

December 23, 2025

Shasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: In the Matter of Verified Formal Complaint of Hennepin County, Minnesota Against
Xcel Energy Under Minn. Stat. § 216B.164
Docket No.

Dear Ms. Executive Secretary:

Attached for filing on behalf of Hennepin County, Minnesota, is a Verified Formal Complaint against Xcel Energy due to Xcel's anticipated repudiation of two Uniform Statewide Contracts it entered with the county and its failure to recognize the county's two solar arrays as net metered facilities under Minnesota law, each of which array is under one megawatt.

Xcel has informed the county it believes federal regulations—specifically the Federal Energy Regulatory Commission's "one-mile rule"¹— requires Xcel to combine the capacity of the separate arrays into a single qualifying facility (QF) that would result in the arrays' combined capacity being greater than 1 MW, making them ineligible for the net metering rates agreed upon by the parties.

Accordingly, Xcel has informed the county it intends to cancel the county's net metering contracts and pay the county less for excess energy exported to Xcel's distribution grid than the rates set forth in the contracts. Because the county's arrays are net metered facilities governed by Minn. Stat. § 216B.164 and are not subject to federal law, and because FERC's one-mile rule is inapplicable to the county's arrays, Hennepin County respectfully requests that the Commission, *inter alia*, (i) confirm each array's net metering status and elected rate codes, and

¹ 18 C.F.R. § 292.204(a)(2)(i)(A).

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(ii) bar Xcel from applying the federal one-mile rule to deny net metering rights and compensation under state law.

The county also requests reimbursement for its reasonable costs, disbursements, and attorneys' fees related to this action.

Because there are no material facts in dispute, the county is requesting an expedited proceeding pursuant to Minn. Rule 7829.1200, subp. 1.

The county acknowledges it is filing the Complaint just ahead of the holidays. To the extent necessary and reasonable, the county does not object to extensions or delays in processing this Complaint, including any answer on the part of Xcel.

Sincerely,

/s/ Todd J. Guerrero

Todd J. Guerrero

c: James Denniston, Esq. (james.r.denniston@xcelenergy.com) (w/attachments)

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

121 7th Place East, Suite 350

St. Paul, MN 55101-2147

**VERIFIED FORMAL COMPLAINT OF
HENNEPIN COUNTY, MINNESOTA
AGAINST XCEL ENERGY
REGARDING THE ILLEGAL
APPLICATION OF THE “ONE-MILE
RULE” TO RESTRICT NET
METERING PARTICIPATION AND
COMPENSATION UNDER MINN.
STAT. § 216B.164**

MPUC Docket No. _____

COMPLAINT

1 Complainant Hennepin County, Minnesota, by and through undersigned counsel, and
2 pursuant to MINN. STAT. § 216B.164, subd. 5, and MINN. R. 7829.1700 and 7835.4500, for its
3 Verified Formal Complaint against Northern States Power Co. d/b/a Xcel Energy for Xcel’s
4 violations of sections 216B.164, 216B.16, 216B.03, 216B.06, and 216B.07 of the Minnesota
5 Statutes and parts 7835.1900, 7835.4011, and 7835.4014 of the Minnesota Rules regarding Xcel’s
6 illegal application of the “one-mile rule” to restrict the county’s participation and compensation
7 under Minnesota’s net metering program, states as follows:

8 **PARTIES AND JURISDICTION**

9 1. Hennepin County is a political subdivision within the meaning of MINN. STAT. §
10 216B.17, subd. 1 entitled to bring this Verified Formal Complaint. *See* MINN. STAT. § 465.719,
11 subd. 1(a) (“Political subdivision” means a county[.]”). The county owns two photovoltaic solar
12 energy production facilities intended to operate as net metered facilities within the meaning of
13 MINN. STAT. § 216B.164 and MINN. R. 7835.4500 which are the subject of this dispute with Xcel.

1 programming for adults convicted of felony, gross misdemeanor, and misdemeanor offenses. The
2 facility has a capacity of 477 with 399 beds in the men’s section and 78 beds in the women’s
3 section.

4 6. Hennepin County owns and operates the Public Safety Services Headquarters
5 (PSH) in Plymouth, a 98,373 sq. ft. secure facility that houses the Hennepin County Sheriff’s
6 Office’s entire patrol division, evidence storage, a communications center, armory, SWAT team,
7 and vehicle storage for approximately 120 vehicles — including infrastructure to support
8 integration of an electric fleet.

