliated developers that were within one mile of each other should be aggregated for purposes of determining whether they should be considered to be a single QF when applying the FERC one-mile rule. SunE characterized it as having eighteen physically separate 500 kW “Facilities” within one-mile. If the QF is larger than 1 MW capacity, it needs to file a FERC Form 556 Self-Certification. SunE had argued that it was exempt from the requirement to file the FERC Form 556 because, it argued, each inverter had a net power production capacity of less than 1 MW. (18 CFR §292.203(d)(1) exempts from the FERC Form 556 filing requirement any facility with a “net power production capacity” of 1 MW or less.) In determining the capacity, FERC measured the capacity of a QF by using the “net power production capacity.” FERC further used the aggregate of these capacity numbers within one mile to determine the overall size of the single QF composed of all of these inverters that were within one mile. The FERC determined that the QF was larger than 1 MW, and therefore, SunE needed to file the FERC Form 556 Self Certification for all of these inverters as a single facility in order to be considered as a QF.

FERC’s decision in the SunE case reflects an application of FERC’s so-called “one-mile” rule, pursuant to which all small power production facilities that are owned by the same entity and located within one mile of each other are considered to be a single small power production facility for purposes of QF certification. Under the one-mile rule, the net capacities of all the small power production facilities that are owned by the same entity (or affiliate), use the same energy resource (in this case, the sun), and are located within one mile of each other are aggregated to determine the “total” facility’s capacity on small power production facilities. The one-mile rule functions as a definitive rule such that FERC automatically deems any facilities inside the one-mile periphery as a single QF at a single site.

However, under FERC regulations and order, Xcel Energy in Minnesota would still have an obligation to offer a PPA at an avoided cost rate for a QF whose capacity is up to 5 MW even where the QF of this size is not eligible for net metering.

Please let me know if you have questions on this.

Jim

Jake Sedlacek

Xcel Energy

Key Account Manager

P: 612.216.8260

C: 651.214.2623

E: jake.sedlacek@xcelenergy.com

XCELENERGY.COM

Please consider the environment before printing this email.

ATTACHMENT 4



James R. Denniston
Assistant General Counsel

March 12, 2025

414 Nicollet Mall, 401-8
Minneapolis, Minnesota 55401
James.R.Denniston@xcelenergy.com

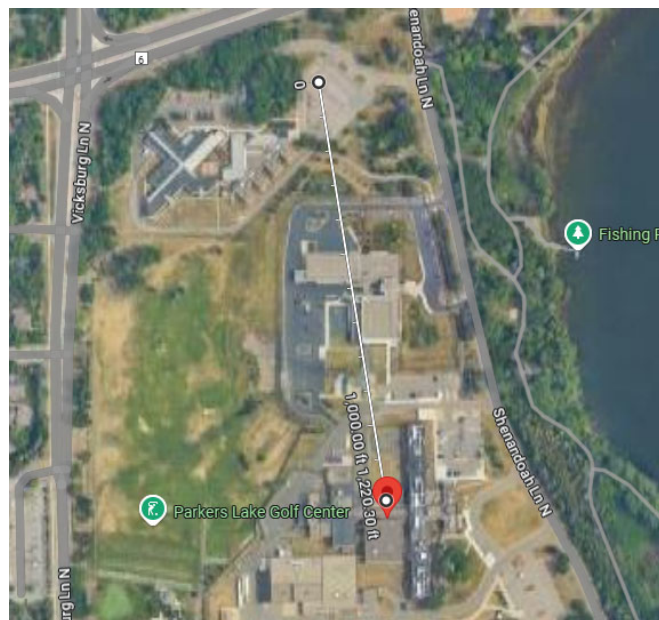
(Via email only to:
Rebecca.Holschuh@hennepin.us)

Rebecca Holschuh
Sr. Asst. Hennepin County Attorney
Hennepin County Attorney's Office
Civil Division, A-20 Government Center, MN 200
300 South Sixth Street
Minneapolis, MN 55487

Re: Hennepin County Solar Arrays in Plymouth

Dear Ms. Holschuh:

Thank you for your letter sent on February 25, 2025. Your letter referenced two solar arrays under construction owned by Hennepin County that are in close proximity to each other in Plymouth. The street addresses for these are 1145 Shenandoah Lande North for the 620 kW ACF array on the Adult Correctional Facility, and 1345 Shenandoah Lane North for the 720 kW PSS array on the Public Safety Service Headquarters. The approximate locations of these are shown in the clip below.



