

August 25, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E111/M-15-651

Dear Mr. Wolf:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Petition by Dakota Electric Association to Implement a Solar Option for Wellspring.

The petition was filed on July 2, 2015 by:

Douglas R. Larson
Vice President of Regulatory Services
Dakota Electric Association
4300 220th Street West
Farmington, MN 55024

The Department recommends **approval** and is available to answer any questions the Commission may have.

Sincerely,

/s/ MICHAEL N. ZAJICEK
Rates Analyst

MNZ/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET No. E111/M-15-651

I. INTRODUCTION

On July 2, 2014, Dakota Electric Association (DEA) submitted a filing to the Minnesota Public Utilities Commission (Commission) regarding the addition of a solar energy option to its Wellspring Optional Renewable Energy Rider (Wellspring Rider). The Optional Renewable Energy Rider offers DEA's member-consumers the opportunity to purchase renewable energy at a price that reflects the incremental cost difference in providing the desired renewable energy.

II. BACKGROUND

On April 22, 1997, in Docket No. E111/M-97-178, the Commission issued its *Order Granting Petition and Requiring Filings* in response to DEA's petition for approval of an Optional Renewable Energy Rider. DEA's filing of such "green pricing" service for its member-consumers was the first of its kind in Minnesota. Among other things, this Order required DEA to submit a filing on March 1 each year to update the monthly rate applicable to the Optional Renewable Energy Rider.

The current filing seeks to add a solar energy option to the Wellspring Rider at a rate of \$2.00 per 100 kWh block purchased. DEA stated that this is a direct pass-through of the wholesale rate that Great River Energy (GRE) will charge to the Company for this service. This would allow DEA's member-consumers who wish to use solar energy but are unable to install capacity of their own to pay a surcharge in order to obtain solar energy from DEA.¹

¹ DEA noted that those participating in Wellspring are actually purchasing renewable energy credits (RECs).

III. DEPARTMENT ANALYSIS

The monthly rate for the Wellspring Optional Renewable Energy Rider reflects a pass-through of wholesale power costs from DEA's wholesale supplier, GRE. DEA's attachment to the petition shows DEA's proposed solar renewable energy rate per 100 kWh to be \$2.00. This rate is the same as GRE's solar Renewable Energy Rate.² Therefore, DEA's proposed solar renewable energy rate in its Optional Renewable Energy Rider reflects the incremental cost difference in providing the desired renewable energy. Since GRE's solar renewable energy rate reflects the current lowest incremental cost for DEA to provide this service, basing DEA's solar renewable energy rate for its Optional Renewable Energy Rider on GRE's solar energy rate is appropriate.

The Wellspring Optional Renewable Energy Rider is an opt-in program that allows consumers to offset the energy they use in their homes with renewable energy. The addition of a solar option provides more flexibility for consumers choosing renewable energy offsets, while not impacting those that do not wish to pay for renewable energy in any way. Thus, the Department concludes that the addition of a solar energy option to the Wellspring Optional Renewable Energy Rider is reasonable.

IV. RECOMMENDATION

The Department concludes that the addition for the solar energy option to the Wellspring Rider is reasonable given that the rate equals the rate GRE imposes on DEA, and expands the renewable options available to DEA's members without impacting nonparticipants. Therefore the Department recommends that the Commission **approve** DEA's petition.

/lt

² See TRADE SECRET Attachment 1.

Dakota Electric Association

Response to

Minnesota Department of Commerce

Utility Information Request

Docket Number: *E-111/M-15-651*
Request Number: *1*
Requested By: *Michael Zajicek*
Date of Request: *August 3, 2015*
Response Prepared By: *Doug Larson*
Dakota Electric Association
651-463-6258
Date of Response: *August 3, 2015*

Question 1

Reference: In DEA's initial filing it stated:

Through Wellspring, members can purchase solar energy in 100 kWh blocks for \$2.00 for each block that will be charged as an additional amount on their bill. The \$2.00 charge is a direct pass-through of the wholesale rate that GRE [Great River Energy] will charge to Dakota Electric for this service.

Please provide documentation from Great River Energy confirming the \$2.00 wholesale rate for solar energy from GRE.

Answer

1. Great River Energy Special Rate Rider R – Renewable Energy includes the wholesale rate that GRE charges for Wellspring wind and solar. GRE's wholesale rate schedules are confidential. **Special Rate Rider R is trade secret information and not meant for public disclosure.** Special Rate Rider R is only attached to the confidential response to this information request.