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Minneapolis, MN 55401

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June 23, 2021

—Via Electronic Filing—

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

RE: IN THE MATTER OF A FORMAL COMPLAINT AND REQUEST FOR EXPEDITED RELIEF BY SUNSHARE, LLC AGAINST NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY (REGARDING THE SUNSHARE CLEODSUN PROJECT)
DOCKET NO. E002/C-21-126

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy (Company), submits the attached Comments pursuant to the Commission's June 3, 2021 Notice of Comment Period regarding the SunShare LLC Formal Complaint and Request for Expedited Relief (Regarding the SunShare CleodSun Project).

Certain information in this filing has been marked as Not Public Protected Data. Some of this is information that Sunrise may consider to be its Not Public Protected Data. Other information has been designated as Not Public Protected Data of Xcel Energy because this data is classified as trade secret pursuant to Minn. Stat. §13.37, subd. 1(b). This information derives independent economic value from not being generally known or readily ascertainable by others who could obtain a financial advantage from its use. Certain information marked as Not Public Protected Data is also classified as security information under Minn. Stat. §13.37, subd. 1(a) as the disclosure of this information would be likely to substantially jeopardize the security of information or property against tampering, improper use, illegal disclosure, trespass or physical injury.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact Brandon Stamp at Brandon.J.Stamp@xcelenergy.com or (612)337-2076 if you have any questions regarding this filing.

Sincerely,

/s/

JAMES DENNISTON
ASSISTANT GENERAL COUNSEL

Enclosures
c: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph Sullivan	Commissioner
John A. Tuma	Commissioner

IN THE MATTER OF A FORMAL COMPLAINT AND REQUEST FOR EXPEDITED RELIEF BY SUNSHARE, LLC AGAINST NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY (REGARDING THE SUNSHARE CLEODSUN PROJECT)

DOCKET NO. E002/C-21-126

COMMENTS

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy (Company), submits these Comments pursuant to the Commission's June 3, 2021 Notice of Comment Period on the Amended Complaint regarding the SunShare CleodSun project.

The Notice specified these topics for comment:

- Does the Commission have jurisdiction over the subject matter of the Complaint?
- Are there reasonable grounds for the Commission to investigate these allegations?
- Is it in the public interest for the Commission to investigate these allegations upon its own motion?
- If the Commission chooses to investigate the Complaint, what procedures should be used?

SunShare submitted an application for the CleodSun project in May 2019 and therefore it is subject to the statewide interconnection process (pre-MN DIP), which preceded the adoption of the State of Minnesota Distributed Energy Resources Interconnection Process (MN DIP). The project would interconnect to the Lester Prairie substation and was studied on feeder LSP022. The current public queue,

available on the Company's website, identifies the Lester Prairie substation as a capacity constrained substation and feeder LSP022 (as well as LSP021) is on the list of feeders where the amount of aggregate distributed energy resources (DER) exceed the daytime minimum load (DML).

SunShare's Amended Complaint focuses on two main issues. First, SunShare questions the indicative cost of system upgrades required for CleodSun's interconnection. The engineering analysis (February 4, 2020) determined the indicative costs of necessary upgrades including installation of voltage supervisory reclosing (VSR) and full replacement of the regulator, controls, and the substation breaker. In essence, SunShare is challenging the Company's engineering judgment on the necessary upgrades and alleging that perhaps equipment modifications instead of full replacement would be feasible. It is also important to note that the indicative cost estimate was based on 2020 analysis and review. Given current supply-chain extended procurement timelines and industry-wide cost increases, costs have increased for all interconnection equipment as supply continues to be limited. A more current indicative cost estimate would likely be greater now than when we issued our February 4, 2020 cost estimate.

We have explained to SunShare multiple times why the full replacement of this equipment is needed and have also provided the technical details and analysis. For example, these were discussed on a March 4, 2020 call, which was summarized in a March 4, 2020 email to SunShare (see Attachment B). Additionally, we have provided SunShare information on what portion of the total cost is related to the VSR and the substation breaker replacement but cannot give any more specific cost details due to contractual obligations, including competitively sensitive pricing information from our suppliers. Finally, we have also informed SunShare that two other projects ahead of CleodSun in queue withdrew their applications because similar substation upgrades would have been required to interconnect those projects, too.

The Company's determination on necessary interconnection upgrades is based on acceptable industry standards and practice as well as our engineering judgment based on our extensive experience in operating the distribution system. The need for utilities to exercise engineering judgment was also acknowledged in implementing technical requirements for the MN DIP. With regards to specific equipment, we must be able to have consistent equipment configurations across our network to ensure operational safety, efficiency and quality of service. Fundamentally, an interconnection customer may not choose or design how the Company will interconnect their project.

The second main issue in the Amended Complaint is the Company's delay in delivering the IA to SunShare. While we acknowledge that the IA was late, we do not

believe this was the main reason for project delays or the cause why CleodSun missed the 2019 Investment Tax Credit (ITC). The due date to provide the IA for SunShare's execution was December 16, 2019, however, it is our understanding that an executed IA was not a requirement for locking-in the 2019 ITC. SunShare only needed to purchase equipment so that 5 percent of the project cost was incurred in 2019; the project must also be placed in service within four years from the beginning. The CleodSun project has not moved forward since we provided the IA to SunShare about 16 months ago (February 4, 2020) and the delay between filing SunShare's original Complaint and the Amended Complaint alone was 109 days.

SunShare claims that Xcel Energy has violated various Minnesota statutes and rules, including the PURPA statute (Minn. Stat. § 216B.164) and reasonable rates (Minn. Stat. § 216B.03). The alleged violations of legal authority are without merit. We also note that the other items of relief requested in the Amended Complaint – compensatory damages in the form of rate adder, attorney fees, and reasonable costs – are based on SunShare's misinterpretation of Minnesota law and by nature are such that they cannot be granted by the Commission. We recommend that the Commission find that there are no reasonable grounds and no public interest to investigate the Complaint. Accordingly, the Commission should dismiss the Complaint.

We include the following Attachments with these Comments:

- Attachment A: a copy of our indicative cost estimate (along with the Interconnection Agreement (IA) tendered to SunShare).
- Attachment B: an email summary of March 4, 2020 discussion with SunShare on interconnection issues for the CleodSun project.
- Attachment C: Details from the Commission Deliberations during the March 4, 2021 Hearing on the Sunrise Complaint in Docket No. 20-892 relating to the Company having discretion on how to interconnect projects, provided that the Company is not arbitrary or discriminatory.
- Attachment D: Details from the Commission Hearing on April 22, 2021 in Docket No. 13-867 regarding planned outages, addressing compensatory damages.
- Attachment E: Public Utilities Commission of Colorado, February 25, 2021 Order in In the Matter of Verified Petition of SunShare LLC for a Declaratory Order Approving a Renewable Energy Credit Adder, Proceeding No. 20D-0262E.
- Attachment F: Excerpts from the Commission Brief to the Minnesota Court of Appeals regarding the Solar*Rewards Community Program.

With this as background, we address the specific issues noticed for comment by the Commission.

I. COMMISSION JURISDICTION

The Commission has jurisdiction over the subject matter of the Amended Complaint, consistent with Minn. Stat. § 216B.09 (allowing the Commission to consider complaints with respect to services provided by utilities) and consistent with Minn. Stat. § 216B.17 (upon a complaint the Commission may make such investigation as it may deem necessary, or may dismiss a complaint if in its opinion a hearing is not in the public interest). Formal Complaints are also subject to Minn. R. 7829.1700 - 1900 (providing in part, that the Commission shall dismiss a complaint if the Commission concludes that it lacks jurisdiction or if there is no reasonable basis to investigate the matter).

The general nature of the Amended Complaint relates to the SunShare CleodSun application submitted to the Company's Solar*Rewards Community program, as developed in Docket No. E002/M-13-867, as well as its tethered interconnection application submitted pursuant to the statewide interconnection process (Pre-MN DIP) that preceded the adoption of the State of Minnesota Distributed Energy Resources Interconnection Process (MN DIP). Further, the Solar*Rewards Community program is governed by the Commission and under Minn. Stat. § 216B.1641, and the interconnection process is also governed by the Commission and under Minn. Stat. § 216B.1611. This CleodSun application is subject to the Company's tariffs for the Solar*Rewards Community program and for interconnection process that the Commission has approved.

SunShare argues that the only basis for jurisdiction for the Amended Complaint is under Minn. Stat. § 216B.164 (the PURPA statute), and if there is no jurisdiction to consider the Amended Complaint under the PURPA statute, then SunShare would be left without a forum to have its dispute resolved. It states at par. 39 of its Amended Complaint:

> 39. If SunShare is not allowed to file a dispute with the Commission under Minn. Stat. § 216B.164, subd. 5(a), SunShare will not have any forum to have its disputes with Xcel resolved.

We note that counsel for SunShare is also counsel for Sunrise in Docket No. 21-160, which is another complaint on interconnection issues relating to the community solar garden CSG program. At page 4 of the April 19, 2021 reply comments filed there,

counsel admitted that the Commission also has jurisdiction of interconnection complaints under Minn. Stat. §§ 216A.05, 216B.08 and 216B.09.

The Commission's April 16, 2021 Order in *In the Matter of a Formal Complaint and Petition for Expedited Relief by Sunrise Energy Ventures LLC Against Northern States Power Company d/b/a Xcel Energy*, Docket No. E-002/C-20-892 (the Sunrise 20-892 Complaint), addressed a similar issue and stated:

> Sunrise argues that the Commission has jurisdiction over the subject of this complaint under Minn. Stat. § 216B.164, Minnesota's statute implementing PURPA. Other commenters cite the Commission's jurisdiction over community solar gardens as set forth at § 216B.1641. Regardless, all parties and participants agree that the Commission has jurisdiction over the complaint, and the Commission concurs.

We discuss below why the PURPA statute is not applicable here. But, as explained above, the Commission has jurisdiction over the Amended Complaint.

II. ANALYSIS ON "REASONABLE GROUNDS" AND "PUBLIC INTEREST"

The June 3, 2021 Notice requests comments on reasonable grounds to investigate the allegations raised in the Amended Complaint as well as on public interest to investigate the allegations upon the Commission's own motion. The "reasonable grounds" standard applies to Formal Complaints under Minn. R. 7829.1800, Sub. 1, while the "public interest" standard applies to Investigations under Minn. Stat. 216B.17. Subd. 1, which allows the Commission to begin an investigation also on its own motion or on a complaint.

Our understanding is that the Notice includes both standards for the following situation. If the Commission were to determine that there are no reasonable grounds to investigate a Formal Complaint under Minn. R. 7829.1800, Sub. 1, depending on the facts, the Commission could find that there is public interest for an investigation. For example, in a hypothetical situations different from the facts here, the Commission could believe that the factual allegations suggest a violation of law, but because the issues involve policy or impact a large number of stakeholders or a whole program, the Commission may conclude that there are no "reasonable grounds" to allow the Amended Complaint to proceed, but instead the Commission could still investigate the allegations on its own motion if it determines this is in the public interest under Minn. Stat. 216B.17. Subd. 1.

For the purposes of this proceeding, we do not think there are significant material differences between the "reasonable grounds" standard and the "public interest" standard. We believe there are neither reasonable grounds nor public interest for the Commission to investigate SunShare allegations. While the remainder of these Comments use the term "public interest," our use of this term applies equally to the "reasonable grounds" analysis.

In the sections below, we address whether the Commission should consider further action on the Amended Complaint by separately discussing the core issues in the Amended Complaint – 1) reasonableness of the indicative estimate of interconnection costs as set forth in the Interconnection Agreement (IA) and 2) SunShare's allegation that the Company delivered the IA later than required by tariff. For the first issue, SunShare alleges that Xcel Energy has not explained whether modification instead of replacement of a regulator and substation breaker would be appropriate. SunShare also wants specific manufacturer cost data (including the Xcel Energy confidential pricing from its suppliers and staffing resources) and asks why the indicative estimated costs here are $92,000 greater than the estimate provided for the SunShare Schiller project. To help place the Amended Complaint in context so that the Commission can better determine if it is in the public interest to further consider the Amended Complaint, we provide background information below on how the cost estimate in the IA was developed and what was the timeline for issuance of the IA. Further, we address each item of requested relief and show that there is no reasonable ground or public interest for any of these to be considered by the Commission.

A. Background on Estimated Interconnection Costs in Interconnection Agreement

SunShare has disputed the interconnection indicative cost estimate for its CleodSun project. We describe below the Pre-MN DIP[1] interconnection study process and requirements for Xcel Energy's distribution system upgrades.

Before submitting a formal interconnection application for DER, applicants can request a pre-application report to obtain Xcel Energy distribution system data in order to get early guidance on potential available capacity for a substation or feeder. These pre-application screens are based on limited, existing data as of the day the screen is completed – they do not consider projects in the queue that have not yet been studied and do not include field verification of distribution facilities, right-of-way, or other issues. The distribution system is dynamic and subject to change, and

[1] The Pre-MN DIP process applies to interconnection applications submitted prior to June 17, 2019, and "deemed complete" by August 16, 2019. See, tariff sheet 10-73.

information provided in the pre-application report may become outdated in a short timeframe. Therefore, the pre-application data report is not a comprehensive assurance of available capacity but rather an indicator of potential capacity. When a project is studied in the formal interconnection process, the results can differ from the pre-application screen, as much more time, reference resources and diligent analysis goes into that effort.

After a DER interconnection application is submitted under the pre-MN DIP process, the Company provides study analysis on interconnection based on the site location, generation size, and other project data specified in the application. The purpose of the study analysis is to identify and detail the distribution system impacts that would result if the proposed DER were interconnected without project modifications or distribution system modifications. The study analysis also specifies what distribution system upgrades are necessary so that the project can interconnect without significant system impacts. These study analyses are based on available system data and do not verify actual field conditions. Costs for anticipated system upgrades are included in an indicative cost estimate. We attach a copy of our indicative cost estimate (along with the IA tendered to Sunrise) based on the work called for in our engineering analysis in Attachment A.

After a project executes and funds an IA, it moves into Detailed Design, which includes field verification and a more refined cost estimate for system upgrades. SunShare alleges in pars. 21 through 24 of the Amended Complaint that the indicative cost estimates in IAs can differ significantly from actual final costs and this discourages the development of DER projects. SunShare appears to be arguing for firmer cost estimates in the IAs, however, SunShare has raised this issue previously and the Commission declined to change the way indicative costs are estimated. In its November 2016 Order,[2] the Commission reviewed and approved several aspects of the Company's interconnection process for Pre-MN DIP solar garden applications, including the engineering scoping study process, the initial nature of the indicative cost estimate, and the distinction between engineering scoping study and Detailed Design. Regarding the indicative cost estimate, the Order stated as follows (at pages 8-10):

> As mentioned earlier, Xcel's Section 9 tariff provides a process for solar-garden developers to obtain an interconnection agreement on an

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[2] ORDER RESOLVING INDEPENDENT-ENGINEER APPEALS AND ESTABLISHING PROCEDURES FOR FUTURE DISPUTES, November 1, 2016, *In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of Its Proposed Community Solar Garden Program* (Docket No. E002/M-13-867) and *In the Matter of a Formal Complaint and Petition by SunShare, LLC for Relief Under Minn. Stat. § 216B.1641 and Sections 9 and 10 of Xcel Energy's Tariff Book* (Docket No. E002/M-15-786)

expedited basis. Once a developer has shown that its garden project is "expedited ready," Xcel has 50 business days to study the project and to provide an interconnection agreement.

In addition to shortening the deadline for Xcel to deliver an interconnection agreement, Section 9 makes several changes to the Section 10 engineering-study process. Instead of completing a detailed engineering study, Xcel undertakes a more abbreviated "engineering scoping study" that results in an "indicative cost estimate."

The developer must pay one-third of the indicative cost estimate and provide a letter of credit for the remaining portion before Xcel will countersign the interconnection agreement. Detailed engineering studies are not done until after the parties sign the interconnection agreement.
...

The Commission finds that Xcel's cost-estimate process, which provides an indicative cost estimate prior to execution of the interconnection agreement and a refined estimate later, is consistent with the Section 9 process outlined earlier. The Commission therefore declines to adopt the independent engineer's recommendation to require Xcel to undertake infrastructure due diligence before calculating an indicative cost estimate or to hold the Company to a +/-20% accuracy range for the estimate.

SunShare argues that widely varying estimates make gardens difficult to finance. Yet Xcel reports that hundreds of megawatts of solar gardens are currently in the detailed design and construction phase of development, a fact which the Company suggests undercuts SunShare's claim that the process is hindering garden financing. Without knowing the level of cost variance experienced by developers other than SunShare, however, it is difficult to evaluate either party's argument.

To gain a better understanding of cost-estimate variance across Xcel's solar-garden program, the Commission will require the Company to report variances between the indicative cost estimate and actual project costs—both the total cost and the substation and distribution components. For each of these costs that falls outside a +/-20% range, Xcel will be required to provide a detailed explanation for the variance. The Company will report this information within 30 days of the actual cost being provided to the developer, in its monthly solar-garden program update.

The Commission rejected SunShare's arguments – similar to those made in this Amended Complaint – that the Company's process to provide an indicative cost estimate that may differ from the final project cost make gardens difficult to finance. We have provided the required cost variance information in our monthly Solar*Rewards Community reports, and the reporting requirement was subsequently changed to an annual reporting requirement by the Commission's December 5, 2019 Order Amending Reporting Requirements in Docket No. E002/M-13-867.

Also, the Commission's November 2016 Order discussed above supports our approach of conducting Detailed Design only after the IA is signed. Specifically, the Order rejected SunShare's argument that the Company should undertake site due diligence before calculating the indicative cost estimate and entering into an IA. The indicative cost estimate is a high-level estimate without any field verification, and it is not "inaccurate," as SunShare states in its Amended Complaint, just because the amount is not the same as the final, actual cost.

In the Amended Complaint, SunShare has disputed the interconnection cost of system upgrades for its CleodSun project. CleodSun received an IA on February 4, 2020. The indicative estimated cost for proceeding with the maximum 1 MW application is **[PROTECTED DATA BEGINS PROTECTED DATA ENDS]**. The dispute as set forth in pars. 13-16 of the Amended Complaint is whether the entire regulator and substation breaker need to be replaced. Receiving the full capacity of 1 MW requires the installation of VSR (voltage supervisory reclosing), new regulators and a substation breaker. This work will only be allowed during off peak times (i.e., winter) because the construction will require some sort of mobile installation.

The Company provided in a March 4, 2020 call to SunShare more details regarding these substation upgrades to clarify that our substation engineering team reviewed the regulator and determined that a full replacement (regulators, controls and full breaker replacement) was necessary to interface with our standard regulator controller for reverse flow.

We explained then that there is currently a hydraulic recloser, which cannot be upgraded with the needed VSR to accommodate this interconnection and does not have the inputs for the needed PTs and would need to be updated to have a micro-processor. The controller on the existing voltage regulators does not have CoGen mode. Because the project is going to cause reverse flow on the regulators it must have co-generation (CoGen) mode to ensure the regulators respond correctly. This requires a new controller which is not compatible with the existing regulators, so they need to be replaced. All of this has been explained to SunShare multiple times.

SunShare refers to the prior SunShare Schiller project, which was offered its IA in January 2017, and the Amended Complaint points to the $92,000 indicative cost difference for interconnection. The SunShare Schiller project was the subject of a prior complaint in MPUC Docket No. E002/C-19-203, *In the Matter of a Formal Complaint Against Xcel Energy By SunShare, LLC, Pursuant to Minn. Stat. § 216B.17*, and SunShare never signed or funded the IA for the Schiller project. We have explained to SunShare that the prior study results for Schiller are out of date and not comparable, that the Schiller study was done with older modeling software and prior cost inputs that we no longer use, and that there are many differences in the modeling and results. Equipment costs and knowledge of the engineering work required to complete this type of work also have evolved since the Schiller project was reviewed, leading to what we anticipate to be a more accurate indicative cost estimate at the time the current estimate was provided in February 2020. Therefore, neither the Schiller and CleodSun projects nor their studies or indicative costs are comparable. We also explained that we were providing the least cost solution with the standardized equipment that we keep in stock for use in standard design.

In short, contrary to SunShare's allegation, the Company did provide SunShare technical details regarding the necessary regulator and substation breaker replacement. A summary of this call is set forth in the March 4, 2020 email to SunShare, included as Attachment B. The Company also shared that two other projects ahead of CleodSun in queue withdrew their applications because these similar equipment upgrades would have been required for interconnecting those projects, too.

SunShare maintains that the Company is not looking at the least cost option but only the solution that meets our internal standards and therefore would like to obtain more cost details. The Company emphasizes the importance of consistent and well-vetted equipment, design and engineering standards. For example, it is important to look at performance and reliability of equipment, including testing standards, manufacturing data and other areas. It may be necessary to test and demonstrate various pieces of equipment, especially if it is new to us or if there are new or emerging capabilities. When selecting equipment, we also take into consideration various user and construction aspects which may also influence equipment selection. Finally, once a particular standard or piece of equipment is selected, we educate, train and gain feedback from engineering, design, construction and other operations personnel. We emphasize the importance of standards in the total cost of ownership model of a particular piece of equipment or other standards development area. Also, with a company of our size, creating one-off exception for a piece of equipment has a potential to introduce safety concerns, additional cost, errors or inefficiencies in maintenance, training and education.