9 7. The two net metered facilities the subject of dispute with Xcel include (1) the
10 county’s 720-kW solar facility at the PSH (“PSH array”) and (2) the county’s 620-kW solar facility
11 located at the ACF (“ACF array”), which is located 0.17 miles from the PSH array.

12 8. On September 5, 2024, Xcel and the county entered a Uniform Statewide Contract
13 for Cogeneration and Small Power Production for the ACF array (“ACF Contract”). Therein, Xcel
14 agreed to compensate the county for the ACF array’s net input to the Xcel distribution grid in the
15 form of a kilowatt-hour credit on its energy bill at the A55, A56 rate schedule. A true and correct
16 copy of the ACF Contract is attached hereto as **Attachment 1**. *See also* MINN. R. 7835.4014,
17 7835.4017; Minnesota Electric Rate Book – MPUC No. 2, Section No. 9, 7th Revised at Sheet
18 No. 4.2, AVAILABILITY (“Monthly NM Tariff”).

19 9. On October 9, 2024, Xcel and the county entered a separate Uniform Statewide
20 Contract for Cogeneration and Small Power Production for the PSH array (“PSH Contract”).
21 Therein, Xcel agreed to compensate the county for the PSH array’s net input to the Xcel
22 distribution grid in the form of a kilowatt-hour credit on its energy bill at the A53, A54 rate
23 schedule. A true and correct copy of the PSH Contract is attached hereto as **Attachment 2**. *See also*

1 MINN. R. 7835.4014, 7835.4012, 7835.4017; Minnesota Electric Rate Book – MPUC No. 2,
2 Section No. 9, 27th Revised at Sheet No. 4, AVAILABILITY (“Annual NM Tariff”).

3 10. The county relied on the net metering rates in each of those contracts when planning
4 and constructing the two arrays, at an aggregate cost to the county’s taxpayers of approximately
5 \$4.1 million.

6 11. The PSH array and ACF array are separately metered, have distinct interconnection
7 points, and are served from different Xcel distribution substations. A map of the PSH and ACF
8 arrays, including in relation to their respective Xcel substations, is attached hereto as
9 **Attachment 3.**

10 12. The PSH and ACF Xcel accounts are not aggregated, nor are the arrays’ respective
11 Xcel accounts, and the county has not requested aggregation.

12 13. On November 12, 2024, Xcel’s representative for the county’s accounts emailed to
13 inform the county it would no longer be able to net meter the arrays in accordance with the
14 contracts it signed. A true and correct copy of Xcel’s November 11, 2024, correspondence is
15 attached hereto as **Attachment 4.**

16 14. On March 12, 2025, Xcel sent a letter to the county stating that the PSH and ACF
17 arrays, each rated below 1 MW, are not eligible for net metering because their combined capacity
18 exceeds the 1 MW statutory limit for net metered facilities. This, according to Xcel, precludes the
19 application of the net metering structure provided for under the contracts and Xcel’s otherwise
20 applicable Annual NM Tariff. A true and correct copy of Xcel’s March 12, 2025, letter is attached
21 hereto as **Attachment 5.**

22 15. Xcel claimed it is required to combine the capacity of the two solar facilities
23 because of the “one-mile rule,” an issue Xcel stated was pending before the Commission in Docket

1 No. E-002/M-24-389. *Id.* That rule provides “there is an irrebuttable presumption that affiliated
2 small power production qualifying facilities that use the same energy resource and are located one
3 mile or less from the facility for which qualification or recertification is sought are located at the
4 same site as the facility for which qualification or recertification is sought.”¹ In the 389 docket,
5 the Commission approved a tariffed, form power purchase agreement for certain net metered
6 systems between 1 and 5 MW as proposed by Xcel. *See* Order Approving Net Metering Tariff
7 Changes, Docket No. E-002/M-24-389, June 25, 2025.

8 16. On July 15, 2025, the county filed a Petition for Reconsideration requesting the
9 Commission to clarify that it did not adopt FERC’s one-mile rule in its June 25, 2025 Order so as
10 to combine the capacity of net metered facilities under state law for net metering eligibility. *See*
11 Petition for Reconsideration by Hennepin County, Docket No. E-002/M-24-389, June 25, 2025.

