

**STATE OF MINNESOTA  
PUBLIC UTILITIES COMMISSION**

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November 28, 2016

Mr. Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
Saint Paul, MN 551012147

RE: In the Matter of a Petition by Minnesota Power for Approval of a Community Solar Garden Program, Eligibility of the Energy Docket No. E-015/M-15-825.

Dear Executive Secretary Daniel P. Wolf:

Members of the Northland Community Solar Coalition (NCSC) respectfully submit the following reply comments in response to the Commission's October 11, 2016 Notice of Comment Period regarding Minnesota Power's (henceforth the "Company") community solar garden ("CSG") compliance filings filed on October 3, 2016. Initial comments were filed on the matter by Fresh Energy ("FE") and the Minnesota Department of Commerce ("Department"), and our reply to those comments entails filed compliance items on two issues which we address below,

- (1) draft Request for Proposals ("RFP") for non-utility CSG projects to participate in Minnesota Power's CSG program
- (2) solar renewable energy credits ("SREC") pricing.

**1) Draft RFP for non-utility CSG projects to participate in the Company's pilot CSG program**

*NCSC agrees with Department recommendation that the Company, "Provide additional detail on and a proposed weighting for its evaluation criteria in its RFP for 3-1 MW solar gardens".*

NCSC concurs with that recommendation, and feels that additional clarity in terms of the selection process, particularly who will be evaluating the projects and availability of public review of proposal recommendations, is equally important to ensure the "transparent, clear and consistent pathway to solar garden participation," one of NCSC's main concerns made in its reply comments on CSG on May 12, 2016.

*NCSC concurs with FE's many recommendations for additional information and the striking of comments in Section I of its initial comments, with one exception.*

NCSC feels that adopting all of these recommendations (with one exception, below) would increase clarity and certainty in draft RFP, which would thereby increase the probability of more proposal applications for nonutility pilot projects, thereby increasing the probability of market innovation and choice in CSG offerings to the public. In particular, NCSC is intrigued with FE's suggestion to allow the Company to directly manage subscriptions and billing for smaller, community-organization based

projects. We think that this could potentially align quite well with our own recommendation for the creation of a streamlined interconnection process for smaller, rooftop CSG proposals that pose little risk to grid operation or integrity.

*NCSC does take exception to FE recommendation that “the bill credits of non-utility CSGs will be in the same form as MP’s CSG in the program.”*

NCSC stands by our initial comments made on this proposal, namely that utilizing the Company’s current energy credit structure used with it’s current utility CSG project is not in the public interest for non-utility pilot project energy compensation. This is due to the great amount of uncertainty it would create in forecasting value for potential developers, community organizations, and subscribers, as well as the mixed message it sends regarding residential energy conversation and commercial demand change relevance. NCSC thereby recommends the application of a Value of Solar tariff to non-utility CSG produced energy through a subscriber bill credit as the best way to address these concerns.

## **2) SRECs Pricing**

*NCSC agrees with the Department recommendation to “Reissue its RFP on S-REC pricing to include the list of REC brokers found on the US Department of Energy website:*

[http://apps3.eere.energy.gov/greenpower/buying/buying\\_power.shtml?state= MN](http://apps3.eere.energy.gov/greenpower/buying/buying_power.shtml?state= MN)”

This recommendation, and the reasoning behind it, correlates with our own recommendation to “require that the company file an SREC price that considers SES compliance and voluntary market benchmarks.”

*NCSC likewise agrees with the FE recommendation that “the Company’s current SREC pricing should not be considered to reflect SREC market pricing, and should be updated as soon as reasonable, supported SREC pricing is provided in the record.”*

While a reissuing of the RFP on SREC pricing, as per the Department recommendation, should assist in this regard, NCSC likewise shares the concerns of FE that current SREC compensation proposal by the Company is not reasonable, nor supported in the record, despite repeated requests to illuminate how they arrived at their current proposed figure of \$2/MWh. The Company needs to provide some reasonable justification for its adherence to the proposed figure.

## **Conclusion**

Northland community members want community solar gardens to succeed in the Northland, and to do this, we have consistently stated that there needs to be a transparent, clear, and consistent pathway for all CSG proposals, utility or non-utility, and that there need to be fair pricing and compensation policy for CSG energy production. We the signed below feel that the recommendations that we made at the public stakeholder meetings (submitted separately with this document), within our initial comments, and in the reply comments herein, will assist in moving the draft RFP for non-utility CSG pilot projects toward those goals, to the benefit of all Northland residents.

Sincerely,

Arrowhead Regional Network, Minnesota Interfaith Power and Light

Conservation Minnesota

Cooperative Energy Futures

Institute for Local Self-Reliance

Peace United Church of Christ, FEET team (Food, Energy, and Environment)

Rural Renewable Energy Alliance (RREAL)

Sierra Club, Duluth Clean Energy Team

W. J. McCabe Chapter, Izaak Walton League of America