We have provided an appropriate indicative cost estimate as well as additional information on what portion of the total cost is related to the VSR and the substation breaker replacement. Contractual obligations prohibit us from giving SunShare any more specific cost details (including competitively sensitive pricing) from our suppliers. Additionally, the cost differences between our required equipment and other equipment preferred by SunShare are not relevant, since the equipment suggested by SunShare does not align with our standards.

For operational, safety, efficiency and quality of service reasons, we must be able to have consistent equipment configurations across our network, but the SunShare request would not allow this.

The Complaint essentially challenges our engineering analysis and judgment on what equipment needs to be replaced, a determination that is based on our deskside engineering review and inspection of the equipment. We do not believe this is an appropriate issue for a Complaint as we should be allowed to use our engineering judgment, based on acceptable industry standards and practice and extensive experience in operating the distribution system. Otherwise, the Commission would be limiting our ability to determine how to best manage our distribution network.

The fact that utilities should be able to use engineering judgment was also acknowledged in implementing technical requirements for the MN DIP. The Minnesota Technical Interconnection and Interoperability Requirements (TIIR) recognize that "with so many variations in Area EPS designs, it becomes complex to create a single set of interconnection requirements that fits all DER interconnection situations. The Area EPS Operator must maintain a level of engineering judgment in order to interconnect the wide range of technologies over a variety of Area EPS and DER characteristics and designs." (TIIR p. 1)

To clarify, the Company conducts all DER studies based on the application submitted and on the following guiding principles applicable here: known feasibility, use of Company standard equipment, and least cost interconnection. Furthermore, an interconnection customer may submit engineering documents detailing their plans for the location of a proposed system, however, it is up to our engineering team to determine how to interconnect any given application to Xcel Energy's distribution grid.

In other words, an interconnection customer may not choose or design how Xcel Energy will interconnect their application. Our tariff provisions for pre-MN DIP applications (applicable here) provide that for interconnections requiring system modifications or additions by Xcel Energy, "Xcel Energy will provide the final determination of the required modifications and/or additions." (Tariff sheet 10-139).

We have exercised our reasonable judgment here. To help inform our Comments, we briefly summarize the Commissioners' discussions and deliberations during the March 4, 2021 hearing on the Sunrise 20-892 Complaint with detailed excerpts provided in Attachment C. The Commission deliberations and vote of March 4, 2021 also support our approach. To overturn our judgment, SunShare would need to show that our approach is "arbitrary" or "discriminatory" as explained during the Commission's March 4 deliberations. Sunrise did not do so in the Sunrise 20-892 Complaint, and SunShare has not done so in the current Amended Complaint.

Commissioner Schuerger noted that the statute that most directly applies is Minn. Stat. §216B.1611, the interconnection statute, which promotes the use of DER to provide electric system benefits, but also recognizes "enhancing both the reliability of electric service and economic efficiency in the production." (3:21:53) He also stated that "Good Utility Practice is an important and relevant question here" (3:22:35) and that not every detail of utility practice must be committed to tariff. (3:22:48) Finally, Commissioner Schuerger concluded that "so the question to me… is are we seeing in this record utility practices that are arbitrary or discriminatory. And, I don't see evidence in this record before us that they are." (3:23:01) Commissioner Schuerger moved to dismiss the Complaint without prejudice and adopting Decision Option 9 cited above, and this was later unanimously approved by the Commission.

With regard to the CleodSun application, our engineering team followed the principles listed above. There are several reasons why we cannot allow one-off variances, such as potential allegations of discrimination from other developers if they were not allowed the same one-off variance or implementing one-off exceptions that would then become the rule, and as a result, we would not have a standard process for interconnection. There has been no showing that the use of our judgment here has been arbitrary or discriminatory.

B. Background on Timeline for Issuance of Interconnection Agreement

We provide below a table and further narrative of the applicable timelines for the CleodSun project, including those timelines asserted in the Amended Complaint. At this stage of this proceeding, we are not asking the Commission to resolve differences between the timelines; instead, the intent here is to provide background to assist the Commission in making a public interest determination.

Table 1 shows applicable dates in the Solar*Rewards Community program for the CleodSun application.

Table 1. Timeline for the CleodSun Project

Row	Step	Xcel Energy Records	SunShare Amended Complaint references
1	Application Deemed Complete	6/16/2019	
2	Enter Study Queue / Expedited Ready	10/2/2019	10/2/2019 (pars. 8 and 9)
3	IA/Study Due – per tariff sheet 9-68, par. 1.h (up to 50 Business Days from Expedited Ready)	12/16/2019	12/16/2019 (par. 12)
4	IA/Study Sent	2/4/2020	2/4/20 (par. 10)
5	Business Days Study Late (Due v Sent; rows 3 v 4)	48 Business Days Late*	Mentions 125 calendar days from Expedited Ready (par. 11)
6	Deadline for SunShare to sign and fund IA – per tariff sheet 9-68.7, par. c.i – 30 calendar days from issuance of IA	3/5/2020	
7	Date SunShare signed and funded IA	TBD	

* Christmas and New Year's Day are recognized as not being Business Days.

We apologize for being late in offering the IA to SunShare. While we could give some further explanations, we believe this would largely be a distraction here, and our focus is on improving our performance regardng the interconnection process. A large portion of the delay was the long internal time on initial engineering review. Since this time, to help address this we have implemented a new process to have the initial engineering review performed by a qualified outside consultant company.

The IA packet was presented to SunShare on February 4, 2020; thus SunShare had a 30-calendar day tariff deadline until March 5, 2020 to execute and fund the IA. The CleodSun application should have been removed from the interconnection queue and portal on March 6, 2020, when the IA remained unexecuted and unfunded. SunShare has still not signed and funded the IA. According to our standard practice, when an applicant is actively challenging study results or proceeding through the allowed dispute process, the Company does not cancel the application. If the Company sees that resolution is not likely or progress is not being made, the Company informs the applicant of the assessment of the situation and allows a 30-day period to fund the project or file an official Commission complaint to avoid cancellation, as has occurred here.

C. It is Not in the Public Interest to Consider the Complaint

We recommend that the Commission find that there is no public interest to investigate the Complaint and that it dismiss the Complaint.

First, we do not believe there is public interest to investigate the Complaint because the type of dispute here – whether the regulator and substation breaker require full replacement – involves engineering judgment and is not a proper subject of a Complaint. If the Commission were to address this issue as part of a Complaint, the Commission would need to first determine that our engineering judgment, which concluded based on our review and inspection that a full replacement is needed, was arbitrary or discriminatory. Then, if the Commission were to overturn our engineering judgment, it would need to determine what is the appropriate way to interconnect the CleodSun project. There has been no sufficient allegation that we have acted in an arbitrary or discriminatory manner. Also, while SunShare alleges potential decreased costs in implementing its preferred option, it has failed to account for increased costs associated with implementing different operational configurations and the upfront and ongoing costs to train our workers on this one-off solution. These additional costs would need to be assessed against SunShare on an upfront and continuing basis for as long as the one-off configuration is in place. There would also be future costs to remove the equipment once the SunShare project is no longer in operation, and these costs too should be assessed against SunShare.

Second, we do not believe there is public interest to investigate the Complaint because the delay in offering the IA was not a cause in fact of any injury to SunShare. As explained above, there was a 48 Business Day delay in issuing the IA and Xcel Energy regrets this delay. We believe, however, that our actions in studying the CleodSun project were reasonable and that the main reason for the project delay has been SunShare's unwillingness to fund the cost of required interconnection upgrades. For over a year since receiving the IA on February 4, 2020, SunShare has declined to execute it.

Accordingly, while there was a delay in offering the IA to SunShare, this delay is not a cause in fact of any injury to SunShare. This is because SunShare has not been ready, willing and able to sign and fund the IA in a timely way. The Commission has previously applied the common "ready, willing and able" standard to determine if a legally enforceable obligation (LEO) has been created in the interconnection context.[3]

[3] See, for example, *Petition by Highwater Wind LLC and Gadwall Wind LLC*, Docket No. E015/CG-11-1073, ORDER DENYING CLAIM OF LEGALLY ENFORCEABLE OBLIGATION at 8 (Feb. 25, 2013).

Here, the fact that SunShare has for over a year not been ready, willing and able to sign and fund the IA shows that the delay in offering the IA by some number of days is not relevant to any SunShare claimed harm of missing the 2019 ITC. We believe it has taken SunShare far too long to bring forward its initial complaint and this Amended Complaint, which put this docket on hold for four additional months before SunShare filed its Amended Complaint. We do not believe it is in the public interest to investigate the Amended Complaint.

Third, we do not believe there is public interest to investigate the Complaint because it would be discriminatory to excuse SunShare from the same upgrades that were required from two other prior-in-queue projects which subsequently were withdrawn. As we mentioned above, two other projects that were ahead of CleodSun on the same feeder faced the identical issue here and consequently withdrew their applications after learning the nature and cost of required upgrades. It would be discriminatory to allow the SunShare project to proceed without the same upgrades (VSR, new regulator, and substation breaker replacement) that we had required for other projects in the same queue. Under principles of non-discrimination, it would not be appropriate to have a special rule or exception only applicable to SunShare. Nor would it be appropriate to make this type of fundamental change to our interconnection process and essentially over-rule our engineering judgment here.

Fourth, we do not believe it is in the public interest to consider the Complaint when each item of requested relief is by nature such that it cannot, or should not, be granted. This is the situation here, as SunShare's Complaint seeks forms of relief that are not appropriate. A discussion of each item of the requested relief is discussed in the section below.

Overall, all the reasons listed above support a finding that it is not in the public interest for the Commission to consider the Amended Complaint. Minn. Stat. § 216B.17 and Minn. R. 7829.1800 specify that the Commission may dismiss any complaint without a hearing if in its opinion a hearing is not in the public interest or where there is no reasonable basis to investigate the matter. We believe this is the appropriate approach here.

III. IF THE COMMISSION IS CONSIDERING ALLOWING SOME PORTION OF THE AMENDED COMPLAINT TO PROCEED, OTHER ISSUES NEED TO BE FIRST ADDRESSED

If the Commission does not dismiss the Amended Complaint, and instead wants some portion of the Amended Complaint to proceed, then there are a number of other issues that the Commission would need to address before doing so.

A. None of the Items of Requested Relief Are Appropriate.

If the Commission believes that there is public interest for it to consider the Amended Complaint, then it should also provide guidance on which items in the request for relief it would consider and which items it will not consider. This guidance would help the parties focus on what is important if the Commission takes up the Amended Complaint. However, it is the position of the Company that the Commission should not consider any of the items in the request for relief in the Amended Complaint.

1. Providing More Details on Cost Estimates

The first request for relief in SunShare's Amended Complaint "requests that the Commission issue an order directing Xcel to ... provide SunShare with the information necessary for it to determine whether Xcel's estimated interconnection costs for the CleodSun project are reasonable consistent with Minnesota law and policy." We used standard pricing with the estimates provided and are unsure what additional detail SunShare is looking for here. We cannot provide our exact costs from our suppliers (including discounts) as these are confidential, competitively sensitive information. Moreover, SunShare is in the business of ordering from similar suppliers and it would be a conflict of interest to receive this type of pricing information.

Additionally, even if we were to provide SunShare with this information, even if under and non-disclosure agreement, it would jeopardize the discounts that we are receiving from our suppliers. This could cause our suppliers to reduce or eliminate discounts they provide to us, increasing our costs for supplies we receive, and in turn increase the costs to our customers and to developers. Accordingly, is not in the public interest for us to release this information to SunShare. In addition, we procure most major equipment through a competitive bidding process and, given that we are a major U.S. utility, would be very competitively priced.

In situations like this, where SunShare is seeking specific cost information from our suppliers, we have offered them an alternative approach. This would be an option where together we would mutually agree on a qualified third-party outside auditor to examine the reasonableness of our cost estimates. SunShare would need to pay for this audit. The third-party auditor would then determine if the estimate or actual costs we provide are reasonable, but not provide the nonpublic information to SunShare. To date, SunShare has not accepted this approach.

The first item in the request for relief should not be considered by the Commission.

2. Reissue Cost Estimates

The second request for relief in SunShare's Amended Complaint "requests that the Commission issue an order directing Xcel to ... require Xcel to reissue its study results with estimated interconnection costs that are reasonable consistent with Minnesota law and policy." As explained above, we have already provided a study and IA with appropriate system modifications necessary for this interconnection along with appropriate cost estimates. These are based on least cost approach using our standard equipment. We do not know what else can be done, other than update costs to reflect the escalating costs we have seen in recent months.

3. Apply a Rate Adder

SunShare's third request in the Amended Complaint is for a rate adder, which essentially requests that the Commission award compensatory damages to SunShare for the alleged violation of the interconnection tariff. The Commission has no authority to award compensatory damages, and the SunShare request has no support in laws, rules or tariff as explained further below.

a. The Commission Has No Authority to Award Compensatory Damages

The Minnesota Supreme Court has consistently determined that the Commission lacks authority to award compensatory damages. The Commission's authority is limited to that expressly given it by the legislature or that which can be fairly drawn and fairly evident from the agency objectives and powers expressly given by the legislature. *In the Matter of Qwest's Wholesale Service Quality Standards*, 702 N.W.2d 246, 259 (Minn. S.Ct. 2005). And while "[t]he MPUC enjoys broad power to ascertain and fix just and reasonable policies for all public utilities…, the power to award monetary damages to a complaining party is not one that the MPUC enjoys." *Siewert v. N. States Power Co.*, 793 N.W.2d 272, 277–78 (Minn. S.Ct. 2011) (citing *Peoples Natural Gas Co. v. Minn. Pub. Utils. Comm'n*, 369 N.W.2d 530, 534 (Minn. 1985). *Siewert* specifically cited to Minn. Stat. § 216A.05 as showing that the Commission has "no power to award damages...." *Siewert v. N. States Power Co.*, 793 N.W.2d 272, at 285.

Consistent with this analysis in *Siewert*, in the analogous case of interconnections of wholesale customers in the telecom arena, the Minnesota Supreme Court held in *Qwest* that the Commission does not have authority to order or establish payments for failure of the utility to comply with interconnection standards, called wholesale service quality standards in that proceeding. Although related to the Commission's authority over telecom rather than electric utilities, the reasoning underlying the decision applies equally to both industries. The basis for the court's decision in *Qwest* is that the Commission has limited authority, only having the authority given to it by statute.

While the state statutes give the Commission a broad general grants of authority, such as Minn. Stat. § 216A.05, nowhere does the statutory scheme expressly give to the Commission the power to provide remedies for failures to meet the interconnection standards. Since the power to impose payments for violation of interconnection standards was not expressly given by the legislature, the Commission has no such power. *Qwest,* 702 NW2d at 259-261. Similarly, here, the legislature has not granted the Commission the authority to award damages for alleged violations of the interconnection tariff, and therefore the Commission may not award such damages. This is particularly the case for electrical interconnection issues because the state statute that addresses electrical interconnection and specifically authorizes the Commission to develop incentives to the utility based on the utility's performance in encouraging residential and small business customers to participate in on-site generation (Minn. Stat. § 216B.1611, subd. 2(b)), but has no provision authorizing the Commission to order remedies where the interconnection standards have not been met.

b. An Award of Damages or a Rate Adder Would Be Inconsistent with the Filed Rate Doctrine

In addition to the Commission's general lack of authority to award damages (including damages in the form of a rate adder), awarding damages here would violate the filed-rate doctrine, which precludes a litigated claim for monetary damages for violation of a tariff such as alleged here. As recognized in *Siewert*, the filed rate doctrine is a judicially created doctrine that prevents courts from adjudicating private claims that would effectively vary or enlarge rates changed under a published tariff. This bars both direct and indirect challenges to rates in a tariff (such as SunShare's claims to compensation for alleged violations of the interconnection tariff in this case where the tariff does not provide for compensation), and prohibits a court from expanding, or adding terms, to what is provided in a tariff. *Siewert*, 793 N.W.2d 272, 285. "...[T]he filed-rate doctrine bars claims for money damages to remedy breach of a provision in an agency-approved tariff." *Hoffman v. Northern States Power Company*, 764 N.W.2d 34, 46 (Mn S.Ct. 2009), citing several cases.

The filed-rate doctrine is consistent with the state statutory scheme that prohibits having any different compensation than set forth in tariff, and prohibits granting any unreasonable preference or advantage to any person.

> **Minn. Stat. §216B.06 Receiving Different Compensation**.
>
> No public utility shall directly or indirectly, by any device whatsoever, or in any manner, charge, demand, collect, or receive from any person a

> ***greater or less compensation for any service rendered or to be rendered by the utility than that prescribed in the schedules of rates of the public utility applicable thereto*** when filed in the manner provided in Laws 1974, chapter 429, nor shall any person knowingly receive or accept any service from a public utility for a compensation ***greater or less than that prescribed in the schedules***, provided that all rates being charged and collected by a public utility upon January 1, 1975, may be continued until schedules are filed.
>
> (Emphasis added.)
>
> **Minn. Stat. §216B.07 Rate Preference Prohibited.**
>
> No public utility shall, as to rates or service, make or grant ***any unreasonable preference or advantage*** to any person or subject any person to any unreasonable prejudice or disadvantage.
>
> (Emphasis added.)

The filed-rate doctrine avoids retroactive relief that would lead to discrimination in rates that would put a victorious plaintiff in a better position than other customers, and avoids undermining the legislative scheme of uniform rate regulation. *Schermer v State Farm*, 702 N.W.2d 898, 906 (Minn. Ct.App. 2005), aff'd, 721 N.W.2d 307 (Minn. S.Ct. 2006). Were there any monetary consequence for violation of a tariff, the tariff would first need to be revised to allow for this, and the changed tariff would only have prospective effect. Otherwise, this would violate the bar against retroactive ratemaking. As stated by the Minnesota Supreme Court, "Ratemaking is a quasi-legislative function [(citation omitted)], and legislation operates prospectively. Indeed, the Public Utility Act expressly prohibits retroactive ratemaking. Minn.Stat. §216B.23, subd 1 (1984) provides: '[T]he commission shall *** by order fix reasonable rates *** *to be imposed, observed and followed in the future*.' (Emphasis added.)" *Peoples Natural Gas v. Minnesota Public Utilities Commission*, 369 N.W.2d 530, 533 (Minn. 1985).

This doctrine also is consistent with the court's reasoning in the *Siewert* case that the Commission must consider the right of a utility and its investors to a reasonable return while at the same time establishing a rate for consumers which reflects the cost of service rendered plus a reasonable profit to the utility. *Siewert v. N. States Power Co.*, 793 N.W.2d 272, 277–78. In other words, a utility's tariffs are structured to offer it the prospect of earning its authorized return. And where those tariffs do not include provisions authorizing an award of compensatory damages, then – even if the Commission had authority from the legislature to assess such damages – it would not

be proper to do so because it would deprive the utility of its opportunity to earn its authorized return. Related to this, the Minnesota Court of Appeals has explained that limiting the liability of utilities serves the public interest of low utility rates, and that "[a] limitation of liability is an essential and valid part of the rate[.]" *Computer Tool & Engineers v. Northern States Power*, 453 N.W.2d 569, 572 (Minn. App. 1990).

Finally, the filed-rate doctrine's prohibition on awards of damages not set forth in tariff is consistent with the discussion led by Commissioner Tuma at the April 22, 2021 Commission hearing on the Solar*Rewards Community program. In short, the discussion contemplated that only if a tariff provides for some monetary consequences could such a penalty or award be proper. But, under the filed-rate doctrine, the Commission cannot award monetary relief unless that is first set forth in the tariff. We attach as Attachment D details from that discussion.

Therefore, because the Commission lacks express authority to award damages, and because the Company's tariffs do not include any provision for the compensation that Sunshare requests, its claim for monetary relief should be denied.

c. Any Additional Bill Credit Rate Claim Would not be in the Public Interest

Even were the Commission to have authority to award SunShare its requested rate adder, doing so would not be in the public interest because it would result in an even greater increase in fuel clause costs for customers than currently occurs due to the CSG program. In 2020, the bill credits under the CSG program accounted for about 20% of the fuel clause in Minnesota, but the energy from the CSG program constituted only about 3% of the energy. SunShare's request for relief would only widen this disparity. We note that our North Dakota and South Dakota customers are not charged for the CSG program, so there is a large disparity in our fuel clause costs in Minnesota compared to these states. In those states, we have seen a marked decline in fuel costs over the last few years as we have brought increasing amounts of wind on our system, while our fuel costs in Minnesota have generally remained flat.

Additionally, we believe that providing this type of relief to SunShare would give it a competitive advantage compared to other developers, which would violate principles of non-discrimination.

d. SunShare's Claim of Harm Appears to be Exaggerated

In addition to its request being one the Commission cannot and should not award, SunShare's claim of harm appears to be exaggerated. SunShare has requested that the

Commission "... apply a **[PROTECTED DATA BEGINS PROTECTED DATA ENDS]**/kWH rate adder commensurate with the value of the lost investment tax credit and other costs of delay due to Xcel's delay pushing projects out of 2019 and into 2021. This compares to the requested relief in the original Complaint of applying the 2020 VOS Vintage Rate Table instead of the 2019 VOS Vintage Rate Table plus a rate adder of **[PROTECTED DATA BEGINS PROTECTED DATA ENDS]**. This application was deemed complete at the time with the most current VOS rate was the 2019 VOS Vintage Rate Table. This is the rate that applies here. The levelized rate of the 2019 VOS is about $0.1109/kWh and this compares to the levelized 2020 VOS which is about $0.1152/kWh. The monetary request in the Amended Complaint is a substantial reduction from that in the original complaint, with no explanation for the apparently arbitrary difference.