12 17. Xcel responded, stating “[t]here is no need to amend the Order to create greater
13 clarity on the Commission applying the one-mile rule to determine the size of a QF for purposes
14 of implementing the state’s net metering programs. The Commission has properly applied the one-
15 mile rule and the Order did not change this.” *See* Answer To Petition For Amendment And
16 Reconsideration Proposed Revisions To Net Metering Tariffs, Docket No. E-002/M-24-389,
17 July 25, 2025. Xcel further stated that the one-mile rule applied specifically to the county’s two
18 arrays, claiming that “cumulatively under the one-mile rule they form a single QF which exceeds
19 1 MW, and this QF size is applicable once both systems have achieved operation[,]” thereby
20 excluding the PSH and ACF arrays from net metering eligibility. *Id.*

21 18. On September 11, 2025, the Commission entered an Order Denying
22 Reconsideration, in which it nonetheless held “[t]he Commission clarifies that the June 2025 Order

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

1 did not adopt or take any action related to the ‘one-mile rule’ for purposes of determining net
2 metering eligibility.” *See* Order Denying Reconsideration, Docket No. E-002/M-24-389,
3 September 11, 2025.

4 19. On September 23, 2025, the county notified Xcel that, following the Commission’s
5 Order, it intended for the PSH and ACF arrays to be governed by their respective Uniform
6 Statewide Contracts, including the application of the net metering rate for each facility as stated in
7 the contracts.

8 20. On October 2, 2025, Xcel responded “[o]ur position that the FERC one-mile rule
9 applies was developed and communicated to Hennepin County before the Commission made its
10 rulings in the 24-389 docket.” Xcel continued, “[w]e stand by the substance of our prior written
11 communications on this.” Xcel further stated that it would apply the one-mile rule to terminate
12 the two contracts and instead offer compensation for the PSH and ACF arrays’ net input into its
13 system at the avoided cost rate:

14 As communicated previously, the first DER system to achieve permission to
15 operate (PTO) can utilize the Uniform Statewide Contract, but once both systems
16 have achieved PTO then neither DER system is eligible to be under the Uniform
17 Statewide Contract because together they constitute a single QF that would exceed
18 1 MW. We would then issue a notice of cancellation for the signed Uniform
19 Statewide Contracts as provided for under par. 17 of the Uniform Statewide
20 Contract and offer to Hennepin County our tariffed PPA for systems up to 5 MW
21 for these two DER systems (and single QF). A different PPA can be negotiated,
22 but the compensation rate for energy delivered to Xcel Energy would need to be at
23 an avoided cost rate.

24 A true and correct copy of Xcel’s October 2, 2025, correspondence is attached hereto as
25 **Attachment 6.**

26 21. Xcel indicated that no further dispute resolution between the parties would be
27 productive absent Commission action and suggested that “the most productive way to proceed
28 here” would be for the county to file a complaint. *See id.*

1 system that exceeds energy supplied to the customer by the utility during a calendar
2 year must be compensated at the applicable rate.

3 (Emphasis supplied).

4 27. Hennepin County is a “customer with a net metered facility [the ACF array] having
5 a capacity of 40 kilowatts or greater but less than 1,000 kilowatts that is interconnected to a public
6 utility” because the ACF array is a solar photovoltaic electric-generating facility rated at 620 kW
7 and is interconnected with Xcel’s distribution system. MINN. STAT. § 216B.164, subd. 3a(a);
8 *see also* (Att. 1, ACF Contract, Section No. 9, 2nd Revised at Sheet No. 10). Accordingly, the ACF
9 array is an eligible net metered facility. *See* MINN. STAT. §§ 216B.164, subd. 3a(a), subd. 2a(j)
10 (defining “net metered facility”).

11 28. Hennepin County is a “customer with a net metered facility [the PSH array] having
12 a capacity of 40 kilowatts or greater but less than 1,000 kilowatts that is interconnected to a public
13 utility” because the PSH array is a solar photovoltaic electric-generating facility rated at 720 kW
14 and is interconnected with Xcel’s distribution system. MINN. STAT. § 216B.164, subd. 3a(a);
15 *see also* (Att. 2, PSH Contract, Section No. 9, 2nd Revised at Sheet No. 10). Accordingly, the PSH
16 array is an eligible net metered facility. *See* MINN. STAT. § 216B.164, subd. 3a(a), subd. 2a(j).

17 29. Xcel is required to purchase energy and capacity from the net metered facility and
18 to compensate it at the “standard rates described in parts 7835.4012 to 7835.4015.” MINN. R.
19 7835.1900 and 7835.4011.