Your February 25 letter responded to our November 11, 2024 email which noted that the FERC Qualifying Facility (QF) 1-mile rule applies here. Under this FERC 1-mile rule the

capacity size of a QF is determined by aggregating the capacity of each of all solar arrays within 1 mile of each other that are owned by the same or affiliated legal entity and are powered by the same power source.

Your letter takes the position that being a QF is not a prerequisite for being eligible for Minnesota net metering under Minn. Stat. § 216B.164. Your letter argues, instead, that the Commission's "co-located" standard applied to Community Solar Gardens should be used to determine the capacity size for purposes of Minnesota net metering.

The Minnesota Statute at issue, Minn. Stat. § 216B.164, is to implement PURPA. This can be referred to as the Minnesota PURPA Implementation Statute. The statute specifically states that the FERC regulations under PURPA "... *shall, unless otherwise provided in this section, apply to all Minnesota electric utilities*", and that "*Nothing in this section shall be construed to alter the rights and duties of any person pursuant to [PURPA]... and the [FERC] regulations thereunder....*" (Minn. Stat. § 216B.164, Subd. 2)

The repeated language in Minn. Stat. §216B.164, when it uses the term capacity, associates it with the capacity of a "qualifying facility". (See, for example, Minn. Stat. § 216B.164 Subds. 3, 3a, 4, and 6). Consistent with this, the Uniform Statewide Contract under Minn. R. 7835.9910 that you seek to apply to these solar arrays references the utility purchase of production from the "QF." The term "qualifying facility" is well known as a FERC term as part of its implementation of PURPA. The provisions of Minn. Stat. §216B.164 do not indicate any different definition of this term other than as defined by FERC in implementing PURPA.

As noted in our November 11 email, the FERC analysis in SunE B9 Holdings (157 FERC ¶ 61,044, issued October 20, 2016) is informative on measuring the capacity of a QF. The specific context was whether multiple PV inverters owned by affiliated developers within one mile of each other should be aggregated to determine if they constitute a single QF under the FERC one-mile rule. SunE characterized these as eighteen physically separate 500 kW 'Facilities.' If the QF is larger than 1 MW capacity, it needs to file a FERC Form 556 Self-Certification. SunE had argued that it was exempt from the requirement to file FERC Form 556 because, it argued, each inverter had a net power production capacity of less than 1 MW. FERC determined that the QF was larger than 1 MW by aggregating the capacity of the systems within 1 mile to determine the overall size of the QF. Therefore, SunE needed to file FERC Form 556 Self-Certification for all of these inverters as a single facility in order to be considered as a QF.

FERC's decision in the SunE case reflects an application of FERC's 1-mile rule pursuant to which all small power production facilities that are owned by the same entity, powered

by the same power source, and located within one mile of each other are considered to be a single small power production facility for purposes of QF certification. Under the 1-mile rule, the total capacity of the QF for these arrays that are located within 1-mile of each other is the aggregate capacity of the arrays. The 1-mile rule functions as a definitive rule, such that FERC automatically deems any facilities inside the one-mile periphery as a single QF at a single site.

Given the specific deference in Minn. Stat. § 216B.164 to PURPA and FERC, and given that this statute refers to the capacity of the QF for purposes of applying net metering and other purposes, the FERC approach to determining the capacity of a QF should apply here.

Your letter takes the position that a net metering facility is different from a QF. We disagree. A “net metered facility” is a subset of what qualifies as a QF. Basically, a “net metered facility” is a QF that is constructed for the purpose of offsetting energy use through the use of renewable energy or high-efficiency distributed generation sources (Minn. Stat. §216B.164, Subd. 2a (j)) and if it has a capacity above or below certain thresholds (depending on the circumstances, either 40 kW or 1000 kW), it is eligible to certain rates for compensation and other requirements such as in some circumstances being subject to the 120 percent rule (Minn. Stat. §216B.164, Subd. 4c). The inter-relatedness of what the term “capacity” means for QFs, and “net metered facility” as a subset of QFs, is apparent in the fact that neither the applicable statutes nor rules suggest any difference between the two other than net metered facilities offsetting energy use. State statutes equate the capacity determination for each in Subd 3 (pars. e and f) and in Subd 3a (par. b). The Uniform Statewide Contract under Minn. R. 7835.9910 (to which net metering applies) refers to the customer as being a QF.