SunShare's claim that it would have been eligible for the 2019 ITC, moreover, appears to be questionable. SunShare ties its claim to not being eligible for the 2019 ITC to not being offered an Interconnection Agreement in 2019 for the CleodSun project. To our understanding, there is no requirement that a project needs to be offered an Interconnection Agreement in 2019 in order to be eligible for the 2019 ITC. Based on our general understanding of this law, all that is needed is at least 5% of the costs of the project have been incurred in 2019 and that the project be placed in service within 4 years from the beginning. For example, SunShare could have ordered and paid for a sufficient number of panels for these projects in 2019 to cover at least 5% of the overall project costs and would have preserved its eligibility for the 2019 ITC. Further, since SunShare has many pending applications across many subsidiaries, it is our understanding that the panels it purchased under the 2019 ITC could be shared across several projects, so even if an intended project did not go forward it could repurpose those panels to other projects. Based on this, it appears that SunShare could have still preserved its ability to obtain the 2019 ITC, but has failed to take prudent measures to mitigate or eliminate its alleged losses here.

As noted above, however, we do not believe that the Commission needs to assess this question as there is no legal basis for awarding SunShare any compensatory damages. We raise this only as background information regarding the allegations in the Complaint. However, if the Commission determines that it can and should consider the request to use a rate adder, SunShare has not provided any financial, construction or other information to support its claim of financial harm. In order to respond to SunShare's claim, we would need to issue discovery, vet SunShare's financial, construction or information, and make revenue comparisons under the rate adder. All this would require SunShare's full cooperation and sufficient time; we may also need to retain an outside consultant to assist in the financial or other analysis.

e. SunShare's Reference to an Adder Ordered in Colorado Is Inapplicable

In par. 64, SunShare alleges that "The Colorado Public Utilities Commission recently awarded SunShare an adder to compensate it for the additional costs it incurred as a result of Xcel's delay interconnecting community solar garden projects in Colorado." Notwithstanding that decisions from Colorado are not precedential in Minnesota, SunShare misconstrues the cited Order and fails to place it in proper context. We attach as Attachment E the February 25, 2021 Public Utilities Commission of Colorado Order in *In the Matter of Verified Petition of SunShare LLC for a Declaratory Order Approving a Renewable Energy Credit Adder*, Proceeding No. 20D-0262E.

In Colorado, there is a bidding process in order to determine which proposed gardens will be accepted. Only those with winning bids are accepted. SunShare had won the bidding process for several of its gardens. Because there is a separate fund for payment for the gardens (RESA), as noted in par. 11 of the Colorado Order the winning bids submitted by SunShare were at a rate of $0 or negative amounts. After the bids were accepted, engineering studies began on the proposed project locations and these determined that there was no capacity at the locations that SunShare submitted. As a result, the Company allowed SunShare to submit new interconnection applications at new locations, which resulted in a delay in the proposed timeline to interconnect the gardens and caused additional expense to SunShare than what it had anticipated in its bids.

As noted in par. 39 of the Colorado Order, the bidding process allows the price paid for RECs to be reformed for viable projects, and the Colorado Order reset the winning bidding price to reflect the lowest amount needed in order to continue to allow the five projects at issue to remain as viable projects. This adder is to be paid for by ratepayers. Par. 44 of the Colorado Order notes that if this adder were not to be granted, then nearly 80% of the awarded capacity for the 2018 program year would be withdrawn, up from the 50% withdrawal rate that would remain if these SunShare projects were not to be withdrawn. As a result, the rate adder awarded in the Colorado is consistent with Colorado law in a way that SunShare's proposed adder in this case is not consistent with Minnesota law, and the Commission should ignore the Colorado because it is irrelevant here.

f. The Commission Has Already Triggered QSP Underperformance Payment for Interconnection Delays in 2019

The Commission has already required a Quality of Service Plan (QSP) underperformance payment of $1 million from the Company for interconnection delays in 2019 and should not provide SunShare relief due to the imposition of this

QSP underperformance payment. On January 21, 2021, the Commission deliberated and voted in Docket Nos. E,G002/CI-02-2034 and E,G002/M-12-383, *In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs Originally Established in Docket No. E,G-02/CI-02-2034 and Investigation and Audit of Service Quality Reporting-Fraudwise Report*, where it imposed a $1 million underperformance payment under the provisions of the Xcel Energy Quality of Service Plan (QSP) tariff, driven in large part by a number of interconnection application related complaints for not meeting interconnection application timelines in 2019. This is the same time period at issue in the current Complaint, where SunShare claims that it should have received an Interconnection Agreement in 2019.

We note that the industry group MnSEIA, in the Solar Garden Docket No. 13-867, had filed comments in the later part of 2020 to argue for delayed implementation of the Company proposed 2021 VOS rate (levelized at about $0.1104/kWh) as a way to compensate solar developers for delays in Xcel Energy's processing of interconnection applications in 2019. (See, MnSEIA's November 18, 2020 comments in that docket, at pages 10-11.) However, at the Commission's January 28, 2021 hearing on that matter, MnSEIA backed off of its position and appeared to accept the Commission's vote of January 21, 2021 to impose a $1 million underperformance payment on the Company per the terms of the Company's QSP tariff as resolving the issue on delays in the interconnection process. The briefing papers for the Commission's January 28, 2021 agenda meeting in Docket No. 13-867 on the 2021 Value of Solar rate, at page 47, stated:

> **Xcel's delayed interconnection process**
> 1. Take no action at this time in response to MnSEIA's request for a delay in the adoption of the 2021 VOS as a penalty to Xcel for delayed interconnections. (Xcel Energy)
> 2. Direct Xcel to delay the effective date of the 2021 VOS until such time as the Company's Interconnection process is fixed and the Company is meeting MNDIP-tariffed timelines. (MnSEIA)

At the January 28, 2021 hearing, David Shaffer on behalf of MnSEIA supported Decision Option 1 above, and in doing so stated the following:

> ...(beginning at about 48:25) Under the Xcel delay header, given the work that the Commission did last week, we suggest 1.

Because of this, the Commission has essentially already taken action to account for any alleged delays applicable here in 2019.

g. No Waiver of Minn. R. 7829.3200 is Appropriate

SunShare asserts in pars. 59 through 63 of its Amended Complaint that it is entitled to a waiver of the VOS rate prescribed by our tariff, claiming that under Minn. R. 7829.3200 it has met three conditions for waiver of a Commission rule. The VOS rate in our tariff, however, is not a Commission rule and therefore Minn. R. 7829.3200 does not apply. But, even were Minn R. 7829.3200 to apply to the requested waiver of the VOS rate prescribed by our tariff, SunShare has not met the required elements.

First, waiving the tariff would impose excessive burden on the utility by shifting costs from SunShare to the utility and its customers.

Second, SunShare has not shown how this selective waiver of the VOS rate prescribed by our tariff is in the public interest. Instead, as discussed above, such a waiver would result in an award of compensatory damages which goes beyond the authority of the Commission and violate the filed-rate doctrine. Further, it would not be in the public interest for other reasons as further discussed above.

Finally, it would provide SunShare with a preferred position compared to all other developers. This would violate Minn. Stat. §§216B.03 and 216B.21 by creating, instead of addressing, unreasonable or unjustly discriminatory rates.

For all these reasons, SunShare's requested waiver of the VOS rate prescribed by tariff should be denied.

4. Costs and Attorney Fees

Finally, SunShare's fourth request for relief requests that the Commission "... award SunShare its reasonable costs, disbursements, and attorney fees pursuant to Minn. Stat. § 216B.164, subd. 5, and Minn. R. 7835.4550." If the Commission decides to proceed with the Amended Complaint, it should exclude from its consideration any references in the Amended Complaint to Minn. Stat. § 216B.164 and Minn. R. 7835. SunShare also cites to Minn. Stat. § 216B.164 as well as Minn. R. 7835.4500 throughout. The purpose of this statute is to implement PURPA. (See, Minn. Stat. § 216B.164, Subd. 2.) Similarly, the applicability of Minn. R. 7835 is to implement PURPA and § 216B.164. (See, Minn. R. 7835.0200.) However, the Community Solar Gardens program is not a PURPA program, so this statute and the corresponding rule do not apply here.

Consistent with the approach that the Commission took during the March 4, 2021 hearing in the Sunrise 80-892 Complaint, however, it may not be necessary for the

Commission to address these allegations if it determines that it will not proceed with the Amended Complaint. The assertion by SunShare in par. 44 of the Amended Complaint that the PURPA statute, even if this were a PURPA program, would give SunShare a "right" to have the Commission resolve the dispute is not supported by the language of this statute, as the language only refers to requesting a determination of the issue by the Commission.

a. Prior Determination that the CSG Program Is Not a PURPA Program

The Minnesota Court of Appeals has determined that the CSG program is not a PURPA program. In the Sunrise appeal challenging the Commission's Orders prohibiting co-located gardens above 1 MW (after a phase-in allowing co-located gardens up to 5 MW that had submitted applications by a certain date), the Commission noted in its Appellate Brief that the CSG Program is not a PURPA program. We include as Attachment F excerpts from this Commission Brief, and provide immediately below some excerpts from this Commission filing.

> When the Minnesota Legislature passed the CSG statute it authorized a novel and distinct program separate from the traditional process that governs the purchase of renewable energy from small third-party developers. In 1978, the U.S. Congress passed the Public Utility Regulatory Policies Act ("PURPA") in an effort to encourage the development of small renewable energy facilities and to reduce the demand for fossil fuels. *Am. Paper Inst. v. Am. Elec. Power Serv. Corp.*, 461 U.S. 402, 405 (1983). The renewable energy facilities are known in the industry as "qualifying facilities" ("QF's"). *Id.* Pursuant to PURPA, utilities must purchase all electricity generated by a QF at the utility's avoided cost. *Id.* at 406. "Avoided cost" is "the cost to the electric utility of the electric energy which, but for the purchase from such cogenerator or small power producer, such utility would generate or purchase from another source." *Id.*
>
> PURPA's provisions were codified in Minn. Stat. § 216B.164 ("co-gen statute"), and Xcel's Section 10 tariff was created to implement Minnesota's co-gen statute. The CSG program and Section 10 tariff have a few notable differences. First, the CSG program's "applicable retail rate" is higher than the "avoided cost" rate in the Section 10 tariff. (RPA, 28). Second, a developer under the CSG program may not proceed with their project if it would require Xcel to make a "material upgrade." (RPA, 33). The Section 10 tariff does not impose any such limitation. Third, under the Section 10 tariff, a project can be approved up to 10 MW. Minn. Stat. § 216B.164, subd. 2a(h).
>
> ... The Minnesota Legislature enacted the CSG statute as an alternative program to the PURPA/Section 10 process. If Sunrise wishes to avail itself of the CSG program's premium rates, it must also comply with the qualifications and limitations the Commission finds necessary to ensure the program is consistent with the public

> interest. Alternatively, there is nothing to prevent Sunrise from pursuing its projects as a PURPA QF under Xcel's Section 10 tariff.

Based on this, the Commission has already made the determination that the CSG program is not part of a PURPA program and that the PURPA statute does not apply.

The Appellate Court agreed, and stated:

> The entirety of Sunrise's PURPA argument 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. *In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of Its Proposed Community Solar Garden Program*, Minn. Ct. of Appeals A15-1831, May 31, 2016, p. 19.

It is important to note that the CSG program (set forth at our tariff sheets 9-64 through 9-99), and the topic of the CSG Docket (Docket No. E002/M-13-867), and the topic of this Appellate Court opinion all involve the same CSG program that pertains to the current Amended Complaint.

In its Reply Comments in the Sunrise 20-892 Complaint docket, counsel for Sunrise (who is also counsel for SunShare here) cited to Minn. Stat. §480A.08, Subd 3, (b), to argue that this Appellate Court Order is not binding. This statute states in part as follows:

> The decision of the court need not include a written opinion. A statement of the decision without a written opinion must not be officially published and must not be cited as precedent, except as law of the case, res judicata, or collateral estoppel.

We do not see how this statute is applicable here because the appellate order included a written opinion, and this statutory language only applies if there is no written opinion.

It also appears reasonable that this Appellate Court decision can be cited as "law of the case." The SunShare application at issue here, and this docket, can be considered a "continuation" of the CSG Docket that was the subject of that prior appeal as they each apply to this continuous CSG program. The prior ruling helped to clarify that this CSG program is not a PURPA program, and this ruling is pertinent here. The

CSG program is described in our tariff and in the CSG Docket, the same docket underlying that prior Appellate Court Order. The CSG Docket remains active, and the current SunShare application at issue here have been submitted under this CSG program that is the subject of the CSG tariff.

The "law of the case" doctrine applies where an action is a continuation of a prior action. *In the Matter of the Application of Northern States Power Company for Authority to Increase Its Rates of Electric Service in Minnesota*, 440 NW2d 138, 141 (Minn. App. 1989). Where issues in a case are resolved on a set of facts, the result becomes the law of the case and that result cannot be challenged on successive appeals. See, *Sigurdson v. Isanti County*, 448 NW2d 62, 66 (Minn. 1989). A decided issue becomes "law of the case" and may not be relitigated in the trial court or reexamined in a second appeal. *Mattson v. Underwrites at Lloyds*, 414 NW2d 717, 719-20 (Minn. 1987). This applies to the current docket.

Even if the Commission decides that the Appellate Court opinion is somehow not binding, its reasoning can still be followed.

b. The Value of Solar Is Not a QF PURPA Avoided Cost Rate

During Oral Argument on the Sunrise 20-892 Complaint, Counsel for Sunrise tried to distinguish the Appellate Court opinion by noting that the "Applicable Retail Rate" applied to CSG applications that was in place in the earlier stage of the CSG program while the current applications under the CSG program receive the Value of Solar (VOS) rate. Counsel argued that the VOS rate is the same rate applied to net metered PURPA applications, citing Minn. Stat. 216B.164, Subdivision 10, while the Applicable Retail Rate was not an avoided cost rate. This misconstrues the law and facts.

Under Subdivision 10, the VOS rate is only applied to net metered applications when the utility first asks for Commission approval to have the VOS apply and the Commission then approves this. Xcel Energy has not applied to use the VOS rate for net metered applications, and no VOS rate applies to net metered applications. Even when the VOS rate for projects would be so approved, its application would replace the rates applicable under Minn. Stat. § 216B.164, Subdivisions 3 and 3a, meaning net metered projects greater than 40 kW and less than 1,000 kW. This corresponds to our net metering rate codes A51 through A56 found at tariff sheet 9-1 and sheets 9-3 through 9-4.3. These net metering rates provide payment based on our current avoided costs of about $0.02 per kWh. This compares to the recent updates in the CSG Docket to the current levelized VOS rate of about $0.1152 per kWh, and the current Applicable Retail Rate applicable to older CSG applications that varies by

subscriber class in the range of $0.13770 to $0.16860 per kWh. As a result, the VOS rate is about 5 times larger than the avoided costs applicable to net metered PURPA facilities.

Further, even if somehow the VOS rate would apply to net metered facilities under our A51 through A56 rate codes, the gardens would still not be eligible for these rate codes. All of these rate codes are subject to the "Individual System Capacity Limits" which consistent with Minn. Stat. § 216B.164, Subd. 4c, applies the 120% rule for solar systems as shown on tariff sheet 9-1. The 120% rule limits total generation system annual production kilowatt hours to 120% of the customer's on-site annual electric energy consumption. A CSG only has minimal load compared to its production, and therefor would not qualify for these net metering rate codes.

We also note that the VOS rate is not an avoided cost rate. FERC Order 872 is clear that an avoided cost rate applicable to PURPA or QF projects does not include compensation for environmental benefits. The VOS includes compensation for environmental benefits. This FERC Order states:

> 123. Finally, although we are sympathetic to the claims of certain QFs that they provide non-energy benefits (such as environmental benefits, waste reduction benefits, and economic development benefits) that are not reflected in avoided cost rates, PURPA section 210(b) prohibits the Commission from requiring QF rates to be set above full avoided costs. Because the Commission already requires states to set QF rates at full avoided costs, it is barred from requiring QF rates set higher than that based on the non-energy benefits that QFs may also provide. However, nothing in PURPA, the PURPA Regulations as they currently exist, or this final rule would prevent states from rewarding QFs for such non-energy benefits so long as that is done outside of PURPA, such as is now done for renewable energy credits (RECs) to compensate QFs for providing unique environmental or other non-PURPA benefits. We address in the sections below each type of competitive price that could be used as an acceptable energy avoided cost.
>
> *Qualifying Facility Rates and Requirements Implementation Issues Under the Public Utility Regulatory Policies Act of 1978,* Order No. 872, 85 FR 54638 (Sep. 2, 2020), 172 FERC ¶ 61,041 (2020).

The FERC has determined that PURPA QFs need to receive an avoided cost rate, and that a rate that includes compensation for non-energy benefits is outside of PURPA. The VOS rate that is currently applicable to the applications in the CSG

program, such as the current SunShare CleodSun application, is a rate that includes non-energy benefits. This provides further support for the reality that the CSG program is not a PURPA program.

c. SunShare Has Entered into a Settlement Agreeing that Minn. R. 7835 Does Not Apply

While SunShare argues here that the PURPA statute (Minn. Stat. §216B.164) and implementing Minn. R. 7835 apply to the Community Solar Garden program, SunShare has previously rejected this argument as part of a settlement agreement filed in *In the Matter of the Appeal of an Independent Engineer Review Pertaining to the SunShare Linden Project (Community Solar Gardens Program)* Docket No. E002/M-19-29. There, the Independent Engineer issued a report that included the IE ruling that "... the burden of proof is on the utility pursuant to Minnesota Administrative Rule 7835.4500." On January 23, 2019, Xcel Energy filed an appeal to the Commission contesting all findings and rulings of the IE report. This appeal included our argument at pages 31-32:

> The IE made a determination on burden of proof, although this issue was not raised by SunShare. The IE did not, however, employ the burden of proof standard to decide any issues. We briefly discuss burden of proof to make clear our understanding that the IE was incorrect on this issue, and do so to help set expectations going forward on other interconnection disputes arising under the Solar*Rewards Community program. The IE Report (at page 2) cites to Minn. R. 7835.4500, which provides that in disputes between a utility and a qualifying facility the burden of proof is on the utility. This rule does not apply here. The purpose of the rules in Minn. R. Chapter 7835 is to implement PURPA and Minn. Stat. § 216B.164. (see, Minn. R. 7835.0200). However, the Minnesota Court of Appeals has already ruled that the Solar*Rewards Community program is not a PURPA program and that Minn. Stat. § 216B.164 does not apply to the Solar*Rewards Community program.18 Accordingly, the burden of proof standard cited by the IE does not apply to the Solar*Rewards Community program.

On April 29, 2018, Xcel Energy and SunShare (on behalf of itself and its subsidiaries) entered into a settlement filed in that docket, which included the following provision:

> 11. The Parties agree that the Independent Engineer Report that was at issue in the Linden Docket is rejected in whole and is of no effect.

Consistent with this, SunShare should not be allowed to make arguments that it has affirmatively rejected in a settlement agreement. Otherwise, it would be unilaterally reopening that prior settlement agreement which it is not authorized to do.

d. The SunShare CleodSun Project Cannot Be Both in the CSG Program and Have QF PURPA Status

SunShare has a choice – have the CleodSun project be a PURPA QF at avoided cost for purchases; or, have this project be in the CSG program at the VOS rate and not be a PURPA QF. It cannot have PURPA QF status and also be part of the CSG program that provides compensation above avoided cost at the VOS rate. It has already submitted an application to be part of the CSG program. It would need to withdraw that CSG application for the CleodSun project and forever reject the ability for this project to be part of the CSG program for this project to properly obtain PURPA QF status.

The excerpt above from FERC Order No. 872 is clear that QF PURPA rates need to be set at avoided cost and that the VOS rates are above avoided costs. A state commission can set rates above avoided costs, but this needs to be done outside of PURPA.

e. SunShare, the Named Party Here, Has Not Submitted FERC Form 556 for the CleodSun Project

We note that the FERC Form 556 submitted for this project was submitted in the legal name of "CleodSun LLC." SunShare is apparently claiming in its Amended Complaint here that SunShare is a QF. This is inconsistent with its filed FERC Form 556 that identifies "CleodSun LLC" as the legal entity seeking QF status. CleodSun LLC is not a party to this docket.

B. Other Issues that Should Be Addressed Before Considering Further Action on the Amended Complaint

Additionally, we believe the Commission should consider the following issues before it makes a determination on whether to proceed with further investigation of the Amended Complaint.

1. May a Parent Company Bring a Complaint on Behalf of its Subsidiary Project Companies

We believe that the party that is the legal entity on the interconnection application here (CleodSun LLC) needs to be included as one of the complainants. Merely having their corporate parent (SunShare) bring the Amended Complaint is insufficient and does not state a proper cause of action. The Commission would be without authority to grant any relief on the Amended Complaint if the real party in interest is not a party to this proceeding.

2. References to Statute that Any Doubt as to Reasonableness Should be Resolved in Favor of the Consumer Are Not Applicable

In Amended Complaint Par. 50, SunShare implies that under Minn. Stat. § 216B.03 any doubts as to reasonableness should be resolved in its favor. This, however, is not what the statute says. The statute wording only applies to a "consumer," and as a garden developer SunShare cannot be considered a consumer. In fact, the type of relief being sought by SunShare would harm our consumers by, for example, increasing the rates in their fuel clause. Also, the renewable energy from a Community Solar Garden under the VOS rate is about three times more expensive than other types of solar.