20 30. In the ACF Contract, the county elected to be compensated for its net input into
21 Xcel’s system in the form of a kilowatt-hour credit on its bill for the ACF account under rate code
22 A55, A56, which correspond to the simultaneous purchase and sale billing rate of Minnesota Rule
23 7835.4014. *See* (Att. 1, ACF Contract, Section No. 9, Original Sheet No. 10.1, ¶ 5); *see also*
24 Minnesota Electric Rate Book – MPUC No. 2, Section No. 9, 7th Revised at Sheet No. 4.2.

1 31. In the PSH Contract, the county elected to be compensated for its net input into
2 Xcel’s system in the form of a kilowatt-hour credit on its bill for the PSH account under rate code
3 A53, A54, which correspond to the simultaneous purchase and sale billing rate of Rule 7835.4014.
4 *See* (Att. 1, PSH Contract, Section No. 9, Original Sheet No. 10.1, ¶¶ 4-5); *see also* Minnesota
5 Electric Rate Book – MPUC No. 2, Section No. 9, 27th Revised at Sheet No. 4.

6 32. Pursuant to Minnesota statutes and Commission rules, Hennepin County is a
7 customer with two net metered facilities. MINN. STAT. § 216B.164, subd. 3a(a), subd. 2a(j). Xcel
8 is obligated to purchase the excess energy provided by these facilities to its system and compensate
9 them at the rate codes elected by the county in the two respective contracts. MINN. STAT.
10 § 216B.164, subd. 3a(a); MINN. R. 7835.4011, 7835.4014.

11 33. Xcel has indicated, however, that because the county owns both facilities and
12 because they are within one mile of one another, it “must” apply the FERC one-mile rule to
13 aggregate the respective generation capacities of the PSH and ACF arrays to make, in Xcel’s view,
14 neither array an eligible net metered facility. And that it will cancel the contracts and provide
15 compensation for the arrays’ net input at Xcel’s avoided cost rate instead of the standard rate codes
16 described in parts 7835.4012 to 7835.4015. *See* (Att. 6, Xcel’s October 2, 2025, Correspondence).

17 34. Xcel is in violation of Minnesota statutes and Commission rules by unlawfully
18 refusing participation in state net metering to customers with net metered facilities interconnected
19 with Xcel’s distribution system and electing to participate in the State’s net metering program by
20 declining to purchase the customers’ excess energy at the customer’s elected tariffed rate. MINN.
21 STAT. § 216B.164, subd. 3a; MINN. R. 7835.1900, 7835. 4011, 7835.4014.

**COMPLAINT II:
ILLEGAL RATEMAKING**

35. Xcel cannot legally change a rate—which is broadly defined to include any rules, practices, or contracts affecting compensation—without the Commission’s approval. MINN. STAT. § 216B.16; *see* MINN. STAT. § 216B.02, subd. 5 (“‘Rate’ means every compensation, charge, fare, toll, tariff, rental, and classification, or any of them, demanded, observed, charged, or collected by any public utility for any service and any rules, practices, or contracts affecting any such compensation, charge, fare, toll, rental, tariff, or classification.”).

36. According to MINN. STAT. § 216B.164, subd. 3a, a customer with a net metered facility having a capacity greater than 40 kilowatts but less than 1,000 kilowatts 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.

37. Minnesota law and Commission rules prescribe how the capacity of a net metered facility is measured, and application of the one-mile rule is not permitted.

38. A “net metered facility” is defined as “an electric generation facility constructed [by a customer] 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); MINN. R. 7835.0100, subp. 15a.

39. “Capacity” is defined under Minnesota law as “the number of megawatts alternating current (AC) at the point of interconnection between a *distributed generation facility* and a utility’s electric system.” MINN. STAT. § 216B.164, subd. 2a(c)(emphasis supplied). A “distributed generation facility” means, among other things, a facility that (1) has a capacity of ten megawatts or less; (2) is interconnected with a utility’s distribution system over which the Commission has jurisdiction; and (3) generates electricity from natural gas or renewable fuel.

1 MINN. STAT. § 216B.164, subd. 2a(h). For purposes of measuring their respective capacity, the
2 county’s ACF and PSH arrays are distributed generation facilities.

3 40. The Commission’s definition of “capacity,” which largely mirrors the statutory
4 definition, provides that capacity “is measured by the number of megawatts alternating current *at*
5 *the point of common coupling* between a qualifying facility and a utility’s electric system.” MINN.
6 R. § 7835.0100, subp. 4 (emphasis added).

7 41. The “point of common coupling” is the point where the distributed generation
8 facility’s is connected to the utility’s electric power grid. MINN. R. 7835.0100, subp. 17a.

