



A Work of Art Solar Sales
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February 7, 2014

Burl W. Haar
Public Utilities Commission
PUC Docket Number: E-002/M-13-315
In the Matter of a Rate for Large Solar Photovoltaic Installations

Dear Dr. Haar-

I am a solar developer that is very excited about all of the new changes that are transforming the Solar Industry into a market where a company can actually thrive instead of merely survive off the starvation diet of rebate installation to rebate installation. The Capacity Credit rate is the single most important change to the industry that will accomplish creating a strong Solar Industry with a limitless capacity for growth.

I have been watching the arguments over the Capacity Credit rate very carefully and I am very concerned about the outcome of a few points in the discussion. Please consider my concerns:

1. The Capacity Credit has been its own docket. I am most concerned about the suggestion that Capacity Credits get rolled into the Value of Solar. Capacity Credits are currently required. If Capacity Credits are rolled into VOS which is optional, and Xcel decides to opt out of VOS, they have effectively opted out of the currently required Capacity Credits, and have wasted years of effort that the Solar Industry and the PUC have invested in the Capacity Credit discussion.
2. I believe the current interim rate of \$5.15/kw/month is lower than it should be. The amount of \$8.35/kw/month that many developers and organizations have presented is not only justifiable and reasonable, but is critical to establishing a stable and ever growing solar industry in Minnesota.
3. There of course needs to be a proportional escalator applied to the Capacity Credits that tracks with demand charge rate increases.
4. There is a gap in the solar market between 40kw PV systems that qualify for rebates, and the 60kw PV systems that qualify for Capacity Credits. I believe that this current gap is acceptable as very few buildings fall in that range of useable roof space and this gap does not hurt the market. However, if the 60kw requirement to qualify for Capacity Credits were to increase to 100kw it would widen this gap and create a very noticeable hole in the solar market. The business that would suffer would not necessarily be Solar Developers, but the midsized business that want to take advantage of solar. There are many buildings that could fit an array of 75-85kw which is in the range of twice that of the 40kw rebate systems.
5. SRECs are important to the industry. I believe SRECs in Minnesota will eventually become a commodity that gives PV systems a decent return on investment. The SREC issue must remain separate from all discussions and be a topic all its own. No utility should be allowed to devalue them and take them for themselves without paying a fair market value for them. SREC ownership must remain tied to the PV systems owner.

Thank you for your consideration,
Arthur Crowell
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