This reading also aligns with Minn. Stat. § 216B.01, which states in part:

> **216B.01 LEGISLATIVE FINDINGS.**
> It is hereby declared to be in the public interest that public utilities be regulated as hereinafter provided in order to provide the retail consumers of natural gas and electric service in this state with adequate and reliable services at reasonable rates, consistent with the financial and economic requirements of public utilities and their need to construct facilities to provide such services or to otherwise obtain energy supplies, to avoid unnecessary duplication of facilities which increase the cost of service to the consumer and to minimize disputes between public utilities which may result in inconvenience or diminish efficiency in service to the consumers.

This statute makes clear that it is in the public interest that retail consumers have adequate and reliable service at reasonable rates. Allowing SunShare a VOS adder goes against this statute. Accordingly, if the Commission decides to take further action on this Amended Complaint, it should do so with the understanding that Minn. Stat. § 216B.03 does not have the meaning that SunShare ascribes to it.

CONCLUSION

We ask that the Commission dismiss the Amended Complaint and take no further action. If any portion of the Amended Complaint is allowed to proceed, then the Commission would first need to address several issues identified above.

Dated: June 23, 2021

Northern States Power Company

February 3, 2020

Solar*Rewards Community Study Results

Customer Legal Name: CleodSun LLC
Service Address:
Project Description: 1 MW SRC Project

Xcel Energy is pleased to deliver the engineering indicative cost estimate for the Solar*Rewards Community solar garden application(s) for the above-referenced site:

Site	SRC #	Garden Name	Legal Name (if different than the legal name noted above)	Capacity (MW)
1		CleodSun		1

The engineering indicative cost estimate has identified scope and costs to accommodate 1.0 MW at 0.98 leading power factor, which is the largest size generation up to the applied for amount allowed at this location.

This generation output and fixed power factor are required to keep steady state voltages within the ANSI C84.1-2011 Range A on the electric distribution system serving this site.

The applied for capacity of 1MW will require the installation of Voltage Supervisory Reclosing, new regulators and a substation Breaker. This work will only be allowed during off peak times (i.e. winter) and will require Xcel Energy Operations approval of the schedule. The feeder has switching capability via field ties to other feeders and Substations during the installation of the substation Breaker. Consistent with our Section 10 interconnection tariff, the reliability and service quality for all customers should not be compromised.

Our indicative estimated cost for proceeding with maximum MW allowed for this proposed project at the above site is This estimate is based on the content of the application as of the date it became Expedited Ready and we began our review for purposes of determining the indicative estimated cost within the 40 day – 50 business day time frame as set forth in our tariff.

There are a total of 1.0 MWs ahead of the above in the applicable Interconnection Substation Queue and 1.0 MW of that on the same Feeder. The indicative estimated cost is contingent upon all projects ahead in the Interconnection Queue moving forward as proposed. Projects may include other Solar Rewards Community projects as well as all other types of generation interconnection projects such as wind, hydro, or non-program PV. Any changes, cancellations, or modifications to the previous projects in the Interconnection Queue may require significant changes in scope and cost of your projects. Xcel Energy shall communicate any changes to those affected projects as they are identified.

You have the option of further proceeding with this project at the capacity allowed based on the indicative estimate if you pay to us either the full amount or one-third of this amount within 30 days along with a Letter of Credit. You agree to pay the actual costs consistent with the Section 10 Interconnection Agreement and comply with all provisions of the Section 10 Tariff. Pursuant to Minn. R. 7835.4750, please note that the Commission's interconnection standards are set forth in our Section 10 Tariff which as of the date of this letter is available at this link: http://www.xcelenergy.com/staticfiles/xe/PDF/Regulatory/Me_Section_10.pdf

Please note that you need to provide certain contact information or signatures on the following:

1.) Provide contact information on Sheet 124 of the Interconnection Agreement,
2.) Sign the Interconnection Agreement on Sheet 127,
3.) Sign the attached Statement of Work associated with Exhibit B to the Interconnection Agreement,
4.) Provide the 24/7 contact information on Exhibit D, par. 9.3 to the Interconnection Agreement,
5.) Sign Exhibits D and E to the Interconnection Agreement.

Exhibit B contains cost allocation for the individual gardens. Interconnection Agreements, with required Exhibits, are also being provided for each individual garden. Where work is for one or more Co-Located Community Solar Gardens, the Co-Located Community Solar Gardens are jointly and severally liable for all due amounts. A separate Statement of Work (SOW) will be issued for each Co-Located Community Solar Garden, each needs to be signed and returned, but the amount reflected in this SOW is the total among all of the Co-Located Community Solar Gardens. If customer chooses to go forward with some, but not all, of the Community Solar Gardens, it must go forward in the sequence of the garden site numbers as set forth in Exhibit B. In such a situation the total estimated cost is the sum of the applicable amounts for these chosen garden sites, and the required payment at this time is one-third of this estimated amount plus the appropriate Letter of Credit to cover the remaining estimated payment for the garden sites selected. If customer chooses to go forward with less than all of the sites set forth in Exhibit B, indicate on the front side of this SOW the total number of sites you choose to go forward with.

In addition to the information in the Interconnection Agreement, we want to alert you that for us to execute your Interconnection Agreement, if the name of the corporation or LLC on the Interconnection Agreement is not registered with the Minnesota Secretary of State (either as a Minnesota corporation, Minnesota LLC, or as an out of state corporation or LLC transacting business in Minnesota) you will need to provide documentation showing that this is a legal entity.

1. We only want to enter into contracts with legal entities (such as corporations, LLCs or persons). We intend to verify that each garden entity claiming to be a corporation or LLC is a legal entity through the Minnesota Secretary of State website. If the legal entity has been formed in another state, you must provide us documentation showing this.
2. If this is not a legal entity, you must immediately provide us with the name(s) of actual legal entities to put on the applicable Interconnection Agreements. Any adjustments to your Interconnection Agreement documents to accommodate a request for changing names will not extend your 30-day timeline to execute the Interconnection Agreement and all associated payments and other requirements. Please plan accordingly.
3. If the legal entity on the Interconnection Agreement is formed in another state and is not registered with the Minnesota Secretary of State to transact business in Minnesota, it will need to be so registered in order for us to sign the Standard Contract for Solar*Rewards Community prior to the garden going into commercial operation.

Study Results and Construction Estimates:

This letter is to provide system requirements and cost estimates of system modifications necessary for interconnection of the project identified above. The requirements for this project have been broken into two sections: operational requirements and system modifications. Operational requirements include generator facility size, settings, or procedures necessary to interconnect the proposed system. System modifications are physical equipment modifications that Xcel Energy will need to make to distribution and substation facilities for the interconnection to be feasible.

A model of the feeder, LSP022, on which the solar garden would interconnect, was created for the purpose of studying the feasibility of the proposed interconnection. A study analyzed rapid voltage change, grounding issues, metering/monitoring, and short circuit protection to determine impacts on the Xcel Energy distribution system.

In addition, an engineering indicative cost estimate has been prepared for the Distribution and Substation costs required to accommodate this project. It is produced before any detailed engineering design has begun to provide an indicative estimate that incorporates as many project-specific factors as possible. However, the engineering indicative cost estimate is generally based on typical conditions encountered on past construction projects, which may or may not be directly comparable. The engineering indicative cost estimate will only give a broad-based estimate of the possible costs that may be incurred during a potential construction project.

A transmission study was not required.

Below is a list of operational requirements uncovered during the study that will need to be addressed as well as a list of system modifications that will be necessary for the interconnection to take place. The system modifications and associated costs are as follows:

- **Operational**
  - Limitations and options identified at the time of this study.
    - In order to keep the rapid voltage change and steady state voltages within acceptable limits with the existing feeder configuration, the maximum allowable PV is 1.0 MW at 0.98 leading power factor with no conductor upgrades.
    - There is 0 MW of existing generation on the feeder and 7.0 MW on the entire substation. <existing generation is defined as generation currently in-service>
    - There is 1.0 MW of proposed generation ahead of this project in the Substation queue. It was assumed they will be energized for the purposes of this study. Additional studies may be required if the projects do not proceed as there may be cost and system impacts.
    - Power factor setting may be subject to change based upon other DG projects.
  - Substation Outages to perform the identified work can be accommodated. Switching above the A Disconnect constitutes a Sub Outage. However, the substation work will need to be completed during off peak (i.e. winter) and the construction schedule will require Xcel Energy Operations approval.
  - The Substation Transformer is rated and the Substation minimum load is . The feeder minimum load is
  - The existing feeder regulator or transformer LTC are not capable of operating under reverse power conditions.
  - Short Circuit Analysis
    - The available fault current at the Point of Interconnection is calculated to be:
      - Single Line to Ground:
      - 3-Phase:
    - These values can and will change due to various circumstances. Xcel Energy personnel shall not be held responsible for any damage to property or person resulting from the use of this data.
    - These values do not include the applied-for generator contribution.

- **Ground Referencing:**
  - The study found that the entirety of the range of impedance values for the grounding transformer provided in the submitted design does not meet Xcel Energy's effective grounding requirement.

    - If the requirements are not met updated calculations are required for review and approval.
    - If the total co-located amount of PV that moves forward differs from that studied or requested then the calculations need to be updated and submitted to Xcel Energy for review.
    - Please refer to the "PV and Inverter-based DER Ground Referencing Requirements and Sample Calculations" document for additional information. Please provide detailed calculations and any other information demonstrating compliance for review and approval by Xcel Energy.
    - If R0 was specified with a tolerance of +/- 10%, the actual R0 value must still maintain X0/R0≥ 4.
  - Please include details within the protection coordination study and updated one-lines to demonstrate the PV system will cease operations for loss of ground reference. These documents will be reviewed and approved by Xcel Energy prior to system energization.

System Modifications

Outlined below are the indicative cost estimates for system modifications required to accommodate the largest size installation allowed, as determined by the study results. Below each indicative cost estimate is an explanation for the requirements of the materials included.

Substation:

Xcel Infrastructure	Materials	Construction Labor	Construction Equipment	Total
Substation				
Forecast				

  - VSR: For photovoltaic (PV) inverter base systems, when minimum *daytime* load is less than 125% of aggregate generation AC nameplate rating, Voltage Supervisory Reclosing shall be installed.
    - Breaker/Relay Replacement: Not all Substation Breakers and Relays will be compatible with VSR. When VSR is required, this equipment will need to be replaced.
  - Regulator Replacement: The existing regulators are not capable of operating under reverse power flow. Regulator controllers are replaced at the time of regulator replacement.
  - Relay Settings Update: Protection settings for the feeder breaker require updating to account for added generation.
  - Feeder Load Monitoring: For Substation with no Feeder Load Monitoring, upgrades will need to be made to enable SCADA. Feeder Load Monitoring is used to monitor power flow conditions at the substation influenced by the presence of Distributed Generation.

Distribution:

Xcel Infrastructure	Materials	Construction Labor	Construction Equipment	Total
Distribution				
Forecast				

  - Conductor and Pole Modifications:
    - Install 1 primary meter pole for billing meter
    - Extend primary distribution facilities approximately 100' from the Point of Common Coupling to the first Point of Interconnection.

- Switches and Fuses
  - Additional fusing or fusing upgrades are required to maintain protection coordination and system reliability.
  - A protective device on the Xcel Energy side of POI is required.
  - An additional gang-operated switch is required to maintain operability of the system.
- All new services shall be approved by local inspector prior to Xcel Energy scheduling energization.
  - Refer to the Xcel Energy Standard for Electric Installation and Use.
- Easements are required by Xcel Energy to install any facilities on private property. The Customer/Developer is responsible to provide the easement descriptions as well as any costs to obtain the easements. All easements shall utilize Xcel Energy documents and be drafted and recorded by Xcel Energy. Provide 30' private easements for facilities not located along roadways, and 15' if adjacent to road right of way.
- Xcel Energy requires provisions for 24/7, unescorted, keyless access to all metering locations.

Metering

Xcel Infrastructure	Materials	Construction Labor	Construction Equipment	Total
Metering				
Forecast				

- Billing Meter
  - For installation of Main Service Metering equipment for 1site.
  - Main service metering is 12.5 kV Primary pole mounted.
- Telemetry:
  - Installation of remote monitoring (telemetry) and cellular communication system.
    - This solution also requires an ongoing charge of approximately $40/month for operation and maintenance for up to 5 co-located sites. $65/month for more than 5 sites.
    - Refer to the "*Xcel Energy Telemetry Requirements for Distributed Energy Resource Interconnections*" document for details.
- MISO/Transmission Assessment
  - A transmission system assessment is not required.

- *Preliminary schedule*: Design, Engineering, and Construction resources, material, and outage availabilities may impact project lead times.
  - Xcel Energy Substation Project Lead Time: 6-9 Months
  - Xcel Energy Distribution and Metering Project Lead Time: 6-9 Months
  - Customer's proposed completion date earlier than these may not be feasible. Additional schedule details can be developed during detailed Engineering and Design. For example, testing may be accommodated prior to allowing the system to operate at full output.

The total cost for this interconnection is estimated to be Labor costs associated with the final review, meeting attendance, and the final acceptance testing is integrated into the total project costs. Please keep in mind that the figures above are based on historical costs from similar Xcel Energy projects. The above figures can vary significantly and the customer will be responsible for the actual costs of the project.

Insurance requirements can be found in Section XI, Sheet 122 of the Interconnection Agreement. Please submit this information to the Solar Rewards Community project office, if not already provided and approved.

Each Interconnection Agreement packet is comprised of the following for the individual garden project(s). If there are Co-Located projects it is assumed that all such projects are constructed, tested, and energized simultaneously and in such order to realize the economics of Co-Location for the Distribution System extension and service to each individual Community Solar Garden project. Additional costs may result if this is not coordinated sufficiently.

- Appendix E, Interconnection Agreement
- Exhibit A: Description (Appendix B Application Form) and Single Line Diagram
- Exhibit B: Estimated costs payable by customer and associated Statement of Work (SOW)
- Exhibit C: Engineering Data Submittal Form (Appendix C)
- Exhibit D: Operating Agreement
- Exhibit E: Maintenance Agreement
- Form of Letter of Credit

The detailed design and material procurement will begin once the signed documents described above are returned with the requested information and the payment. You have the option of paying now the total estimated costs, or paying 1/3 of this amount now and providing a Letter of Credit in an approved form for the remainder of the estimated costs. An acceptable form of Letter of Credit is attached.

This cost is valid for **30 days** from the date of this letter.

Return all completed and signed agreements, exhibits, supporting documentation, etc. referenced to:

Please upload the executed Interconnection Agreement packed to the SRC portal page. **Please include SRC# and "IA Payment" in wire notes,** and submit payment as listed below:

Wire transfer
Bank: Wells Fargo Banks, N.A.
City/Stage: San Francisco, CA
Routing/ABA:
Acct No
Acct Name: NSPM

Checks
Xcel Energy
Customer Receivables- S*RCMN
PO Box 59, Minneapolis, MN 55440-0059

Please contact me if you have any questions regarding this information.

We look forward to working with you to bring more solar choices to our customers.

Thank you,

Xcel Energy | Responsible By Nature
Sr. Engineer
5505 Manitou Rd
Shorewood, MN 5533

STATEMENT OF WORK REQUESTED

DATE: 3-Feb 2020
WORK REQUESTED BY: CleodSun LLC
WORK LOCATION: Lester Prairie
ADDRESS:

CONSISTING OF:
See reverse side for additional details. If this SOW is for Co-Located Community Solar Gardens, and the customer chooses to go forward with less than all of the sites set forth in Exhibit B, indicate here the total number of sites you choose to go forward with: _______ Community Solar Gardens.

Return all required documentation and payments to:
Xcel Energy
Customer Receivables - S*RCMN
PO Box 59, Minneapolis, MN 55440-0059
srcmn@xcelenergy.com

The facilities installed or removed by Northern States Power Company, a Minnesota corporation ("Xcel Energy" or the "Company") shall be the property of the Company and any payment by customer shall not entitle customer to any ownership interest or right therein. Customer's and Company's rights and obligations with respect to the facilities and services provided through the facilities are subject to additional terms and conditions as provided in the General Rules and Regulations and/or in the Rate Schedules of Xcel Energy's Electric Rate Book for customer's specific service, as they now exist or may hereafter be changed, on file with the state regulatory commission in the state where service is provided.

The undersigned hereby requests and authorizes Northern States Power Company, a Minnesota corporation ("Xcel Energy") to do the work described above, and in consideration thereof, agrees to pay ($ ________)
in accordance with the following terms:
Payment required to move forward with design and construction for Solar Garden

Receipt of the above amount hereby acknowledged on behalf of the Company by ____________

Northern States Power Company,
a Minnesota corporation ("Xcel Energy")

Customer

Print Full Name and Title

Print Full Name and Title (if applicable)

Signature

Signature

FOR XCEL ENERGY USE
Xcel Energy Representative ____________ Xcel Energy Work Order # ________

Construction$ ________ Removal $ ________ Total $ ________

Form 17-7012

Statement of Work Requested

Date: February 3, 2020

Work Requested By: CleodSun LLC

Work Location: Lester Prairie

Address:

Project/Site Name: CleodSun

SRC #'s:

CONSISTING OF:

for the required substation, distribution, and metering work required to accommodate this project.
See Exhibit B for breakdown of the costs by site. One-third of the estimated cost is to be paid within 30 days and a Letter of Credit issued to cover the remaining estimated payment consistent with the Section 10 Interconnection Agreement. Above-named entity agrees to comply with all provisions of the Section 10 tariff. Where work is for one or more Co-Located Community Solar Gardens, the Co-Located Community Solar Gardens are jointly and severally liable for all due amounts. Separate SOWs will be issued for each Co-Located Community Solar Garden, each needs to be signed and returned, but the amount reflected in this SOW is the total among all of the Co-Located Community Solar Gardens. If customer chooses to go forward with some, but not all, of the Community Solar Gardens, it must go forward in the sequence of the garden site numbers as set forth in Exhibit B. In such a situation the total estimated cost is the sum of the applicable amounts for these chosen garden sites, and the required payment at this time is one-third of this estimated amount plus the appropriate Letter of Credit to cover the remaining estimated payment for the garden sites selected. If customer chooses to go forward with less than all of the sites set forth in Exhibit B, indicate on the front side of this SOW the total number of sites you choose to go forward with.

These cost estimates are based on historical costs from similar Xcel Energy projects. Actual costs can vary significantly and the customer will be responsible for the actuals costs of the project. This statement of work is valid for 30 days from the date of this notice. If either the signed agreement or initial one-third payment is received after this date, the SOW will not be in countersigned by Xcel Energy, and the project is subject to rejection, loss of queue position, and will require a new application to be submitted to be considered.

Scope of work includes: Installing telemetry equipment, metering equipment, approximately 100' extension of new overhead lines from the Point of Interconnection (POI) to the first Point of Common Coupling (PCC), protective fusing and gang switch. Installation of VSR at Substation. Replacement of Substation breaker and regulators.

See attached documentation for details and requirements identified by the engineering studies.

Please returned signed copy of this Statement of Work (SOW), IA, and supporting documentation, along with full payment directly to:
Xcel Energy; Customer Receivables - S*RCMN, PO Box 59, Minneapolis, MN 55440-0059; SRCMN@xcelenergy.com

APPENDIX E: Interconnection Agreement

State of Minnesota
Proposed Interconnection Agreement
For the Interconnection of Extended Parallel Distributed Generation Systems With Electric Utilities

This Generating System Interconnection Agreement is entered into by and between Xcel Energy, "Northern States Power Company, a Minnesota corporation" and the Interconnection Customer "CleodSun LLC". The Interconnection Customer and Xcel Energy are sometimes also referred to in this Agreement jointly as "Parties" or individually as "Party".

In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

I. SCOPE AND PURPOSE

A. Establishment of Point of Common Coupling. This Agreement is intended to provide for the Interconnection Customer to interconnect and operate a Generation System with a total Nameplate Capacity of 10MWs or less in parallel with Xcel Energy at the location identified in Exhibit C and shown in the Exhibit A one-line diagram.

B. This Agreement governs the facilities required to and contains the terms and condition under which the Interconnection Customer may interconnect the Generation System to Xcel Energy. This Agreement does not authorize the Interconnection Customer to export power or constitute an agreement to purchase or wheel the Interconnection Customer's power. Other services that the Interconnection Customer may require from Xcel Energy, or others, may be covered under separate agreements.

C. To facilitate the operation of the Generation System, this agreement also allows for the occasional and inadvertent export of energy to Xcel Energy. The amount, metering, billing and accounting of such inadvertent energy exporting shall be governed by Exhibit D (Operating Agreement). This Agreement does not constitute an agreement by Xcel Energy to purchase or pay for any energy, inadvertently or intentionally exported, unless expressly noted in Exhibit D or under a separately executed power purchase agreement (PPA).

D. This agreement does not constitute a request for, nor the provision of any transmission delivery service or any local distribution delivery service.

E. The Technical Requirements for interconnection are covered in a separate Technical Requirements document know as, the "State of Minnesota Distributed Generation Interconnection Requirements", a copy of which as been made available to the Interconnection Customer and incorporated and made part of this Agreement by this reference.