9 42. Xcel’s NM Tariff (Section 9) and customer contracts likewise define “capacity” as
10 “[t]he capability to produce, transmit, or deliver electric energy, which is measured by the number
11 of megawatts alternating current *at the point of common coupling* between a QF or NMF and a
12 utility’s electric system.” Minnesota Electric Rate Book – MPUC No. 2, Section No. 9, 2nd Revised
13 at Sheet No. 1 (emphasis added).

14 43. Xcel’s NM Tariff does not contemplate, let alone authorize, application of the one-
15 mile rule when determining individual system capacity limits for net metering eligibility. The
16 capacity of a distributed generation system must be measured as “the total capacity of all of the
17 customer’s systems *which are on the same set of aggregated meters.*” Minnesota Electric Rate
18 Book – MPUC No. 2, Section No. 9, 2nd Revised at Sheet No. 1, ¶ 3, INDIVIDUAL SYSTEM
19 CAPACITY LIMITS (emphasis added).

20 44. There is no dispute that the PSH and ACF arrays are separately metered, have
21 distinct interconnection points, and are served from different Xcel distribution substations. *See*
22 (Att. 3, Map of Arrays).

1 45. It is further undisputed that the PSH and ACF accounts are not aggregated, and the
2 county has not requested aggregation.

3 46. Under all definitions promulgated under Minnesota statutes, Commission rules, and
4 Xcel’s Annual NM Tariff as appearing in the Uniform Statewide Contract for Cogeneration and
5 Small Power Production, the PSH and ACF arrays are distinct net metered facilities.

6 47. Against this unanimity, however, Xcel has determined for itself to apply the one-
7 mile rule to aggregate the respective generation capacities of the PSH and ACF arrays so as to
8 make each facility ineligible as a net metered facility, cancel the contracts, and offer compensation
9 for the arrays’ net inputs at Xcel’s avoided cost rate, instead of the tariffed and standard rate codes
10 described in parts 7835.4012 to 7835.4015 and as set forth in the contracts. *See* (Att. 6, Xcel’s
11 October 2, 2025 Correspondence).

12 48. To the extent Xcel believes it has the authority to modify its contracts and tariffed
13 rate codes, Minnesota law requires that it provide “60 days’ notice to the commission” and to
14 “include statements of facts, expert opinions, substantiating documents, and exhibits, supporting
15 the change requested, and state the change proposed to be made in the rates then in force and the
16 time when the modified rates will go into effect.” MINN. STAT. § 216B.16, subd. 1. Xcel made no
17 such effort here.

18 49. Xcel is engaging in illegal ratemaking in violation of Minnesota law by applying
19 the one-mile rule to artificially aggregate the “capacity” of a “net metered facility” and thereby
20 restrict net metering eligibility and compensation to those facilities, contrary to the clear provisions
21 otherwise set forth in Minnesota law, Commission rules, and Xcel’s tariffs, none of which
22 authorize Xcel’s application of the one-mile rule. MINN. STAT. § 216B.16, subd. 1; MINN. STAT.

1 § 216B.164, subd. 2a; Minnesota Electric Rate Book – MPUC No. 2, Section No. 9, 2nd Revised
2 at Sheet No. 1.

3 **COMPLAINT III:**
4 **UNREASONABLE, PREJUDICIAL, AND DISCRIMINATORY PRACTICES**

5 50. Xcel is prohibited from subjecting “any person to any unreasonable prejudice or
6 disadvantage” regarding its rates or services. MINN. STAT. § 216B.07; *see* MINN. STAT. § 216B.02,
7 subd. 5 (“‘Rate’ means every compensation, charge, fare, toll, tariff, rental, and classification, or
8 any of them, demanded, observed, charged, or collected by any public utility for any service and
9 any rules, practices, or contracts affecting any such compensation, charge, fare, toll, rental, tariff,
10 or classification.”).

11 51. Moreover, Section 216B.03 provides in pertinent part:

12 Every rate made, demanded, or received by any public utility, or by any two or
13 more public utilities jointly, shall be just and reasonable. *Rates shall not be*
14 *unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall*
15 *be sufficient, equitable, and consistent in application to a class of consumers. To*
16 *the maximum reasonable extent, the commission shall set rates to encourage energy*
17 *conservation and renewable energy use and to further the goals of sections*
18 *216B.164, 216B.241, and 216C.05. Any doubt as to reasonableness should be*
19 *resolved in favor of the consumer.*

20
21 (Emphasis added).