Your letter reflects your position that the “co-location” approach used for the Community Solar Garden (CSG) program should be used for these two solar arrays. The “co-location” approach for the CSG program is not applicable here. The two approaches are under different statutes. The net metering that you seek is under Minn. Stat. § 216B.164, the PURPA Implementation Statute. The CSG is under Minn. Stat. § 216B.1641. The Minnesota Court of Appeals has confirmed that the CSG statute is not governed by PURPA, but is instead an alternative to PURPA. (*In the Matter of Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of Its Proposed Community Solar Garden Program*, Minn. Ct. Appeals, May 31, 2016, Docket A15-1831, 2016 WL 3043122). The court stated in part as follows:

Minnesota law provides a platform for the implementation of solar-energy production through two statutes—Minn. Stat. §§ 216B.164 ... and

216B.1641. If a developer proceeds under Minn. Stat. § 216B.164, that developer is subject to the Public Utilities Regulatory Policies Act of 1978 (PURPA), which provides that a qualifying facility (QF) ... may take advantage of an “avoided cost rate.” ... PURPA was codified in Minnesota under Minn. Stat. § 216B.164, which enables the PUC to regulate the energy industry and implement PURPA’s provisions. ...

The entirety of Sunrise’s PURPA argument [(that the CSG is subject to PURPA)] rests on the contention that PURPA controls and, therefore, prohibits Xcel from denying a project on the basis of interconnection costs. But the CSG is an alternative program to the section 10 tariff that governs larger utility-scale projects because Minn. Stat. § 216B.164 already offers developers a vehicle for solar development.

(*Id.*, pages 9, and 18-19, and Westlaw pages *4, *8-*9)

Because these two solar arrays do not participate in the CSG program, the CSG rules do not apply to these arrays.

We can offer to Hennepin County a Power Purchase Agreement (PPA) at an avoided cost rate for energy exported to Xcel Energy. Please let us know if you are interested in that. The avoided cost rate that we would intend to offer would mirror our tariffed A51/A52 rate code based on 15-minute metering similar in application to our tariffed A51/A52 rate code, and as that tariffed A51/A52 rate code changes over time so would the PPA rate. You may seek to negotiate a different avoided cost rate. Please note that the Minnesota Public Utilities Commission has before it in Docket No. 24-389 the issue of our proposed standard offer PPA for QFs that exceed 1 MW (but which do not exceed 5 MW), and in this docket the issue of applying the FERC 1-mile rule has been teed up for Commission consideration. The comment period has been completed in this docket, and we would expect a Commission ruling in the coming months.

Your letter notes that there currently is a signed Uniform Statewide Contract in place for each of these solar arrays. That is correct. The first one of these to interconnect and achieve commercial operation will be subject to the applicable signed Uniform Statewide Contract. However, once both systems are interconnected and in operation, the cumulative size of this QF will exceed 1 MW and therefore neither will be eligible for the Uniform Statewide Contract because the QF at that time will be too large.

We look forward to hearing back from you.

Ms. Holschuh
March 12, 2025
Page 5 of 5

Sincerely,

/s/ James Denniston

Assistant General Counsel
Xcel Energy

Cc: AJ Van den Berghe (via email AJ.Vandenberghe@hennepin.us)
Jake Sedlacek (via email: Jake.Sedlacek@xcelenergy.com)

CERTIFICATION OF SERVICE

I, Trudy Paulson, hereby certify that on July 15, 2025, I e-filed the foregoing Petition for Reconsideration and Amendment of Hennepin County, Minnesota and served a true and correct copy of the same upon all parties listed in the attached service list via electronic filing.