(Continued on Sheet No. 10-114)

APPENDIX E: Interconnection Agreement (Continued)

II. DEFINITIONS

A. "Area EPS" is an electric power system (EPS) that serves Local EPS's. For the purpose of this agreement, the Xcel Energy system is the Area EPS. Note: Typically, Xcel Energy has primary access to public rights-of-way, priority crossing of property boundaries, etc.

B. "Area EPS Operator" is the entity that operates the electric power system. For purpose of this agreement, Xcel Energy is the Are EPS Operator.

C. "Dedicated Facilities" is the equipment that is installed due to the interconnection of the Generation System and not required to serve other Xcel Energy customers.

D. "EPS" (Electric Power System) are facilities that deliver electric power to a load. Note: This may include generation units.

E. "Extended Parallel" means the Generation System is designed to remain connected with Xcel Energy for an extended period of time.

F. "Generation" is any device producing electrical energy, i.e., rotating generators driven by wind, steam turbines, internal combustion engines, hydraulic turbines, solar, fuel cells, etc.; or any other electric producing device, including energy storage technologies.

G. "Generation Interconnection Coordinator" is the person or persons designated by Xcel Energy to provide a single point of coordination with the Applicant for the generation interconnection process.

H. "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.

I. "Interconnection Customer" is the party or parties who will own/operate the Generation System and are responsible for meeting the requirements of the agreements and Technical Requirements. This could be the Generation System applicant, installer, owner, designer, or operator.

J. "Local EPS" is an electric power system (EPS) contained entirely within a single premises or group of premises.

K. "Nameplate Capacity" is the total nameplate capacity rating of all the Generation included in the Generation System. For this definition the "standby" and/or maximum rated kW capacity on the nameplate shall be used.

(Continued on Sheet No. 10-115)

APPENDIX E: Interconnection Agreement (Continued)

II. DEFINITIONS (Continued)

L. "Point of Common Coupling" is the point where the Local EPS is connected to Xcel Energy

M. "Point of Delivery" is the point where the energy changes possession from one party to the other. Typically this will be where the metering is installed but it is not required that the Point of Delivery is the same as where the energy is metered

N. "Technical Requirements" are the State of Minnesota Requirements for Interconnection of Distributed Generation

III. DESCRIPTION OF INTERCONNECTION CUSTOMER'S GENERATION SYSTEM

A) A description of the Generation System, including a single-line diagram showing the general arrangement of how the Interconnection Customer's Generation System is interconnected with Xcel Energy's distribution system, is attached to and made part of this Agreement as Exhibit A. The single-line diagram shows the following:

1) Point of Delivery (if applicable)

2) Point of Common Coupling

3) Location of Meter(s)

4) Ownership of the equipment

5) Generation System total Nameplate Capacity 1000 kW

6) Scheduled operational (on-line) date for the Generation System.

IV. RESPONSIBILITIES OF THE PARTIES

A) The Parties shall perform all obligations of this Agreement in accordance with all applicable laws and regulations, operating requirements and good utility practices.

B) Interconnection Customer shall construct, operate and maintain the Generation System in accordance with the applicable manufacture's recommend maintenance schedule, the Technical Requirements and in accordance with this Agreement.

(Continued on Sheet No. 10-116)

APPENDIX E: Interconnection Agreement (Continued)

IV. RESPONSIBILITIES OF THE PARTIES (Continued)

C) Xcel Energy shall carry out the construction of the Dedicated Facilities in a good and workmanlike manner, and in accordance with standard design and engineering practices.

V. CONSTRUCTION

The Parties agree to cause their facilities or systems to be constructed in accordance with the laws of the State of Minnesota and to meet or exceed applicable codes and standards provided by the NESC (National Electrical Safety Code), ANSI (American National Standards Institute), IEEE (Institute of Electrical and Electronic Engineers), NEC (National Electrical Code), UL (Underwriter's Laboratory), Technical Requirements and local building codes and other applicable ordinances in effect at the time of the installation of the Generation System.

A) Charges and payments

The Interconnection Customer is responsible for the actual costs to interconnect the Generation System with Xcel Energy, including, but not limited to any Dedicated Facilities attributable to the addition of the Generation System, Xcel Energy labor for installation coordination, installation testing and engineering review of the Generation System and interconnection design. Estimates of these costs are outlined in Exhibit B. While estimates, for budgeting purposes, have been provided in Exhibit B, the actual costs are still the responsibility of the Interconnection Customer, even if they exceed the estimated amount(s). All costs, for which the Interconnection Customer is responsible for, must be reasonable under the circumstances of the design and construction.

1) Dedicated Facilities

a) During the term of this Agreement, Xcel Energy shall design, construct and install the Dedicated Facilities outlined in Exhibit B. The Interconnection Customer shall be responsible for paying the actual costs of the Dedicated Facilities attributable to the addition of the Generation System.

b) Once installed, the Dedicated Facilities shall be owned and operated by Xcel Energy, and all costs associated with the operating and maintenance of the Dedicated Facilities, after the Generation System is operational, shall be the responsibility of Xcel Energy, unless otherwise agreed.

c) By executing this Agreement, the Interconnection Customer grants permission for Xcel Energy to begin construction and to procure the necessary facilities and equipment to complete the installation of the Dedicated Facilities, as outlined in Exhibit B. If for any reason, the Generation System project is canceled or modified, so that any or all of the Dedicated Facilities are not required, the Interconnection Customer shall be responsible for all costs incurred by Xcel Energy,

(Continued on Sheet No. 10-117)

APPENDIX E: Interconnection Agreement (Continued)

V. CONSTRUCTION (Continued)

including, but not limited to the additional costs to remove and/or complete the installation of the Dedicated Facilities. The Interconnection Customer may, for any reason, cancel the Generation System project, so that any or all of the Dedicated Facilities are not required to be installed. The Interconnection Customer shall provide written notice to Xcel Energy of cancellation. Upon receipt of a cancellation notice, Xcel Energy shall take reasonable steps to minimize additional costs to the Interconnection Customer, where reasonably possible.

2) Payments

a) The Interconnection Customer shall provide reasonable adequate assurances of credit, including a letter of credit or personal guaranty of payment and performance from a creditworthy entity acceptable under Xcel Energy credit policy and procedures for the unpaid balance of the estimated amount shown in Exhibit B.

b) The payment for the costs outlined in Exhibit B, shall be as follows:

i. 1/3 of estimated costs, outlined in Exhibit B, shall be due upon execution of this agreement.

ii. 1/3 of estimated costs, outlined in Exhibit B, shall be due prior to initial energization of the Generation System, with Xcel Energy.

iii. Remainder of actual costs, incurred by Xcel Energy, shall be due within 30 days from the date the bill is mailed by Xcel Energy after project completion.

VI. DOCUMENTS INCLUDED WITH THIS AGREEMENT

A) This agreement includes the following exhibits, which are specifically incorporated herein and made part of this Agreement by this reference: *(if any of these Exhibits are deemed not applicable for this Generation System installation, they may be omitted from the final Agreement by Xcel Energy.)*

1) <u>Exhibit A</u> – Description of Generation System and single-line diagram. This diagram shows all major equipment, including, visual isolation equipment, Point of Common Coupling, Point of Delivery for Generation Systems that intentionally export, ownership of equipment and the location of metering.

(Continued on Sheet No. 10-118)

APPENDIX E: Interconnection Agreement (Continued)

VI. DOCUMENTS INCLUDED WITH THIS AGREEMENT (Continued)

2) Exhibit B – Estimated installation and testing costs payable by the Interconnection Customer. Included in this listing shall be the description and estimated costs for the required Dedicated Facilities being installed by Xcel Energy for the interconnection of the Generation System and a description and estimate for the final acceptance testing work to be done by Xcel Energy.

3) Exhibit C – Engineering Data Submittal – A standard form that provides the engineering and operating information about the Generation System.

4) Exhibit D – Operating Agreement – This provides specific operating information and requirements for this Generation System interconnection. This Exhibit has a separate signature section and may be modified, in writing, from time to time with the agreement of both parties.

5) Exhibit E – Maintenance Agreement – This provides specific maintenance requirements for this Generation System interconnection. This Exhibit has a separate signature section and may be modified, in writing, from time to time with the agreement of both parties.

VII. TERMS AND TERMINATION

A) This Agreement shall become effective as of the date when both the Interconnection Customer and Xcel Energy have both signed this Agreement. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:

1) The Parties agree in writing to terminate the Agreement; or

2) The Interconnection Customer may terminate this agreement at any time, by written notice to Xcel Energy, prior to the completion of the final acceptance testing of the Generation System by Xcel Energy. Once the Generation System is operational, then VII.A.3 applies. Upon receipt of a cancellation notice, Xcel Energy shall take reasonable steps to minimize additional costs to the Interconnection Customer, where reasonably possible.

3) Once the Generation System is operational, the Interconnection Customer may terminate this agreement after 30 days written notice to Xcel Energy, unless otherwise agreed to within the Exhibit D, Operating Agreement; or

(Continued on Sheet No.10-119)

APPENDIX E: Interconnection Agreement (Continued)

VII. TERMS AND TERMINATION

4) Xcel Energy may terminate this agreement after 30 days written notice to the Interconnection Customer if:

a) The Interconnection Customer fails to interconnect and operate the Generation System per the terms of this Agreement; or

b) The Interconnection Customer fails to take all corrective actions specified in Xcel Energy's written notice that the Generation System is out of compliance with the terms of this Agreement, within the time frame set forth in such notice, or

c) If the Interconnection Customer fails to complete Xcel Energy's final acceptance testing of the generation system within 24 months of the date proposed under section III.A.6. T

B) Upon termination of this Agreement the Generation System shall be disconnected from Xcel Energy. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing, at the time of the termination.

VIII. OPERATIONAL ISSUES

Each Party will, at its own cost and expense, operate, maintain, repair and inspect, and shall be fully responsible for, the facilities that it now or hereafter may own, unless otherwise specified.

A) Technical Standards: The Generation System shall be installed and operated by the Interconnection Customer consistent with the requirements of this Agreement; the Technical Requirements; the applicable requirements located in the National Electrical Code (NEC); the applicable standards published by the American National Standards Institute (ANSI) and the Institute of Electrical and Electronic Engineers (IEEE); and local building and other applicable ordinances in effect at the time of the installation of the Generation System.

B) Right of Access: At all times, Xcel Energy's personnel shall have access to the disconnect switch of the Generation System for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement, to meet its obligation to operate the electric power system safely and to provide service to its customers. If necessary for the purposes of this Agreement, the Interconnection Customer shall allow Xcel Energy access to Xcel Energy's equipment and facilities located on the premises.

(Continued on Sheet No. 10-120)

APPENDIX E: Interconnection Agreement (Continued)

VIII. OPERATIONAL ISSUES (Continued)

C) Electric Service Supplied: will supply the electrical requirements of the Local EPS that are not supplied by the Generation System. Such electric service shall be supplied, to the Interconnection Customer's Local EPS, under the rate schedules applicable to the Customer's class of service as revised from time to time by Xcel Energy.

D) Operation and Maintenance: The Generation System shall be operated and maintained, by the Interconnection Customer in accordance with the Technical Standards and any additional requirements of Exhibit D and Exhibit E, attached to this document, as amended, in writing, from time to time.

E) Cooperation and Coordination: Both Xcel Energy and the Interconnection Customer shall communicate and coordinate their operations, so that the normal operation of the electric power system does not unduly effect or interfere with the normal operation of the Generation System and the Generation System does not unduly effect or interfere with the normal operation of the electric power system. Under abnormal operations of either the Generation System or the Xcel Energy system, the responsible Party shall provide reasonably timely communication to the other Party to allow mitigation of any potentially negative effects of the abnormal operation of their system.

F) Disconnection of Unit: Xcel Energy may disconnect the Generation System as reasonably necessary, for termination of this Agreement; non-compliance with this Agreement; system emergency, imminent danger to the public or Xcel Energy personnel; routine maintenance, repairs and modifications to the electric power system. When reasonably possible, Xcel Energy shall provide prior notice to the Interconnection Customer explaining the reason for the disconnection. If prior notice is not reasonably possible, Xcel Energy shall after the fact, provide information to the Interconnection Customer as to why the disconnection was required. It is agreed that Xcel Energy shall have no liability for any loss of sales or other damages, including all consequential damages for the loss of business opportunity, profits or other losses, regardless of whether such damages were foreseeable, for the disconnection of the Generation System per this Agreement. Xcel Energy shall expend reasonable effort to reconnect the Generation System in a timely manner and to work towards mitigating damages and losses to the Interconnection Customer where reasonably possible.

G) Modifications to the Generation System: When reasonably possible the Interconnection Customer shall notify Xcel Energy, in writing, of plans for any modifications to the Generation System interconnection equipment, including all information needed by Xcel Energy as part of the review described in this paragraph, at least twenty (20) business days prior to undertaking such modification(s). Modifications to any of the interconnection equipment, including, all interconnection required protective systems, the generation control systems, the transfer switches/breakers, interconnection protection VT's & CT's, and Generation System capacity, shall be included in the notification to Xcel Energy. When reasonably possible the

(Continued on Sheet No. 10-121)

APPENDIX E: Interconnection Agreement (Continued)

VIII. OPERATIONAL ISSUES (Continued)

Interconnection Customer agrees not to commence installation of any modifications to the Generating System until Xcel Energy has approved the modification, in writing, which approval shall not be unreasonably withheld. Xcel Energy shall have a minimum of five (5) business days to review and respond to the planned modification. Xcel Energy shall not take longer then a maximum of ten (10) business days, to review and respond to the modification after the receipt of the information required to review the modifications. When it is not reasonably possible for the Interconnection Customer to provide prior written notice, the Interconnection Customer shall provide written notice to Xcel Energy as soon as reasonably possible, after the completion of the modification(s).

H) Permits and Approvals: The Interconnection Customer shall obtain all environmental and other permits lawfully required by governmental authorities prior to the construction of the Generation System. The Interconnection Customer shall also maintain these applicable permits and compliance with these permits during the term of this Agreement.

IX. LIMITATION OF LIABILITY

A) Each Party shall at all times indemnify, defend, and save the other Party harmless from any and all damages, losses, claims, including claims and actions relating to injury or death of any person or damage to property, costs and expenses, reasonable attorneys' fees and court costs, arising out of or resulting from the Party's performance of its obligations under this agreement, except to the extent that such damages, losses or claims were caused by the negligence or intentional acts of the other Party.

B) Each Party's liability to the other Party for failure to perform its obligations under this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any punitive, incidental, indirect, special, or consequential damages of any kind whatsoever, including for loss of business opportunity or profits, regardless of whether such damages were foreseen.

C) Notwithstanding any other provision in this Agreement, with respect to Xcel Energy's provision of electric service to any customer including the Interconnection Customer, the Xcel Energy's liability to such customer shall be limited as set forth in Xcel Energy's tariffs and terms and conditions for electric service, and shall not be affected by the terms of this Agreement.

X. DISPUTE RESOLUTION

A) Each Party agrees to attempt to resolve all disputes arising hereunder promptly, equitably and in a good faith manner.

(Continued on Sheet No. 10-122)

APPENDIX E: Interconnection Agreement (Continued)

X. DISPUTE RESOLUTION (Continued)

B) In the event a dispute arises under this Agreement, and if it cannot be resolved by the Parties within thirty (30) days after written notice of the dispute to the other Party, the Parties agree to submit the dispute to mediation by a mutually acceptable mediator, in a mutually convenient location in the State of Minnesota. The Parties agree to participate in good faith in the mediation for a period of 90 days. If the parties are not successful in resolving their disputes through mediation, then the Parties may refer the dispute for resolution to the Minnesota Public Utilities Commission (MPUC), which shall maintain continuing jurisdiction over this Agreement.

XI. INSURANCE

A) At a minimum, In connection with the Interconnection Customer's performance of its duties and obligations under this Agreement, the Interconnection Customer shall maintain, during the term of the Agreement, general liability insurance, from a qualified insurance agency with a B+ or better rating by "Best" and with a combined single limit of not less then:

1) Two million dollars ($2,000,000) for each occurrence, if the Gross Nameplate Rating of the Generation System is greater then 250kW.

2) One million dollars ($1,000,000) for each occurrence if the Gross Nameplate Rating of the Generation System is between 40kW and 250kW.

3) Three hundred thousand ($300,000) for each occurrence if the Gross Nameplate Rating of the Generation System is less then 40kW.

4) Such general liability insurance shall include coverage against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the Interconnection Customer's ownership and/or operating of the Generation System under this agreement.

B) The general liability insurance required shall, by endorsement to the policy or policies, (a) include Xcel Energy as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Xcel Energy shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Xcel Energy prior to cancellation, termination, alteration, or material change of such insurance.

(Continued on Sheet No. 10-123)

APPENDIX E: Interconnection Agreement (Continued)

XI. INSURANCE (Continued)

C) If the Generation System is connected to an account receiving residential service from Xcel Energy and its total generating capacity is smaller then 40kW, then the endorsements required in Section XI.B shall not apply.

D) The Interconnection Customer shall furnish the required insurance certificates and endorsements to Xcel Energy prior to the initial operation of the Generation System. Thereafter, Xcel Energy shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance

E) Evidence of the insurance required in Section XI.A. shall state that coverage provided is primary and is not excess to or contributing with any insurance or self-insurance maintained by Xcel Energy.

F) If the Interconnection Customer is self-insured with an established record of self-insurance, the Interconnection Customer may comply with the following in lieu of Section XI.A – E:

1) Interconnection Customer shall provide to Xcel Energy, at least thirty (30) days prior to the date of initial operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under section XI.A.

2) If Interconnection Customer ceases to self-insure to the level required hereunder, or if the Interconnection Customer is unable to provide continuing evidence of it's ability to self-insure, the Interconnection Customer agrees to immediately obtain the coverage required under Section XI.A.

G) Failure of the Interconnection Customer or Xcel Energy to enforce the minimum levels of insurance does not relieve the Interconnection Customer from maintaining such levels of insurance or relieve the Interconnection Customer of any liability.

H) All insurance certificates, statements of self-insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the Generation Interconnection Coordinator assigned.

XII. MISCELLANEOUS

A) **FORCE MAJEURE**

1) An event of Force Majeure means any act of God, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order,

(Continued on Sheet No. 10-124)

APPENDIX E: Interconnection Agreement (Continued)

XII. MISCELLANEOUS (Continued)

regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. An event of Force Majeure does not include an act of negligence or intentional wrongdoing. Neither Party will be considered in default as to any obligation hereunder if such Party is prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations hereunder.

2) Neither Party will be considered in default of any obligation hereunder if such Party is prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations hereunder.

B) **NOTICES**

1) Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person or sent by first class mail, postage prepaid, to the person specified below:

a) Generation Interconnection Coordinator assigned
Solar*Rewards Community
8701 Monticello Lane
Maple Grove, MN 55369
SRCMN@xcelenergy com

b) If to Interconnection Customer:

2) A Party may change its address for notices at any time by providing the other Party written notice of the change, in accordance with this Section.

3) The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's notice to the other Party.

(Continued on Sheet No. 10-125)

APPENDIX E: Interconnection Agreement (Continued)

C) **ASSIGNMENT**

The Interconnection Customer shall not assign its rights nor delegate its duties under this Agreement without Xcel Energy's written consent. Any assignment or delegation the Interconnection Customer makes without Xcel Energy's written consent shall not be valid. Xcel Energy shall not unreasonably withhold its consent to the Generating Entities assignment of this Agreement.

D) **NON-WAIVER**

None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

E) **GOVERNING LAW AND INCLUSION OF XCEL ENERGY'S TARIFFS AND RULES.**

1) This Agreement shall be interpreted, governed and construed under the laws of the State of Minnesota as if executed and to be performed wholly within the State of Minnesota without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.

2) The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules applicable to the electric service provided by Xcel Energy, which tariff schedules and rules are hereby incorporated into this Agreement by this reference.

3) Notwithstanding any other provisions of this Agreement, Xcel Energy shall have the right to unilaterally file with the MPUC, pursuant to the MPUC's rules and regulations, an application for change in rates, charges, classification, service, tariff or rule or any agreement relating thereto.

F) **AMENDMENT AND MODIFICATION**

This Agreement can only be amended or modified by a writing signed by both Parties.

G) **ENTIRE AGREEMENT**

This Agreement, including all attachments, exhibits, and appendices, constitutes the entire Agreement between the Parties with regard to the interconnection of the Generation System of the Parties at the Point(s) of Common Coupling expressly provided for in this Agreement and supersedes all prior agreements.

(Continued on Sheet No. 10-126)

APPENDIX E: Interconnection Agreement (Continued)

G) **ENTIRE AGREEMENT (Continued)**

or understandings, whether verbal or written. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement. Each party also represents that in entering into this Agreement, it has not relied on the promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the incorporated attachments, exhibits and appendices. Notwithstanding this paragraph, if the Interconnection Agreement is in connection with a Solar*Rewards Community application, then the provisions in the Section 9 tariff applicable to the Solar*Rewards Community Program also apply.

N
N
N

H) **CONFIDENTIAL INFORMATION**

Except as otherwise agreed or provided herein, each Party shall hold in confidence and shall not disclose confidential information, to any person (except employees, officers, representatives and agents, who agree to be bound by this section). Confidential information shall be clearly marked as such on each page or otherwise affirmatively identified. If a court, government agency or entity with the right, power, and authority to do so, requests or requires either Party, by subpoena, oral disposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirements(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. In the absence of a protective order or waiver the Party shall disclose such confidential information which, in the opinion of its counsel, the party is legally compelled to disclose. Each Party will use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any confidential information so furnished.