22 52. Xcel’s application of the one-mile rule to repudiate the contracts is unreasonably
23 prejudicial and discriminatory to the county because it deprives the county of expected benefits of
24 the contracts it signed and of the financial incentive to build solar arrays at its facilities, simply
25 because those facilities are in proximity to one another. The county relied on the contracts’ net
26 metering rates when planning and constructing the arrays, at a cost to the citizens of Hennepin
27 County of approximately \$4.1 million. Such a result contravenes the plain language of
28 Minnesota’s net metering statute and its underlying policy goals. *See* MINN. STAT. § 216B.16,
29 Subds. 1 and 3a(a).

1 53. Minnesota law mandates that the standard compensation rates described in parts
2 7835.4012 to 7835.4015 must be available to every eligible net metered facility. MINN. R.
3 7835.4011. Xcel is applying the one-mile rule, however, to inconsistently offer those standard
4 rates to some owners of net metered facilities while denying them to others, such as the county,
5 with multiple net metered facilities within Xcel’s service territory, and instead offering to provide
6 compensation only at its avoided cost. *See* (Att. 6, Xcel’s October 2, 2025 Correspondence).

7 54. Minnesota law states Xcel may not “directly or indirectly, by any device
8 whatsoever, or in any manner, charge, demand, collect, or receive from any person a greater or
9 less compensation for any service rendered or to be rendered by the utility *than that prescribed in*
10 *the schedules of rates of the public utility applicable thereto.*” MINN. STAT. § 216B.06. (Emphasis
11 added).

12 55. By denying the county the compensation it is entitled for the net input of the PSH
13 and ACF arrays to Xcel’s system under tariffed and standard rate codes A53, A54 (PSH array) and
14 A55, A56 (ACF array) as prescribed under Xcel’s net metering tariff and the contracts, and instead
15 offering compensation at its avoided cost, Xcel is unlawfully offering the county less
16 compensation than it is entitled. *Id.*

17 56. The following attachments are submitted with this Verified Formal Complaint and
18 incorporated by reference:

- 19 • Attachment 1: Uniform Statewide Contract for Cogeneration and Small
20 Power Production for ACF Array (September 5, 2024);
- 21 • Attachment 2: Uniform Statewide Contract for Cogeneration and Small
22 Power Production for PSH Array (October 9, 2024)
- 23 • Attachment 3: Map of the PSH and ACF Arrays in relation to their respective
24 Xcel substations;
- 25 • Attachment 4: Xcel’s November 12, 2024 Correspondence;

- Attachment 5: Xcel’s March 12, 2025 Correspondence; and
- Attachment 6: Xcel’s October 2, 2025 Correspondence.

REQUEST FOR RELIEF

WHEREFORE, Complainant Hennepin County, Minnesota respectfully requests that the Commission:

- (a) Order that the ACF array is an interconnected net metered facility;
- (b) Order the county is entitled to compensation for the ACF array’s net input to the Xcel distribution system in the form of a kilowatt-hour credit on its energy bill at the A55, A56 rate schedule as provided for in the ACF Contract;
- (c) Order that the PSH array is an interconnected net metered facility;
- (d) Order the county is entitled to compensation for the PSH array’s net input to the Xcel distribution system in the form of a kilowatt-hour credit on its energy bill at the A53, A54 rate schedule as provided for in the PSH Contract;
- (e) Enjoin Xcel from aggregating the generation capacity of the county’s net metered facilities—which are separately metered, have distinct interconnect points, and for which the county has not requested account aggregation—for the purpose of determining net metering eligibility and compensation;
- (f) Award the county its reasonable costs, disbursements, and attorney’s fees pursuant to MINN. STAT. § 216B.164, subd. 5 and MINN. R. 7835.4550;
- (g) Grant the relief requested in this Verified Formal Complaint based on expedited procedures, as there are no material facts in dispute, pursuant to MINN. R. 7829.1200, subp. 1; and
- (h) Grant all other legal and equitable relief to which the county is entitled.

Respectfully submitted,

Dated: December 23, 2025

KUTAK ROCK LLP

By: /s/ Todd J. Guerrero

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HENNEPIN COUNTY, MINNESOTA

MARY F. MORIARTY
Hennepin County Attorney

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VERIFICATION

I, Daniel P. Rogan, Deputy County Administrator for Hennepin County, Minnesota, hereby affirm that I have read the foregoing Verified Formal Complaint by Hennepin County, Minnesota, Against Xcel Energy Regarding the Illegal Application of the One-Mile Rule to Restrict Participation and Compensation Under Net Metering, that I am familiar with the matters set forth therein based on personal knowledge and business records available to me, and that the statements in the Verified Formal Complaint are true and correct to the best of my knowledge and belief.