Dated: July 15, 2025

By: /s/ Trudy Paulson
Trudy Paulson

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP		50 S 6th St Ste 2600 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-389
2	Matthew	Brodin	mbrodin@allete.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	M-24-389
3	Mike	Bull	mike.bull@state.mn.us		Public Utilities Commission	121 7th Place East, Suite 350 St. Paul MN, 55101 United States	Electronic Service		Yes	M-24-389
4	John	Coffman	john@johncoffman.net	AARP		871 Tuxedo Blvd, St, Louis MO, 63119-2044 United States	Electronic Service		No	M-24-389
5	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-24-389
6	George	Crocker	gwillc@nawo.org	North American Water Office		5093 Keats Avenue Lake Elmo MN, 55042 United States	Electronic Service		No	M-24-389
7	James	Denniston	james.r.denniston@xcelenergy.com	Xcel Energy Services, Inc.		414 Nicollet Mall, 401-8 Minneapolis MN, 55401 United States	Electronic Service		No	M-24-389
8	Christopher	Droske	christopher.droske@minneapolismn.gov	Northern States Power Company dba Xcel Energy-Elec		661 5th Ave N Minneapolis MN, 55405 United States	Electronic Service		No	M-24-389
9	John	Farrell	jfarrell@ilsr.org	Institute for Local Self-Reliance		2720 E, 22nd St Institute for Local Self-Reliance Minneapolis MN, 55406 United States	Electronic Service		No	M-24-389
10	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-24-389
11	Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association		4300 220th St W Farmington MN, 55024 United States	Electronic Service		No	M-24-389
12	Michael	Hoppe	lu23@ibew23.org	Local Union 23, I.B.E.W.		445 Etna Street Ste. 61 St. Paul MN, 55106 United States	Electronic Service		No	M-24-389
13	Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law		2950 Yellowtail Ave. Marathon FL, 33050 United States	Electronic Service		No	M-24-389

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
14	Richard	Johnson	rick.johnson@lawmoss.com	Moss & Barnett		150 S. 5th Street Suite 1200 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-389
15	Sarah	Johnson Phillips	sjphillips@stoel.com	Stoel Rives LLP		33 South Sixth Street Suite 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-389
16	Farid	Khosravi	farid.khosravi@akerman.com	Akerman LLP		999 Peachtree Street NE Suite 1700 Atlanta GA, 30309 United States	Electronic Service		No	M-24-389
17	Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.		8300 Norman Center Drive Suite 1000 Bloomington MN, 55437 United States	Electronic Service		No	M-24-389
18	Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting, LLC		961 N Lost Woods Rd Oconomowoc WI, 53066 United States	Electronic Service		No	M-24-389
19	Stacy	Miller	stacy.miller@minneapolismn.gov	City of Minneapolis		350 S. 5th Street Room M 301 Minneapolis MN, 55415 United States	Electronic Service		No	M-24-389
20	David	Moeller	dmoeller@allte.com	Minnesota Power			Electronic Service		No	M-24-389
21	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-389
22	David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency		220 South Sixth Street Suite 1300 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-389
23	Carol A.	Overland	overland@legalelectric.org	Legalelectric - Overland Law Office		1110 West Avenue Red Wing MN, 55066 United States	Electronic Service		No	M-24-389
24	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-24-389
25	Kevin	Reuther	kreuther@mncenter.org	MN Center for Environmental Advocacy		26 E Exchange St, Ste 206 St. Paul MN, 55101-1667 United States	Electronic Service		No	M-24-389
26	Christine	Schwartz	regulatory.records@xcelenergy.com	Xcel Energy		414 Nicollet Mall, MN1180-07-MCA Minneapolis MN, 55401-	Electronic Service		Yes	M-24-389

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
						1993 United States				
27	Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.		76 W Kellogg Blvd St. Paul MN, 55102 United States	Electronic Service		No	M-24-389
28	Byron E.	Starns	byron.starns@stinson.com	STINSON LLP		50 S 6th St Ste 2600 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-389
29	James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered		150 S 5th St Ste 700 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-389
30	Carla	Vita	carla.vita@state.mn.us	MN DEED		Great Northern Building 12th Floor 180 East Fifth Street St. Paul MN, 55101 United States	Electronic Service		No	M-24-389
31	Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine		225 South Sixth Street, Suite 3500 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-389
32	Kurt	Zimmerman	kwz@ibew160.org	Local Union #160, IBEW		2909 Anthony Ln St Anthony Village MN, 55418-3238 United States	Electronic Service		No	M-24-389
33	Patrick	Zomer	pat.zomer@lawmoss.com	Moss & Barnett PA		150 S 5th St #1200 Minneapolis MN, 55402 United States	Electronic Service		No	M-24-389