I) **NON-WARRANTY**

Neither by inspection, if any, or non-rejection, nor in any other way, does Xcel Energy give any warranty, expressed or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, appliances or devices owned, installed or maintained by the Interconnection Customer or leased by the Interconnection Customer from third parties, including without limitation the Generation System and any structures, equipment, wires, appliances or devices appurtenant thereto.

L

APPENDIX E: Interconnection Agreement (Continued)

J) **NO PARTNERSHIP**

L

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

XIII. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

Interconnection Customer

By: _______________________________

Name: ____________________________

Title: _____________________________

Date: _____________________________

Xcel Energy

By: _______________________________

Name: Lee Gabler

Title: Sr. Dir. Customer Strategy and Solutions

Date: _____________________________

L

Northern States Power Company, a Minnesota corporation
and wholly owned subsidiary of Xcel Energy Inc.
Minneapolis, Minnesota 55401
MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

DISTRIBUTED GENERATION STANDARD INTERCONNECTION AND POWER PURCHASE TARIFF (Continued)	Section No. 10
	Original Sheet No. 128

EXHIBIT A

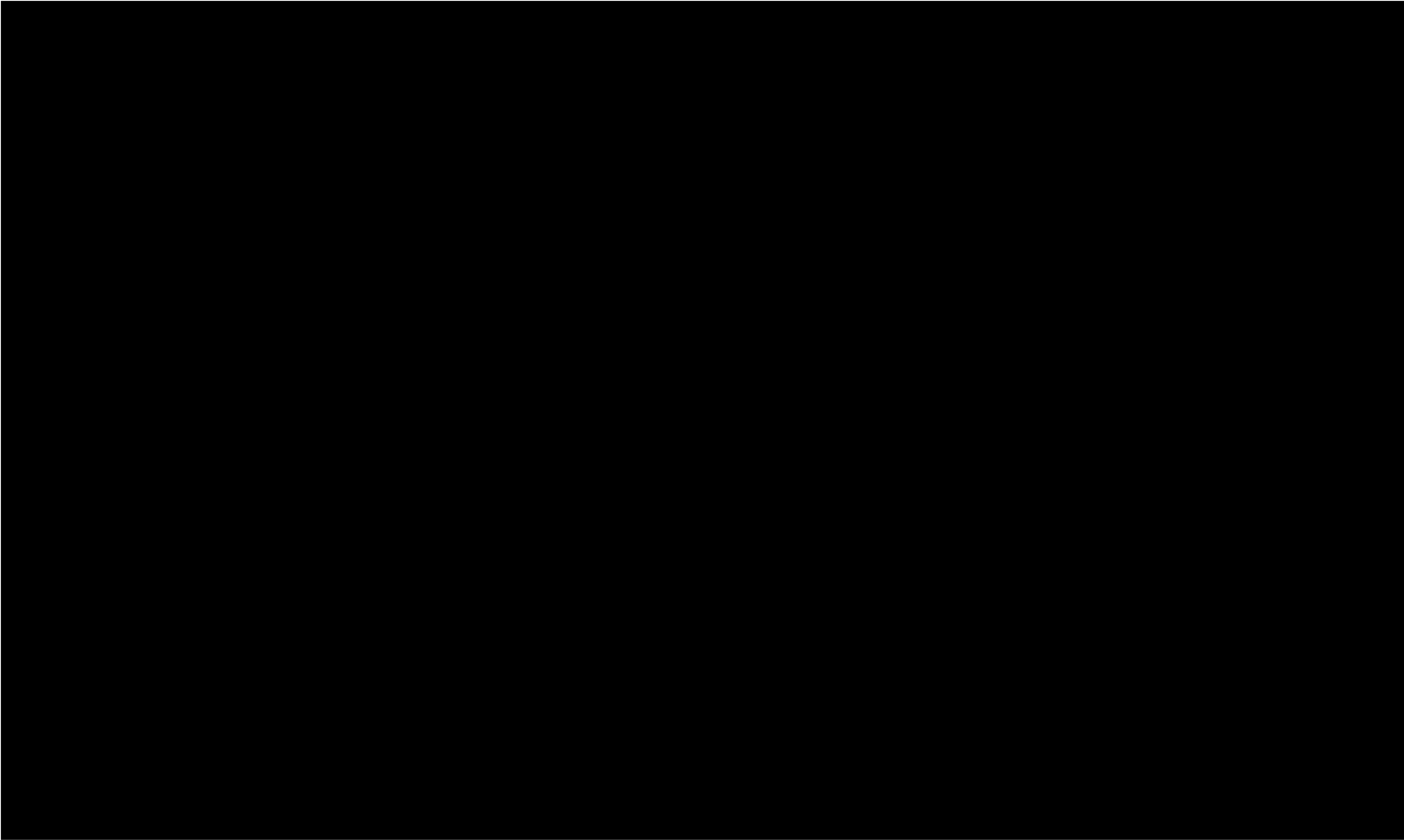
GENERATION SYSTEM DESCRIPTION
AND SINGLE-LINE DIAGRAM

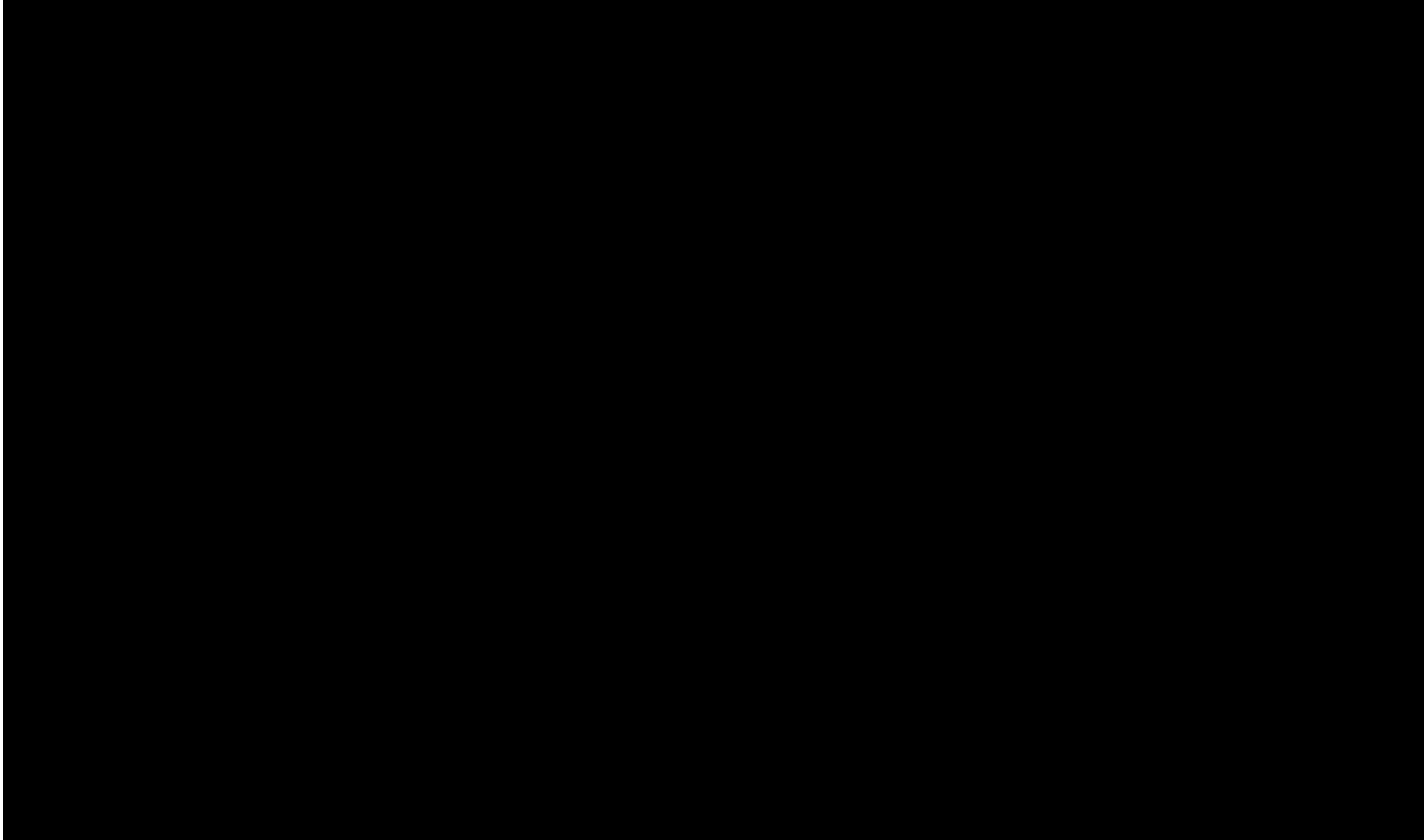
(Continued on Sheet No. 10-129)

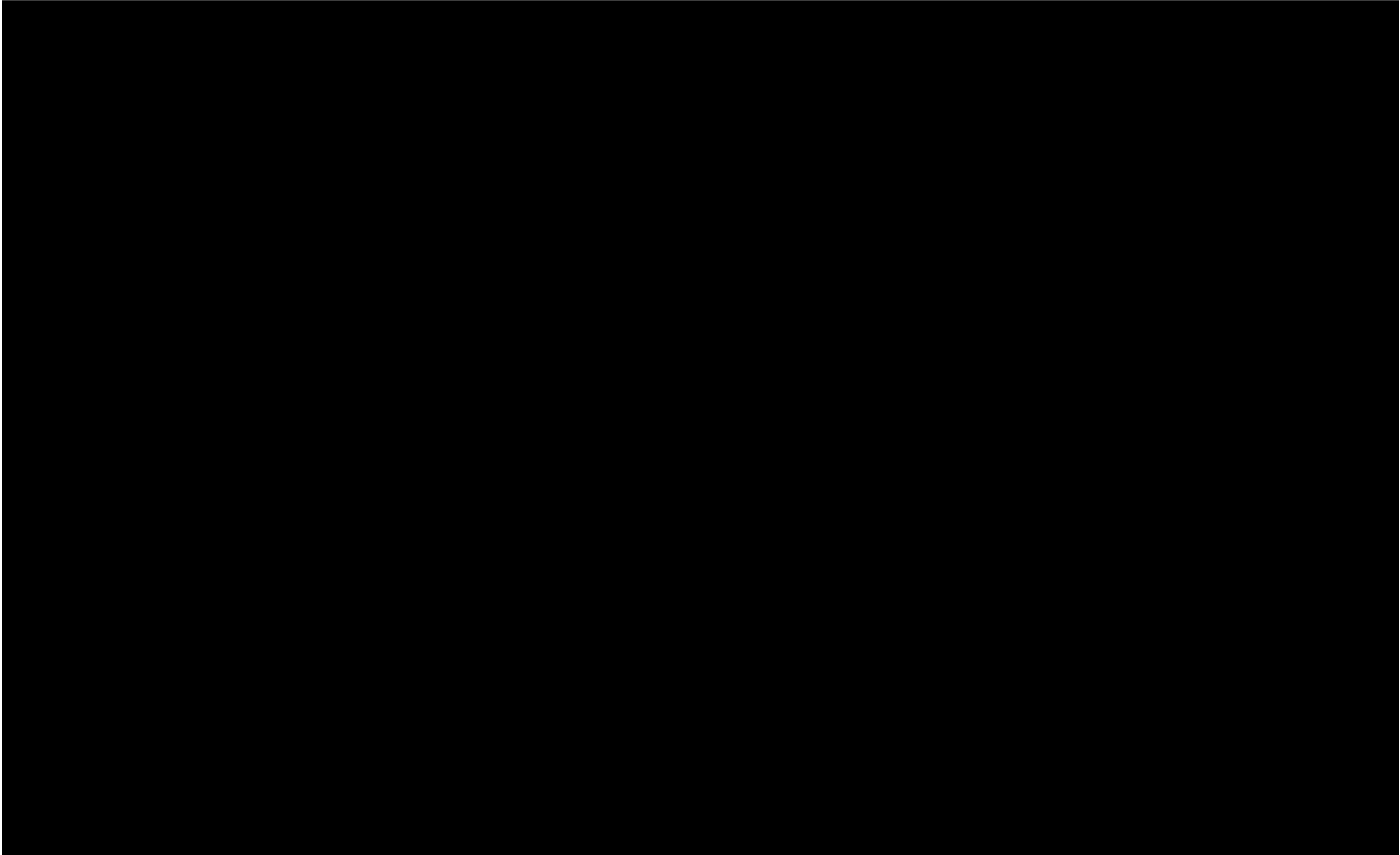
(Continued on Sheet No. 10-103)

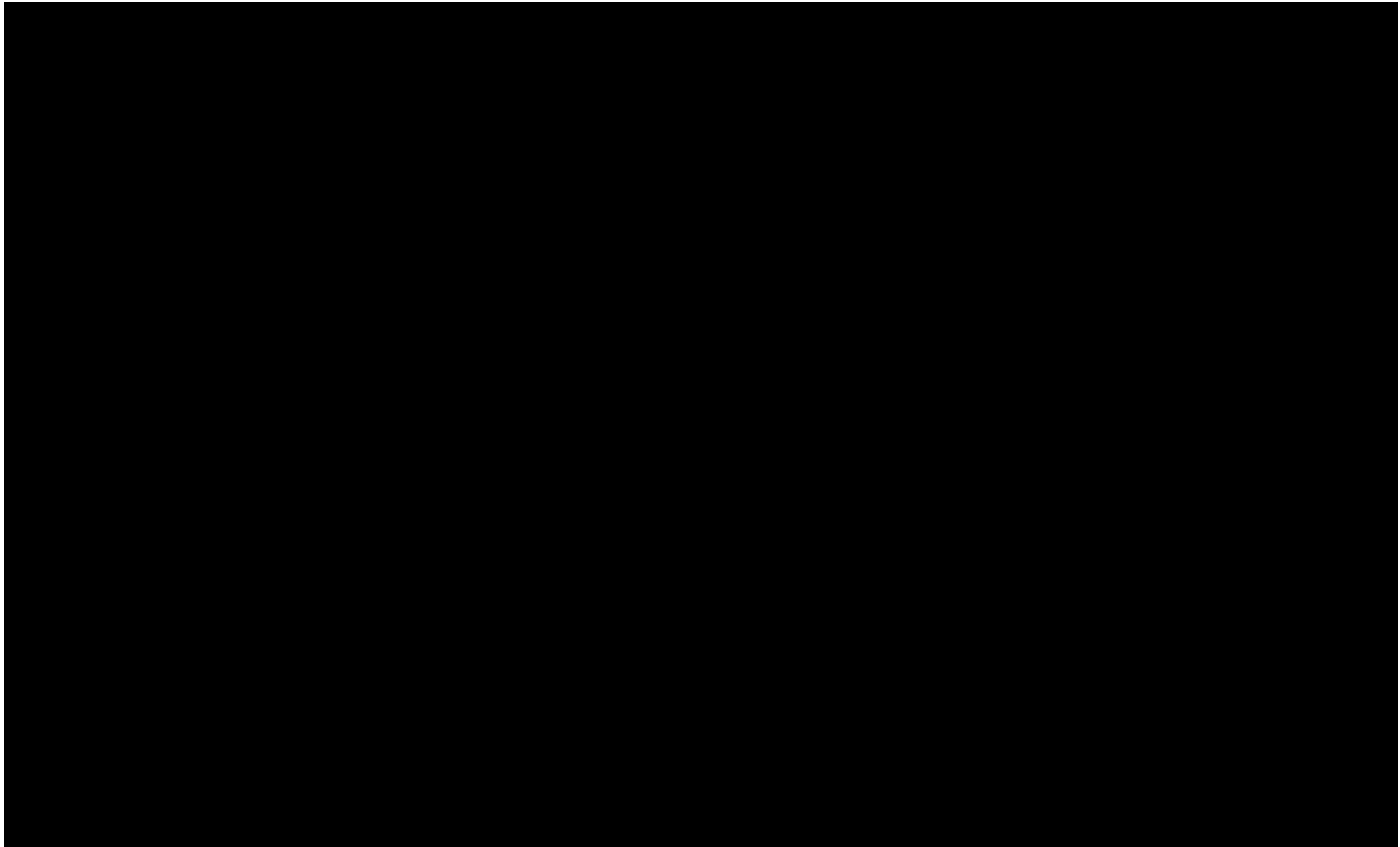
(Continued on Sheet No. 10-104)

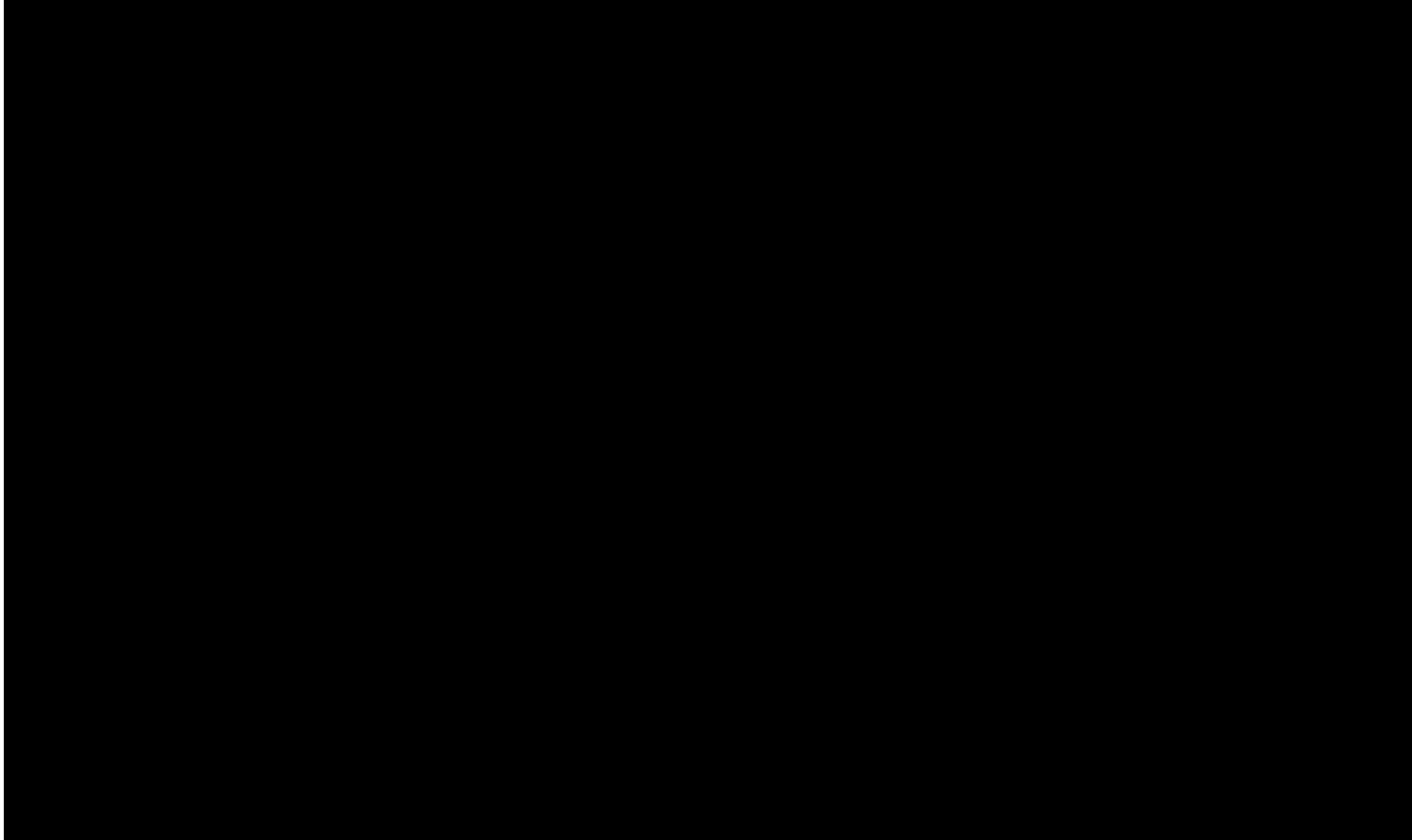
(Continued on Sheet No. 10-105)











Cost Estimate and Payment Schedule

Customer Legal Name: CleodSun LLC
Service Address:
Project Description: 1 MW SRC Project

Site	Garden Name	Legal Name (if different than the legal name noted above)	SRC #	Capacity (MW)
1	CleodSun			1

The Interconnection Customer shall provide reasonable adequate assurances of credit, including a letter of credit or personal guaranty of payment and performance from a creditworthy entity acceptable under Xcel Energy credit policy and procedures for the unpaid balance of the estimated amount shown.

Each of the above legal entities is jointly and severally liable for all due amounts.

The payment for the costs contained shall be as follows:

1. 1/3 of estimated costs due upon execution of this agreement
2. 1/3 of estimated costs due prior to initial energization of the generation system
3. Remainder of actual costs, incurred by Xcel Energy, shall be due within 30 days from the date the bill is mailed by Xcel Energy after project completion.

Separate SOWs will be issued for each of the Co-Located Community Solar Gardens, each needs to be signed and returned, but the amount reflected in the SOWs is the total among all of the Co-Located Community Solar Gardens.