By: /s/ Daniel Rogan
Daniel P. Rogan
Deputy County Administrator
Hennepin County, Minnesota

Signed in Hennepin County, Minnesota this 23 day of December, 2025.

ATTACHMENT 1

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.

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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.

(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)	<u>Annual</u>
	\$0.03098

Time of Day Service Customers (A56)	<u>Annual</u>
On Peak Energy Payment per kWh	\$0.04065
Off Peak Energy Payment per kWh	\$0.02581

Capacity Payment for FirmPower where customer receives	<u>Oct-May</u>	<u>Jun-Sep</u>
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.

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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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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.

(Continued on Sheet No. 9-8.2)

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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 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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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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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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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

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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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ATTACHMENT 2

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>.

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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

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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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.

(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)		<u>Annual</u> \$0.03098
Time of Day Service Customers (A56)		<u>Annual</u>
On Peak Energy Payment per kWh		\$0.04065
Off Peak Energy Payment per kWh		\$0.02581
Capacity Payment for FirmPower where customer receives		
	<u>Oct-May</u>	<u>Jun-Sep</u>
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.

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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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RULES AND REGULATIONS APPLICABLE TO COGENERATION

Section No. 9

ANDSMALL POWER PRODUCTION FACILITIES (Continued)

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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 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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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.

Date Filed: 12-14-18

By: Christopher B. Clark

Effective Date: 05-09-19

President, Northern States Power Company, a Minnesota corporation

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

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.

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

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)

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

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)

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. 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.vandenbergh@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

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.

12.1

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

Effective Date: 05-23-23

President, Northern States Power Company, a Minnesota corporation

Docket No. E002/M-21-433

Order Date: 05-13-22

ATTACHMENT 3



ATTACHMENT 4

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 5



James R. Denniston
Assistant General Counsel

March 12, 2025

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

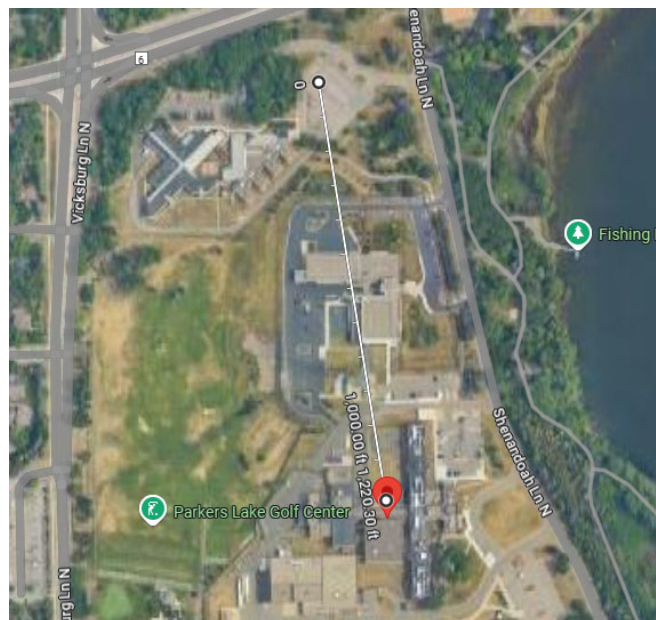
(Via email only to:
Rebecca.Holschuh@hennepin.us)

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)

ATTACHMENT 6

From: Denniston, James R <James.R.Denniston@xcelenergy.com>

Sent: Thursday, October 2, 2025 1:16 PM

To: Rebecca L Holschuh <Rebecca.Holschuh@hennepin.us>

Cc: Sedlacek, Jake A <Jake.Sedlacek@xcelenergy.com>; AJ Van den Berghe <AJ.VandenBerghe@hennepin.us>; Daniel P Rogan <Daniel.Rogan@hennepin.us>; Guerrero, Todd J. <Todd.Guerrero@KutakRock.com>; Thompson, Jeremy J <Jeremy.J.Thompson@xcelenergy.com>; Beaulieu, Erich <Erich.Beaulieu@xcelenergy.com>; Marshall, John I <John.I.Marshall@xcelenergy.com>

Subject: RE: Hennepin County solar arrays

[CAUTION - EXTERNAL SENDER]

