

March 21, 2022

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
Saint Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E002/C-21-125 and E002/C-21-126

Dear Mr. Seuffert:

On February 18, 2022, the Minnesota Public Utilities Commission (Commission) issued a *Notice of Answer and Comment* in Docket Nos. E002/C/21-125 and E002/C-21-126. Attached please find the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in this matter.

The Department is available to answer any questions the Commission may have.

Sincerely,

/s/Susan L. Peirce  
Rate Analyst Coordinator

SLP/ar  
Attachment



## Before the Minnesota Public Utilities Commission

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### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket Nos. E002/C-21-125 & E002/C-21-126

#### I. BACKGROUND INFORMATION

On June 1, 2021, SunShare LLC (SunShare) filed a Complaint regarding its OsterSun (21-125) and CleodSun (21-126) Community Solar Garden (CSG) projects.

On December 21, 2021, Xcel Energy (Xcel) filed a Partial Settlement Agreement with SunShare covering issues in the OsterSun and CleodSun complaints.

On January 31, 2022, SunShare filed a Request for a Variance from Xcel Tariff Sheet 9-64.1a regarding the applicable Value of Solar (VOS) rate for several several of its CSG projects, including the OsterSun and CleodSun projects.

On January 31, 2022, SunShare filed a Second Amended Complaint in the 21-126 docket requesting approval of what Xcel considers to be a non-standard technical alternative proposed by SunShare.

On February 18, 2022, the Commission issued a *Notice of Answer and Comment Period* in the two dockets.

#### II. SUMMARY OF THE FILING

##### A. *Request for a Variance to the Applicable Value of Solar Rate (21-125)*

In its complaint in Docket No. 21-125, SunShare seeks a variance to Xcel's CSG tariff in order to obtain the 2020 VOS rate rather than the 2019 VOS rate. SunShare argues that Xcel caused delays in the interconnection process resulted in the project not moving forward through 2020, and also resulted in SunShare's loss of the energy tax credit for 2019. The 2019 levelized VOS rate is \$0.1109 per kWh while the levelized VOS rate for 2020 is \$0.1152, a difference of \$0.0043. SunShare's seeks the variance in VOS rates for the OsterSun, CleodSun, GraniteSun, QuarrySun and SinclairSun CSGs.

##### B. *Request to Utilize a One-Time Solution for Interconnecting the CleodSun CSG.*

In its Second Amended Complaint in Docket No. 21-126, SunShare requests Commission approval to use non-standard equipment to interconnect its CleodSun CSG to Xcel's system. The Lester Prairie substation to which the CleodSun CSG would interconnect has a hydraulic recloser. Reclosers are used to protect the grid from widespread outages as a result of a fault on the line. Xcel states that the aggregate amount of DER on the system at the Lester Prairie substation requires the installation of Voltage Supervisory Recloser (VSR) capability, a technology incompatible with the hydraulic recloser.

In addition, Xcel states it needs to replace the voltage regulator because the existing voltage regulator lacks the ability to correctly response to reverse flow conditions.

SunShare maintains that replacement of the equipment is not necessary and that retrofit equipment (a shunt block mechanism) could be installed that will perform the same functions Xcel claims are only available with replacement equipment.

## II. DEPARTMENT ANALYSIS

### A. *Request for a Variance to the VOS Rates.*

Under the terms of Xcel's CSG tariff, the VOS rate applicable to a particular CSG is determined by the year in which the CSG application is deemed complete. An application is deemed complete when it has submitted the following information:

- (i) Applications are considered submitted (and will advance to engineering review) once the applicant furnishes all requested documents and information in the Solar\*Rewards Community online system, including:
  - a. the applicant's contact information;
  - b. garden information including system location and specifications;
  - c. application fee and deposit;
  - d. engineering documents, including one-line diagrams, site plan, and Interconnection Application.<sup>1</sup>

All of the CSGs for which SunShare seeks a variance were deemed complete in mid-2019. Since the implementation of the CSG rates, the rates applied to a particular garden have been determined by the year in which the application was deemed complete. In any number of those applications, once the application was deemed complete and entered the engineering process, delays have arisen. Delays can be the result of any number of factors including delays in procuring needed equipment, engineering concerns, and site control issues to name a few, and may be the result of actions by Xcel, the developer, or a third-party entity.