Xcel Infrastructure	Materials	Construction Labor	Construction Equipment	Subtotal
Substation				
Forecast				
Distribution				
Forecast				
Metering				
Forecast				
Total				
Forecast				

Total 1/3 Payment for All Sites:	

(Continued on Sheet No. 10-106)

(Continued on Sheet No. 10-107)

(Continued on Sheet No. 10-108)

(Continued on Sheet No. 10-109)

(Continued on Sheet No. 10-110)

(Continued on Sheet No. 10-111)

Exhibit D
Operating Agreement

Customer Legal Name: CleodSun LLC
Service Address: ____________________
SRC #: ______
Generator Size: 1000 kW

This Exhibit D – Operating Agreement (Exhibit D), is an Exhibit to the Generation System Interconnection Agreement between the Parties and provides the specific operating information and requirements for, and facilitates the operation of, the Generation System. The Interconnection Customer must operate the Generation System in accordance with the Technical Requirements, this Exhibit D as well as all provisions of Section 10 of the Xcel Energy Minnesota tariff. Unless otherwise defined in this Exhibit D, capitalized terms herein shall have the meaning provided such terms in the Generation System Interconnection Agreement.

Nothing in this Exhibit D is intended to or shall be construed as limiting Xcel Energy's rights under the Xcel Energy Minnesota tariff. In the event of a conflict between this Operating Agreement and any law, regulation and/or the Xcel Energy Minnesota tariff, the law regulation or Xcel Energy Minnesota tariff shall control, and the conflicting Operating Agreement provision shall have no effect. In the event of such a conflict, the remaining terms of this Operating Agreement shall remain in effect.

Pursuant to Minnesota Public Utilities Commission ruling the aggregated name plate capacity of the Generation Systems which are part of such a co-located Community Solar Garden site cannot exceed 5 MW (AC) if the application under the Solar*Rewards Community program was submitted on or prior to September 25, 2015, and cannot exceed 1 MW (AC) on a co-located basis if the application was submitted after that date.

The Parties may, upon written agreement of the Parties, amend this Exhibit D pursuant to the terms of the Generating System Interconnection Agreement. In addition, upon written agreement of the Parties, this Operating Agreement may be reviewed and updated periodically, to allow the operation of the Generation System to change to meet the needs of both Xcel Energy and Interconnection Customer, provided that change does not negatively affect the other Party. In addition, the Parties may agree to amend this Operating Agreement to reflect operating changes required by regulatory authorities having jurisdiction over the matters governed by this Exhibit D, such as changes required by the Minnesota Public Utility Commission, the Federal Energy Regulatory Commission or the Midwest Independent System Operator.

This Exhibit D sets forth the technical terms pursuant to which Interconnection Customer may export energy to Xcel Energy from the Generation System. This Exhibit D does not provide for the amount, metering, billing and accounting for the export of energy from the Generation System, nor does it constitute Xcel Energy's agreement to purchase or pay for any such energy. Any such arrangements will be provided for in a separate written agreement.

Unless otherwise noted, capitalized terms shall have the meaning set forth in the Generating System Interconnection Agreement.

1.0 Definitions

1.1. "Engineering Study" means the Engineering Study Xcel Energy performed as part of the Interconnection Process conducted pursuant to its Distributed Generation Standard Interconnection and Power Purchase Tariff, Minnesota Electric Rate Book - MPUC No. 2, Section 10.

1.2. "Xcel Energy Control Center Contact" is as defined in Section 8.2.

1.3. "Interconnection Customer Control Center Contact" is as defined in Section 8.2.

1.4. Unless specifically defined otherwise, all measurements and performance requirements will be measured at the point of common coupling.

2.0 Power Factor Requirements. The power factor of the Generation System and connected load shall be as follows: (1) Inverter Based interconnections – shall at minimum be designed to operate at the full power factor range of 90% leading to 90% lagging at the inverter terminals, subject to any more specific power factor for this Generation System as specified in par. 2.1.1 below; (2) Limited Parallel Generation Systems, such as closed transfer or soft-loading transfer systems shall operate at a power factor of no less than 90%, during the period when the Generation System is parallel with Xcel Energy, as measured at the Point of Common Coupling; and, (3) Extended Parallel Generation Systems of rotating machine type shall be designed to be capable of operating between 95% lagging and 95% leading. These Generation Systems shall normally operate near unity power factor (+/- 98%) or as mutually agreed between Xcel Energy and the Interconnection Customer.

2.1. Normal operation:

2.1.1. Interconnection Customer will operate the Generation System as an Inverter Based Generation system at a fixed power factor, as identified by the Engineering Study, within the power factor range as described in Section 2.0 above to mitigate voltage rise due to reverse power flow. Power production outside the specified power factor range is not allowed at any time without permission by Xcel Energy. It is the responsibility of Interconnection Customer and not Xcel Energy 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.

Interconnection Customer shall operate the Generation System at a fixed power factor of 0.98 leading. Note that a generator leading power factor means the machine is absorbing reactive power.

2.1.2. In the future, distribution system reconfigurations, capacity constraints, or other external factors may require that the Generation System be served from another system and/or may also require that the Generation System change power factors within the limits

identified in section 2.0 in order to prevent voltage rise. Xcel Energy shall provide reasonable advance notice to Interconnection Customer pursuant Section XII (B) of the Generating System Interconnection Agreement in order to coordinate the implementation of such changes.

2.2. Contingency operation:

2.2.1. Temporary system conditions, such as overvoltage, may require Xcel Energy's Control Center Contact, in accordance with good utility practice and avoiding, to the extent reasonably possible, a reduction in the Generation System output (in the sole discretion of Xcel Energy), to direct the Interconnection Customer's Control Center Contact to disconnect or partially curtail the output of the Generation System. In some cases, and in its sole discretion, Xcel Energy may permit Interconnection Customer to partially operate or fully restore operation by temporarily applying different power factor settings.

3.0 Start-Up, Shut-Down, and Ramp Rates

3.1. Where the Generation System consists of one or more units (e.g., inverters in a solar PV context), Interconnection Customer shall stagger the planned start-up and shutdown of the units, with a minimum delay of 30 seconds between the starting and stopping of each unit, in order to mitigate voltage flicker. A controlled shutdown may be allowed if a sequence of operation, including estimated timeframes for actions, is submitted to and approved by Xcel Energy in advance.

3.2. Interconnection Customer shall have the ability to limit the up-ramp or skew rate of the Generation System.

3.3. In order to mitigate a voltage surge, Xcel Energy reserves the right, based upon the Engineering Study, to specify how many inverters may come online simultaneously. Interconnection Customer may also be required to ensure that the inverters for the Generation System allow random or preprogrammed time delays between the startup of multiple inverters. Ramp Rate Limitations (or inverter start up limitations in a solar PV context): Staggered start for all inverters on the project site.

4.0 Local and Remote Control

4.1. The Interconnection Customer shall ensure that at all times Xcel Energy has access to a manually operated three-phase ganged lockable service-disconnect switch. If transfer trip has been installed, then Interconnection Customer shall also ensure that Xcel Energy has access to a breaker that can remotely control the Generation System from Xcel Energy's systems. To the extent allowed by law, Xcel Energy shall provide notice to the Interconnection Customer explaining the reason for the disconnection. If there is an emergency described in Section 4.1.1 or 4.1.2 below and prior notice is not reasonably possible, Xcel Energy shall after the fact, provide to the Interconnection Customer as to why the disconnection was required. Where reasonably possible Xcel Energy shall use commercially reasonable efforts to reconnect the Generation System in a timely manner. Interconnection Customer agrees and consents to Xcel

Energy's remote tripping or manual disconnection, as reasonably necessary under good utility practice, of the breaker for the Generation System including, but not limited to, in the following circumstances, as system conditions exceed parameters defined in any IEEE, NESC or ANSI standards:

4.1.1. Electric Distribution or Generator System emergency
4.1.2. Public emergency
4.1.3. Abnormal feeder operation
4.1.4. Planned switching
4.1.5. Interconnection Customer's failure to promptly respond to and execute on Xcel Energy's request to curtail the output of, or disconnect, the Generation System.

4.2. If Xcel Energy remotely trips the breaker for the Generation System and Interconnection Customer desires that Xcel Energy close the breaker remotely, Interconnection Customer's Control Center Contact may make the request of Xcel Energy's Control Center Contact, and Xcel Energy will close the breaker remotely once the reason for the remote tripping has passed and it is safe and consistent with good utility practice to do so.

4.3. Local or Remote Close

4.3.1. If the Generation System has tripped offline due to an interruption on the Distribution System, Interconnection Customer shall contact Xcel Energy's Control Center Contact and, consistent with Section 5 below, verify that the Distribution System is in a normal operating configuration and the Generator System can be energized prior to energizing the Generator System.
4.3.2. If Xcel Energy remotely trips the breaker for the Generation System, Xcel Energy's Control Center Contact will notify the Interconnection Customer's Control Center Contact when the Generation System can be returned to normal operation.

4.4. If Transfer Trip (TT)/Communication Channel is required as part of the engineering study results, then:

4.4.1. Upon loss of the TT communication channel, if any, the Interconnection Customer shall immediately disconnect the Generation System.

4.4.2. In general, the Generation System shall remain offline for the duration of the time the TT communication channel is lost. However, Xcel Energy may, in its sole discretion, allow limited operation of the Generation System in these circumstances.

4.4.3. The Generation System interconnection breaker shall trip with no intentional delay when receiving a transfer trip signal.

5.0 Outages of the Distribution System

5.1. Upon the occurrence of an emergency outage(s) (defined as any unplanned interruption of Xcel Energy's distribution system), Interconnection Customer shall do the following:

5.1.1. Disconnect the Generation System from Xcel Energy's system when a TT signal is active, if applicable.

5.1.2. Unless otherwise directed by Xcel Energy's Control Center Contact, wait five (5) minutes after the TT signal is removed, if applicable, from the interconnection breaker before implementing startup procedure for the Generation System.

5.1.3. Obtain permission from the Xcel Energy Control Center Contact to startup the Generation System.

5.2. If there is automation installed on the feeder, then the Generation System shall disconnect from Xcel Energy's electric distribution system when not served by the normal source.

5.3. Xcel Energy shall use commercially reasonable efforts to promptly restore the Generation System to service, consistent with good utility practice.

5.4. Unless otherwise directed by Xcel Energy's Control Center Contact, during a momentary distribution system interruption (defined as an interruption of electric service to a customer with disruption less than or equal to 5 minutes), the Interconnection Customer shall wait five (5) minutes after successful close of the feeder breaker or recloser before starting up the Generation System.

5.5. During an extended distribution system interruption (defined as an interruption of electric service to a customer with a duration greater than 5 minutes), unless otherwise directed by Xcel Energy's Control Center Contact the Interconnection Customer shall wait 5 minutes after sensing normal voltage and frequency before starting up the Generation System.

6.0 Interference. If the Generation System causes radio, television or electrical service interference to other customers, via the electric power system or interference with the operation of Xcel Energy, the Interconnection Customer shall disconnect the Generation System. The Interconnection Customer shall either effect repairs to the Generation System or reimburse Xcel Energy for the cost of any required Xcel Energy modifications due to the interference.

7.0 Electric Distribution System Modification:

7.1. At its sole discretion Xcel Energy may modify its electric distribution system. Xcel Energy shall utilize good utility practice in performing these modifications, and provide notice consistent with good utility practice such as providing telephone notice to the contact in Section 9 below.

7.2. Xcel Energy shall include the Generation System in its permanent substation distribution system reconfigurations and consider required accommodations to Interconnection Customer consistent with good utility practice.

7.3. The Generation System must be designed and interconnected such that the reliability and the service quality for all customers of the electrical power system are not compromised. The Interconnection Customer is responsible for all costs associated with the installation, operation, and maintenance of the Generation System. The Interconnection Customer shall be responsible for any expenses, which may be incurred by Xcel Energy as a result of any changes or modifications of the Interconnection Customer's Generation System.

8.0 Contingency Configurations

8.1. During contingency operations, if the Interconnection Customer is unable to use power factor control to mitigate voltage or power quality issues created by the Generation System, whether the voltage or power quality issues are due to steady state voltage rise or in the event of voltage regulation issues due to reverse power flow, at the direction of Xcel Energy's Control Center Contact the Interconnection Customer shall disconnect the Generation System if, in Xcel Energy's sole discretion, it believes disconnection would facilitate maintaining compliance with ANSI Range B voltage limits.

8.2. During contingency operations, if the Generation System creates loading, overloading or protection issues, at the direction of Xcel Energy's Control Center Contact the Interconnection Customer shall disconnect the Generation System if, in Xcel Energy's sole discretion, it believes disconnection is consistent with good utility practice.

8.3. If the Generation System is taken offline during contingency operations, Xcel Energy's Control Center Contact may, in its sole discretion, direct the Interconnection Customer's Control Center Contact to keep the Generation System offline or operate it on a limited basis if field ties and alternate sources of power utilized during contingency configurations do not have the capability to accommodate operation of Generation System.

8.4. Generation System shall cease operation for loss of Generator System ground referencing equipment, if applicable, or loss of any other required Generator System component related to the safe and reliable operation of the Generation System.

9.0 Control Center Contacts

9.1. Each Party shall contact each other for all operational issues related to the Generation System, when reasonable. In order to permit Xcel Energy and Interconnection Customer to take immediate action, Interconnection Customer and Xcel Energy shall at all times provide to each other the contact information for emergency and planned outages, who shall be available twenty-four (24) hours a day, seven (7) days a week and be able to take action with respect to the operation of the Generation System and the Distribution System, respectively. In order to maintain expedient restoration of the system, please note that Xcel Energy may not be able to contact the Interconnection Customer during emergency outages. The Interconnection Customer should report Xcel Energy outages to Xcel Energy through the Electric Outage Call Center number listed below.

9.2.1 The contact information for Xcel Energy that is available to Interconnection Customer twenty (24) hours a day, seven (7) days a week to report outages planned by the Interconnection Customer is:

Metro West Control Center
(612) 321-7435

9.2.2 The contact information for Xcel Energy that is available to Interconnection Customer twenty (24) hours a day, seven (7) days a week to report Xcel Energy outages affecting the Interconnection Customer, and for updates on expected restoration of service during unplanned outages, is:

Electric Outage Call Center
(800) 895-1999

9.2.3 The contact information for Interconnection Customer's Control Center that is available to Xcel Energy twenty (24) hours a day, seven (7) days a week is:

____
____

9.3 Each Party shall keep the other informed of their Control Center contact information. Notice of changes to Control Center contact information shall be provided immediately pursuant to Section XII B of the Generating System Interconnection Agreement.

10.0 Right of Access.

10.1. At all times, Xcel Energy shall have access to the disconnect switch of the Generation System for any reasonable purpose in connection with: the performance of its obligations under the Generating System Interconnection Agreement (including this Operating Agreement); to meet its obligation to operate the Xcel Energy system safely and reliably; to comply with law or regulation; or, to provide service to its customers.

10.2. At all times, the Interconnection Customer shall give Xcel Energy access to Xcel Energy's equipment and facilities located on the Interconnection Customer's premises. when necessary for Xcel Energy to: perform its obligations under the Generating System Interconnection Agreement (including this Operating Agreement); meet its obligation to operate the Xcel Energy system safely and reliably; to comply with law or regulation; or, provide service to its customers.

SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

Interconnection Customer

By: ____

Name:____

Title:____

Date:____

Xcel Energy

By: ____

Name: Lee Gabler

Title: Sr. Dir. Customer Strategy and Solutions

Date:____

Exhibit E
Maintenance Agreement

Customer Legal Name: CleodSun LLC
Service Address: ____________________
SRC #: ______
Generator Size: 1000 kW

Each Generation System interconnection will be unique and will require a unique Maintenance Agreement. It is envisioned that this Exhibit will be tailored for each Generation System interconnection. It is also intended that this Maintenance Agreement Exhibit will be reviewed and updated periodically, to allow the maintenance of the Generation System be allowed to change to meet the needs of both Xcel Energy and the Interconnection Customer, provided that change does not negatively affect the other Party. There may also be changes required by outside issues; such has changes in FERC and MISO requirements and/or policies that will require this agreement to be modified.

1.0 Routine Maintenance Requirements –

1.1. Interconnection Customer shall maintain the system in good working order.

1.2. Interconnection Customer shall perform maintenance in accordance with manufacturer recommendations and intervals.

2.0 Generation Metering, Monitoring, and Control

2.1. When telemetry is required, the Interconnection customer is financially responsible for the communications channel associated with Xcel Energy's Remote Monitoring System. The communication channel shall comply with Xcel Energy requirements and standards. If the communications cabinet and/or communication channel is provided by Xcel Energy, the Interconnection Customer shall be responsible for operating and maintenance costs, and replace any failed parts or materials.

2.2. Interconnection customer shall be responsible for costs associated with emergency repairs, scheduled repairs, or replacement of parts for the telemetry system.

2.3. Interconnection Customer shall be responsible for replacement costs for advanced metering equipment, such as an ION meter.

2.4. Interconnection Customer is responsible for assuring network equipment functions properly to facilitate communications between the Xcel Energy communications cabinet and all meters on site. Any failure of Interconnection Customer provided equipment between the communication cabinet and meters shall be repaired or replaced by the Interconnection Customer within seven (7) calendar days of the first day of improper functioning of this equipment. This includes wiring, connectors, switches, panels, all other hardware, fiber or Ethernet, Remote Terminal Unit (RTU), 120 V power source, etc. To the extent this equipment is not working properly, there may be delayed payment for generation. Failure of the Interconnection Customer to repair the improperly working equipment within this seven (7) calendar day period may result in disconnection of the Generation System from Xcel Energy's electric distribution system and only be reconnected after the situation is corrected.

3.0 Modifications to the Generation System –

3.1. The Interconnection Customer shall notify Xcel Energy, in writing of plans for any modifications to the Generation System interconnection equipment at least twenty (20) business

days prior to undertaking such modification.

3.2. Modifications to any of the interconnection equipment, including all required protective systems, the generation control systems, the transfer switches/breakers, VT's & CT's, generating capacity and associated wiring shall be included in the notification to Xcel Energy.

3.3. The Interconnection Customer agrees not to commence installation of any modifications to the Generating System until Xcel Energy has approved the modification, in writing.

3.4. Xcel Energy shall have a minimum of five (5) business days and a maximum of ten (10) business days, to review and respond to the modification, after the receipt of the information required to review the modifications.

4.0 Special Facilities

4.1. Interconnection Customer may request underground facilities where Company standard construction is overhead facilities.

4.2. The Company will determine if the request will not adversely affect the reliability, operational integrity, or schedule of required work.

4.3. The Interconnection Customer shall be responsible for Operating, Maintenance and Replacement costs of the special facilities. In this context, the term "special facilities" means facilities which the Company builds or installs which differ from the Company's standard construction standards. For example, this would include the situation where the Interconnection Customer, for aesthetics, permitting, or any other reason, requests underground facilities even though from a technical perspective overhead facilities would be sufficient.

4.4. Perpetual easements will be granted Company at no cost to the Company whenever any portion of the underground distribution system is located on private land. Said easements also will allow the Company access for inspection, maintenance, and repair of Company facilities.

5.0 Shared Facilities

5.1. If the Generation System is designed as part of a co-located Community Solar Garden Site under the Company's Solar*Rewards Community program and there are shared facilities between the Generation Systems comprising the co-located Community Solar Garden Site, then Interconnection Customer agrees to be jointly and severally liable with the Interconnection Customers associated with the co-located Community Solar Garden Site for all parts, installation, and maintenance costs and fees associated with the shared facilities.

5.2. Examples of shared facilities include, but are not limited to, switchgear or service entrance equipment, remote monitoring facilities, communication equipment, and communication channels.

SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

Interconnection Customer

By: ____

Name:____

Title:____

Date:____

Xcel Energy

By: ____

Name: Lee Gabler

Title: Sr. Dir. Customer Strategy and Solutions

Date:____

FORM OF LETTER OF CREDIT

LETTERHEAD OF ISSUING BANK

Areas to be filled in indicated in blue highlight,
no information should be filled in Exhibits A and C
at the time of issuance of the Letter of Credit

Irrevocable Standby Letter of Credit
No.:_[Issuer to fill in]________

Date of Issuance: _[Issuer to fill in]___, 20__
Initial Expiration Date: [Issuer to fill in - but must be at least 12 months after date of issuance]

Beneficiary: Northern States Power Company, a Minnesota corporation

Applicant: [Issuer to fill in________]

Address for Beneficiary:
Xcel Energy
Solar*Rewards Community
414 Nicollet Mall
Minneapolis, Minnesota 55401

As the issuing bank ("Issuer"), we, [Name of Issuing Bank], hereby establish this irrevocable Standby Letter of Credit No._[Issuer to fill in]_ (this "Letter of Credit") in favor of the above-named beneficiary ("Beneficiary") for the account of the above-named applicant ("Applicant") in the total aggregate amount of USD $ __[Issuer to fill in, but Xcel Energy to inform Applicant of dollar amount needed]_ (__________ U.S. Dollars).

Beneficiary may draw all or any portion of this Letter of Credit at any time and from time to time and Issuer will make funds immediately available to Beneficiary upon presentation of Beneficiary's draft(s) at sight in the form attached hereto as Exhibit A ("Sight Draft"), drawn on Issuer and accompanied by this Letter of Credit. All Sight Draft(s) must be signed on behalf of Beneficiary, and signator must indicate his or her title or other official capacity. No other documents will be required to be presented. Issuer will effect payment under this Letter of Credit within 24 hours after presentment of the Sight Draft(s). Payment shall be made in U.S. Dollars with Issuer's own funds in immediately available funds.