Hi Rebecca,

Thank you for your note. Our position that the FERC one-mile rule applies was developed and communicated to Hennepin County before the Commission made its rulings in the 24-389 docket. We provided our written communications to Hennepin County on November 11, 2024 and March 12, 2025. We will not repeat our points here. The Commission's September 11, 2025, order on rehearing in that docket made clear that the Commission in that docket did not adopt or take any action related to the one-mile rule. We stand by the substance of our prior written communications on this. We further note that the Commission has adopted rules, including Minn. R. 7835.0100, Subp. 19 establishing the MPUC definition of "Qualifying Facility" or QF which states as follows:

"Qualifying facility" means a cogeneration or small power production facility which satisfies the conditions established in Code of Federal Regulations, title 18, part 292. The initial operation date or initial installation date of a cogeneration or small power production facility must not prevent the facility from being considered a qualifying facility for the purposes of this chapter if it otherwise satisfies all stated conditions.

This definition requires application of the one-mile rule to determine the size of a QF. Our Uniform Statewide contract only applies to QFs of less than 1 MW. The two DER systems of Hennepin County that are at issue here are within one-mile and together exceed 1 MW. Accordingly, the Uniform Statewide Contract is not available once both DER systems are in operation.

As communicated previously, the first DER system to achieve permission to operate (PTO) can utilize the Uniform Statewide Contract, but once both systems have achieved PTO then neither DER system is eligible to be under the Uniform Statewide Contract because together they constitute a single QF that would exceed 1 MW. We would then issue a notice of cancellation for the signed Uniform Statewide Contracts as provided for under par. 17 of the Uniform Statewide Contract and offer to Hennepin County our tariffed PPA for systems up to 5 MW for these two DER systems (and single QF). A different PPA can be negotiated, but the compensation rate for energy delivered to Xcel Energy would need to be at an avoided cost rate.

We understand your position that this would not be acceptable to Hennepin County. During the Commission's deliberations on September 4, 2025 there was some foreshadowing of the possibility that Hennepin County and Xcel Energy might not agree with each other on whether the one-mile rule applies, and noted that in that situation Hennepin County could file a complaint with the Commission against Xcel Energy. We believe that this would be the most civil way to proceed here. We can still offer the tariffed 5 MW PPA to Hennepin County, Hennepin County can sign this without waiving its rights to bring a complaint with the Commission, and in the event that the Commission later rules in favor of Hennepin County on the application of the one-mile rule then Xcel Energy would true up the billing consistent to if the Uniform Statewide Contract had applied all along to each of the two DER systems.

Would this be a civil way of proceeding here?

Best regards,

Jim
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From: Rebecca L Holschuh <Rebecca.Holschuh@hennepin.us>
Sent: Tuesday, September 23, 2025 12:00 PM
To: Denniston, James R <James.R.Denniston@xcelenergy.com>
Cc: Sedlacek, Jake A <Jake.Sedlacek@xcelenergy.com>; AJ Van den Berghe <AJ.VandenBerghe@hennepin.us>; Daniel P Rogan <Daniel.Rogan@hennepin.us>; Guerrero, Todd J. <todd.guerrero@kutakrock.com>; Thompson, Jeremy J <Jeremy.J.Thompson@xcelenergy.com>; Beaulieu, Erich <Erich.Beaulieu@xcelenergy.com>; Marshall, John I <John.I.Marshall@xcelenergy.com>
Subject: Hennepin County solar arrays

EXTERNAL - STOP & THINK before opening links and attachments.

Dear Jim,

I'm writing following the MPUC's September 11, 2025 decision in the 24-389 docket, attached, with respect to the county's motion to reconsider. While the MPUC declined to reconsider its decision, it nonetheless stated in its decision – as the county requested – that the “Commission clarifies that the June 2025 Order did not adopt or take any action related to the ‘one-mile rule’ for purposes of determining net-metering eligibility.” Xcel's basis for proposing to aggregate the capacity of the county's Public Safety Services Headquarters and Adult Correctional Facility solar facilities was that it was required to do so because the MPUC adopted FERC's “one-mile rule” in the -389 docket. The MPUC's September 11 decision clarifies that is not the case.

The county is working to ensure that both facilities are completed and operational before winter, and looks forward to working with Xcel to accomplish that. Based on our executed agreements and the MPUC's decision, we are planning for these facilities to be governed by their respective Uniform Statewide Contracts (including applying the net metering rate for each facility as stated in the contracts). Please reach out to me directly if you wish to discuss any of the county's arrangements with Xcel.

Best regards,

Rebecca Holschuh
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