The rates provided to a particular CSG are driven by when the application is deemed complete, and may increase or decrease from year to year depending on movement in the various components of the VOS over time. Just as a homeowner refinancing a mortgage has to lock in a mortgage rate prior to closing only to have interest rates fall further after being locked in, the solar developer shoulders some risk in filing a CSG application that future rates may be higher.

The Department is unpersuaded that SunShare's request for a variance is reasonable, and recommends denial.

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<sup>1</sup> Minnesota Electric Rate Book, Solar\*Rewards Community Program, Section 9, 2<sup>nd</sup> Revised Sheet 66.

*B. Request for Non-Standard Equipment*

In its response to SunShare's complaint, Xcel states that it is unfamiliar with the retrofit equipment proposed by SunShare, and that the equipment is not used elsewhere in Xcel's system. Xcel also states that despite the age of the existing equipment, replacement would not otherwise be needed were it not for the additional DER on the system. SunShare asserts that its proposal represents the least cost solution.

As noted by Xcel, in response to a Sunrise Energy Ventures (Sunrise) request for an independent engineer (IE) review<sup>2</sup> of several CSG interconnection cost estimates, the (IE) found that both the replacement of the hydraulic recloser and the use of VSR to be reasonable and cost effective solutions.<sup>3</sup>

The Department acknowledges that circumstances are individual to each interconnection dispute, the IE finding in an earlier dispute that replacement of the hydraulic recloser and the VSR were reasonable lends support to Xcel's position. In addition, requiring Xcel to use non-standard equipment on its system does not appear reasonable given the size of its distribution system and need for uniformity for maintenance purposes.

**III. DEPARTMENT RECOMMENDATIONS**

The Department recommends that the Commission deny SunShare's request for a variance to its Value of Solar rate, and its request for non-standard equipment for interconnecting the CleodSun CSG to Xcel's distribution system.

/ar

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<sup>2</sup> Independent engineer review was established as part of a partial settlement agreement between Xcel and a number of solar developers. Under the agreement, the Department maintained a list of independent engineers who were available to review and make determinations on engineering issues arising in the interconnection process. All decisions by the IE could be appealed to the Commission for final determination. The IE process was eliminated with the implementation of the MNDIP. See *In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of its Proposed Community Solar Garden Program, ORDER ADOPTING PARTIAL SETTLEMENT AS MODIFIED*, Docket No. E002/M-13-867, August 6, 2015.

<sup>3</sup> *In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of its Proposed Community Solar Garden Program, APPEAL OF INDEPENDENT ENGINEER REPORT COMMUNITY SOLAR GARDENS PROGRAM*, Attachment A, p. 18, Docket No. E002/M-13-867, September 12, 2016.

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce**  
**Comments**

**Docket No. E002/C-21-125 and E002/C-21-126**

Dated this **21<sup>st</sup>** day of **March 2022**

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jacob	Bobrow	jbobrow@mysunshare.com	SunShare	1724 Gilpin St  Denver, CO 80218	Electronic Service	No	OFF_SL_21-125_Official Service List 21-125
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-125_Official Service List 21-125
James	Denniston	james.r.denniston@xcelenergy.com	Xcel Energy Services, Inc.	414 Nicollet Mall, 401-8  Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-125_Official Service List 21-125
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_21-125_Official Service List 21-125
Elizabeth	Reddington	lreddington@pivotenergy.net	Pivot Energy	1750 15th St Ste 400  Denver, CO 80202	Electronic Service	No	OFF_SL_21-125_Official Service List 21-125
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_21-125_Official Service List 21-125
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350  Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-125_Official Service List 21-125
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_21-125_Official Service List 21-125
Curtis P	Zaun	curtis@cpzlaw.com	Attorney At Law	3254 Rice Street  Little Canada, MN 55126	Electronic Service	No	OFF_SL_21-125_Official Service List 21-125

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jacob	Bobrow	jbobrow@mysunshare.com	SunShare	1724 Gilpin St  Denver, CO 80218	Electronic Service	No	OFF_SL_21-126_Official Service List 21-126
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-126_Official Service List 21-126
James	Denniston	james.r.denniston@xcelenergy.com	Xcel Energy Services, Inc.	414 Nicollet Mall, 401-8  Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-126_Official Service List 21-126
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_21-126_Official Service List 21-126
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_21-126_Official Service List 21-126
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350  Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-126_Official Service List 21-126
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_21-126_Official Service List 21-126
Curtis P	Zaun	curtis@cpzlaw.com	Attorney At Law	3254 Rice Street  Little Canada, MN 55126	Electronic Service	No	OFF_SL_21-126_Official Service List 21-126