Issuer will honor any Sight Draft(s) presented in compliance with the terms of this Letter of Credit at the Issuer's letterhead office, the office located at __[Issuer to fill in]________________, or any other full service office of the Issuer on or before the above stated expiration date, as such expiration date may be extended hereunder. Partial and multiple draws and presentations are permitted on any number of occasions, subject to the limitations in the following paragraph. Following any partial draw, Issuer will endorse this Letter of Credit and return the original to Beneficiary.

Issuer acknowledges that this Letter of Credit is issued pursuant to the provisions of those certain Interconnection Agreements between the Beneficiary and the affiliates of the Applicant set forth on

Exhibit B hereto (each as may have been or may be amended from time to time, an "IA" and collectively the "IAs"). Notwithstanding any reference in this Letter of Credit to an IA or any other documents, instruments or agreements, or references in any IA or any other documents, instruments or agreements to this Letter of Credit, this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder. Issuer acknowledges and agrees that (i) this Letter of Credit has been issued in an aggregate amount to comply with the individual security requirements of each individual IA, (ii) the obligations of each affiliate of Applicant under its corresponding IA are several and separate from the obligations of the other affiliates of Applicant under the other IAs, and (iii) with respect to any individual affiliate of Applicant and its corresponding IA, Beneficiary shall only be entitled to draws hereunder up to the corresponding maximum amount for such affiliate and IA as set forth on Exhibit B hereto.

This Letter of Credit will be automatically extended each year without amendment for a period of one year from the expiration date hereof, as extended, unless at least thirty (30) days prior to the expiration date, Issuer notifies Beneficiary by registered mail or overnight courier that it elects not to extend this Letter of Credit for such additional period. Notice of non-extension will be given by Issuer to Beneficiary at Beneficiary's address set forth herein or at such other address as Beneficiary may designate to Issuer in writing at Issuer's letterhead address.

This Letter of Credit is transferable in whole or in part, and the number of transfers is unlimited. Issuer agrees that it will affect any transfers immediately upon presentation to Issuer of this Letter of Credit and all amendments (if any) and a completed written transfer request in the form attached hereto as Exhibit C. Such transfer will be effected at no cost to Beneficiary. Any transfer fees assessed by Issuer will be payable solely by Applicant, and the payment of any transfer fees will not be a condition to the validity or effectiveness of the transfer or this Letter of Credit.

Issuer waives any rights it may have, at law or otherwise, to subrogate to any claims Beneficiary may have against Applicant or Applicant may have against Beneficiary.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600 (the "UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(B) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. With respect to Article 14(B) of the UCP, Issuer shall have a reasonable amount of time, not to exceed three (3) banking days following the date of Issuer's receipt of documents from the Beneficiary (to the extent required herein), to examine the documents and determine whether to take up or refuse the documents and to inform Beneficiary accordingly.

In the event of an act of god, riot, civil commotion, insurrection, war or any other cause beyond Issuer's control that interrupts Issuer's business and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiry date of this Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

ISSUER:

By: ______________________________________
AUTHORIZED SIGNATURE
Its: ______________________________________.

EXHIBIT A
(TO LETTER OF CREDIT)

SIGHT DRAFT

$________________

At sight, pay to the order of [Name of Beneficiary to be inserted], the amount of USD $____________ (____________________ and 00/100ths U.S. Dollars).

Drawn under [Name of Issuer to be inserted] Standby Letter of Credit No. _____________ with respect to the following affiliate of Applicant: [Name of Project Phase Affiliate]

Dated: _______________, 20___
[Name of Beneficiary to be inserted]
By:
Its Authorized Representative
[Title or Other Official Capacity to be inserted]

To: [Name and Address of Issuer to be inserted]

EXHIBIT B

(TO LETTER OF CREDIT)

AFFILIATES OF APPLICANT

Affiliate Name	Date of Signature of Affiliate to IA, and street address or location applicable to IA	Maximum Amount that may be drawn under Letter of Credit with respect to such Affiliate
[Issuer to fill in entire column]	[Issuer to fill in entire column]	[Issuer to fill in entire column]
TOTAL		**$**[Issuer to fill in]

EXHIBIT C
(TO LETTER OF CREDIT)

FORM OF TRANSFER REQUEST

IRREVOCABLE STANDBY LETTER OF CREDIT NO: ______________________

CURRENT BENEFICIARY: APPLICANT:

___________________________________ ___________________________________
___________________________________ ___________________________________
___________________________________ ___________________________________

TO: [NAME OF ISSUING BANK]

The undersigned, as the current "Beneficiary" of the above referenced Letter of Credit, hereby requests that you reissue the Letter of Credit in favor of the transferee named below [INSERT TRANSFEREE NAME AND ADDRESS BELOW]:

____

____

____

From and after the date this transfer request is delivered to the Issuer, all rights of the undersigned Beneficiary in such Letter of Credit are transferred to the transferee, and the transferee shall have the sole rights as Beneficiary thereof, including sole rights relating to any amendments, whether increases or extensions or other amendments agreed between the parties, whether now existing or hereafter made. All amendments are to be advised directly to the transferee without necessity of any consent of or notice to the undersigned transferor.

DATED: _________________ [NAME OF BENEFICIARY]

[NOTARY ACKNOWLEDGMENT]

By:
Name:
Title:

[TO BE SIGNED BY A PERSON PURPORTING TO BE AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY AND INDICATING THEIR TITLE OR OTHER OFFICIAL CAPACITY, AND ACKNOWLEDGED BY A NOTARY PUBLIC.]

From:
To:
Cc:
Subject: RE: CleodSun IA/Redacted Study Meeting -
Date: Wednesday, March 4, 2020 11:28:38 AM

Hi ,

I'm following up with you regarding the request for notes from the call that occurred with Engineering. Please see below for those notes. We also never received the required justification on the further questions you had submitted to us.

1) We understand that the feeder voltage regulator controls require replacement due to the introduction of reverse power flow that would occur with the addition of this project. But can Xcel confirm whether or not the entire regulator needs replacement? We are aware of other similar installations where only the controller replacement was required, or where only a controller replacement with the addition of a line-side potential transformer was necessary. What is the cost breakdown for the feeder voltage regulator controls? The cost breakdown if the entire regulator needs replacement?

- Email - The substation review calls for the replacement of the regulators and controls as well as a full breaker replacement.
- XE AU - cost estimates on complete regulator plus controller replacement, and VSR plus breaker upgrades are not easy to separate from each other, and as I'm sure you're aware we typically do not provide this level of detail either.
- SS - Can you reply in writing to these answers after this call? Xcel will send out meeting for this call
- SS - is there more work needed to dig into the details of these questions?
  - SunShare needs more information to base a decision on.
  - Cost is vitally important.
- SS regulator - study wasn't clear on whether this needed replacement or not. Does it need to be replaced?
  - understanding is that there is no thermal issue, but controls are not setup to opp. in reverse. Has anyone dug into details to determine if can be done with controller replacement, instead of entire regulator?
- XE - Yes, substation engineering reviewed the regulator and determined it needed to be replaced to interface with our standard regulator controller for reverse flow.

2) Can Xcel confirm whether or not the entire feeder circuit breaker needs to be replaced to accommodate VSR? Again, we are aware of other similar installations where once the additional potential transformer and relay were installed, VSR was implemented by circuit breaker control modifications rather than total replacement. What is the cost breakdown for the entire feeder circuit breaker replacement, if needed?

- SS – We understand why VSR is required. Replacing the entire breaker sounded extreme, compared to situations in the past.
- XE - This was looked at and is the same situation as the regulator, the breaker is not

compatible. This drives the need to replace. This is very common across many projects. Although there are some where we can get away with replacing only the controller, but this is not the case for this project. I'm sure you've seen this commonly across applications.

- SS - this is the first I have seen this requirement on.
- SS DAO - Studies are performed without going into the field to see what is there. These two above items are $250k - we came to this by comparing to the Schiller IA which was the same site, previously studied. Have there been site visits since to confirm this is correct?
- XE AU - No site visit has been done. Substation records tend to be more robust; we did review these records, and that is how we came to this conclusion.
- SS - Did anyone for other projects in this area go to site to verify?
- XE - If there were updates required to substation, then we would update at that time. For previous projects on this substation, one project dropped out and one curtailed, trying to avoid these same upgrades.
- SS - would like to have a conversation with the substation engineers that determined this, to have a better understanding.
- XE - This is not part of our process. The clock still ticks; we've answered questions well enough, that they should be sufficient for you to make a decision.
- SS - The question remains, is the answer accurate. There have been numbers of errors on projects in past. This prompts us to ask the question twice. When we push back, then XE determines there was an error.
- XE - This is as accurate as it is going to get, substation engineers will tell you the same. They're not going to go into the field to check at this stage in the process.
- SS - I'm not questioning the accuracy, I'm asking whether or not on these two items if this is the lowest cost solution? Questioning whether there might be a lower cost option to meet XE's interconnection requirements.
- XE - We have to stick with our standard; these are the standard solutions here. This is the lowest cost we can offer.
- SS - Viability for 1 MW CleodSun, if upgrades are required for 1 MW, what is the end of the day capacity that is created on this circuit - can other 1 MW projects then be accommodated on the created capacity?
- XE - We don't study this after an upgrade is made. There will likely be an increase. You can put an application in after this one, and we can determine the answer then.
- XE Ed - Until we hit a thermal limit or settings limit, there's not an additional cost in substation. However, the distribution system is a different story.
- SS New app, thermal... SS DAO - Schiller site 3 MW triggered thermal. Reconductoring upgraded to 336... ?
- SS - Since this was studied before, are you able to dig this up, and answer Roberts 2nd question? Looking for the redacted study.
- XE - This would have to be requested and reviewed through the standard process, through PMO. Caution: 1) accuracy will be out of date, and 2) there was a large chunk of feeder as 336 on our distribution maps that was actually much smaller in the field. Schiller was done in SKM and we are no longer doing this type of study. We are now using synergy - many differences in modeling and results.

- SS DAO - Concern is the accuracy of the requirement for replacing the circuit breaker and the regulator. [REDACTED] - what I heard is that they are not looking at lowest cost solution, they are looking at solutions that meet their standard. Not accuracy of price, but what is minimum to meet the standard
- XE - We are giving you the lowest cost solution with all equipment we stock for use in standard design. We cannot stock non-standard equipment. We've had these discussions in the past many times.
- SS DAO to [REDACTED] what is the further ideal request: To examine the documentation on break and to see if we can do with X instead. Is this something XE can provide?
- XE – We don't think so.[REDACTED] will double check. XE Ed - This is a hydraulic recloser, it does not have inputs for the needed PTs, needs to be updated to have a micro-processer relay.

3) What is the cost breakdown for the VSR upgrades?

- XE - This is not available (discussed above) and not provided per normal practice.

Please let us know what SunShare's next steps are for the CleodSun project, as the IA due date is 3/5/2020.

Thank you,

[REDACTED]
Xcel Energy | Responsible By Nature
Marketing Assistant, Solar*Rewards Community
414 Nicollet Mall, 401-6 | Minneapolis, MN 55401
E [REDACTED]

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www.xcelenergy.com/SRCResources
Visit our website for more information about interconnecting a community garden with Xcel Energy!

Please consider the environment before printing this email.

On Wed, Feb 19, 2020 at 7:32 AM SRCMN <SRCMN@xcelenergy.com> wrote:

> **Agenda for CleodSun [REDACTED]) – IA & Redacted Study**
>
> 1). We understand that the feeder voltage regulator controls require replacement due to the introduction of reverse power flow that would occur with the addition of this project. But can Xcel confirm whether or not the entire regulator needs replacement? We are aware of other similar installations where only the controller replacement was required, or where only a controller replacement with the addition of a line-side potential transformer was necessary. What is the cost breakdown for the feeder voltage regulator controls? The cost breakdown if the entire regulator needs replacement?
>
> 2). Can Xcel confirm whether or not the entire feeder circuit breaker needs to be replaced to accommodate VSR? Again, we are aware of other similar installations where once the additional potential transformer and relay were installed, VSR was implemented by circuit breaker control modifications rather than total replacement. What is the cost breakdown for the entire feeder circuit breaker replacement, if needed?

3). What is the cost breakdown for the VSR upgrades?

Details from March 4, 2021 Commission deliberations in Docket No. 20-892

Commissioner Schuerger:

3:21:38 – From my perspective it is unclear to me whether 216B.164 has overlap here or not – but I do not believe that it is important to the case and decisions before us today.

3:21:53 – The statute that most directly guides us is 216B.1611 and the standards that have been brought forth out of that – which is the MN DIP. And, 216B.1611 which is the interconnection statute does promote the use of distributed energy resources to provide electric system benefits during periods of capacity constraints. That is the language of the statute. But it also states, "enhancing both the reliability of electric service and economic efficiency in the production."

3:22:35 – Good Utility Practice is an important and relevant question here. And the MN DIP outlines and describes what that is as discussed during oral argument.

3:22:48 - And as Staff has appropriately highlighted in the briefing papers, the MN DIP specifically acknowledges that not every detail of utility practice must be committed to tariff. We recognize that in the MN DIP.

3:23:01 – So the question to me ... is are we seeing in this record utility practices that are arbitrary or discriminatory. And, I don't see evidence in this record before us that they are.

3:23:33 – I would propose Decision Option 3 to dismiss. And I know it is understood but I would explicitly say "without prejudice". If the Complainant focuses the complaint and brings a more, in my view, a more focused and supported complaint before us. Of course, the Commission would look at that.

Commissioner Sullivan:

3:25:40 – ... I am just not convinced that there is a reasonable basis here to proceed under 216B.164 – the original complaint. These are community solar garden projects that were built under that statute that is next to it, 216B.1641, but they are not PURPA projects. And the community solar garden statute does refer to 164, they make reference to it, but I just don't see that connection. I don't see these as qualifying facilities. I think that there is record support for that. There is certainly support from the Court of Appeals decision, which although it is not citable, it is certainly on these facts, it is very similar to these facts. My sense is that the discussion here has been revolving around the MN DIP and different statute and there may be something actionable there, and I would in dismissing this I would think that the petitioner that sent it out would refile and have a more specific complaint this time around more focused on the concerns they have with the MN DIP. ...

Commissioner Means:

3:28:01 – I largely agree with pretty much everything that has been stated by two prior Commissioners on this. ... There are challenges and complexities in this evolving system that naturally are going to result in disputes. But what is in dispute here, does not in my opinion justify an investigation. It justifies encouragement from the Commission to work constructively borrowing

from Commissioner Schuerger's Decision Option language. I support that path for all of the reasons that have been discussed earlier.

Commissioner Tuma:

3:29:00 – I go back to the foundation of what the Commission's authority is, 216A.05, where we are given both legislative and quasi-judicial powers. It is unusual and different than other instances in a court room - they just have judicial powers. They take what comes and if you don't plead it correctly boom you are out. And I think Commissioner Schuerger is striking the right balance here at this stage. It seems to be more of a legislative function in the development of our distribution planning and development of MN DIP. Those are legislative functions that we have been given authority under the statute to design the system to move forward. And it is changing, and we are going to be dealing with these as Commissioner Means pointed out far more as we go along. And that is a reality whereas of now after we have kind of developed the legislative part of it we will deal with it judiciously. ... I need a specific statute, a specific cite, and then where it needs to be resolved. I know that this is still in flux as we develop more of these legislative principles before some of these complaints can be brought forward. And I know that is a challenge. We are trying our best to accomplish that I think that Commissioner Schuerger direction here strikes the right balance here that says let's continue to try to work these out as best we can and that is the way I read (*inaudible*). ... We have a lot of work to do and I think we are going to continue to push and push forward doing it. And I am certainly open to a complaint being filed under specific rules or provisions that we have to date. I just did not see it there. And frankly it wasn't just me. ... Let's go with that. Obviously, you can file a complaint down the road if you want or tomorrow for that matter. But it needs to I think be a little tighter as to what specifically is the complaint. If you want us to put our judicial hat on. If you want us to put our legislative hat on, we are putting it on and we are going to continue to work with our utilities to make sure we are building out a really responsive distributed generation system. Because it is not as before, it is not I just want to get service – I also get to put service back into it and we understand that and that is important for us to move forward in this next generation of electricity. ...

April 22, 2021 MPUC hearing in Docket No. 13-867

CSG hearing on Planned Outages

Discussion led by Commissioner Tuma on Compensatory Damages

Beginning at about 4:47:37

(Commissioner Tuma:) I want to understand the posture here. I think you discussed it a little bit, you know, what authority we have or frankly where we are at. I probably agree with you somewhat that maybe procedurally we are not at a point … but I am looking at the cases you cited about our authority. The first is I think the Siewert case which was a dairy farmer in Wabasha Ccounty around the question whether they had a claim under certain theories of law to sue you for stray voltage. And then they cited the Peoples case which was an interesting case too with regards to what now is MERC and the large industrial customers on the Iron Range with regards to some tariff issues and really what appears to be more retroactive rate making than it was for the ability for the Commission to order monetary damages.

(4:49:03) And so I am trying to get a picture of what is a community solar garden and what authority we have in these situations. I don't want to get into a big judicial argument here but I want to understand our posture so that as we sent this off, we know what's going to happen. I hope we stay more in the legislative realm but let's figure this out. That's why I am very interested in Commissioner Schuerger's, particularly his 13b, as a potential framework for a resolution going down the road.

(4:49:52) But when I look at the dairy farmer case that you cite, there you were exercising in that situation, it was a suite against you Xcel, you said that a dairy farmer can't bring a claim in District Court because of the filed rate doctrine. My assumption there is that the dairy farmer is a customer and I would encourage anybody who wants to learn a little bit how the Supreme Court looks at the filed rate doctrine to read that case. I think Jude Page did a very good job walking through the principles of the filed rate doctrine there. Mr. Denniston, that case was decided where Justice Page said and the Supreme Court said look, the stray voltage that is coming on to this farmer's property is a trespass. And he doesn't give up his right to sue under trespass just because he happens to be a customer. And that he is not seeking stray voltage as a service or as a privilege. That word is very

important; the Court uses the word privilege. So in other words if our authority did go there, we could issue a judgment in that regards so therefore the District Court is free to pursue, in that case Justice Page said, a trespass as litigation where that person would seek monetary damages in District Court. And so because it wasn't a service or privilege he was seeking, the filed rate doctrine didn't bar his ability to go to District Court. (4:51:32). Am I giving, Mr. Denniston, a pretty good summation of the Siewert case?

4:51:44 (Answer, Mr. Denniston) Sure, yeah. Yeah, at high level, yeah.

4:51:50 (Commissioner Tuma) And again at high level, now I have a situation here that I am sitting here and I know I can't order monetary damages like a District Court could order monetary damages. The Court in Siewert cited Peoples and Peoples was large industrials on the Range felt that the tariff they were under at a particular time was being inappropriately applied by Peoples. And they brought a complaint to the Commission and the Commission said yeah, it is, but it's going to get so complicated we are going to freeze that tariff where it is now, consciously made that decision, and then they said let's have a rate case. Come in for rate case. And so, Peoples came in for a rate case, set a test year, okay, and we resolved that.

4:52:50: But then the industrials came back and filed a complaint saying, we want you to adjust the pre-test year rates to what the rate case determined, even though we consciously made the decision at that time to freeze the rates. And the Court said no you can't do that, that's retroactive rate making. You can't issue monetary damages because you froze the rate at a particular time and sought a rate case. And so it doesn't seem to be directly related to here, that was a retroactive rate making case. And the dairy farmer case was about trespass.

4:53:36 And so I'm having a hard time seeing how that instructs me here, Mr. Denniston, because it seems like these community solar garden individuals are under a tariff that is required for us to do because of a state statute creating community solar gardens. And so if one of those community solar gardens were to in fact sue you in District Court, saying that your exercising of these shut-offs were unreasonable and you want to seek monetary damage, I think one of your prime defenses would be, would it not, the filed rate doctrine, and you can't sue us in District Court. Would that be an accurate assessment, or am I missing something?

4:54:35 (Answer, Mr. Denniston) – No, I think those would be among the arguments that we would have at the ready. And I think also, I think you mentioned it, the jurisdictional argument would be high up there at the list.

4:54:51 (Commissioner Tuma) And so this seems to be different, these individuals, these community solar gardens are not customers like large industrials were in Peoples or the dairy farmer in Wabasha County, they seem to be in a lot of ways look like to me like an independent power producer. But if for example we approve an independent power producer contract, wouldn't it be true that if you violate that contract, say you don't pay a independent power producer what they are owed, I don't think you come to us, I think you would go either to state or federal court, or they would go to state of federal court to sue you under the contract. Is that a fair assessment?

4:55:40 (Answer, Mr. Denniston) I would have to look at those contracts specifically but one distinction here, if I can engage in discussion with you on this, is that the PPAs that we have with the independent power producer is not part of our tariff. Here, the contract is part of our tariff and the PUC has jurisdiction over that tariff and so that's the primary difference.

4:56:06 (Commissioner Tuma) And I think that is accurate. In my mind I see these individuals, even though they look a lot like an independent power producer, and I think even one of the engineers talked about them being, you know, like a power producer that we deal with regularly, because it is tariff, that is where their right is going to be. And so if we wanted to develop a particular recovery, it would have to be under the tariff.

4:56:33 (Commissioner Tuma) And now it comes to the question whether we have the authority in developing a tariff that would have in it some monetary consequences for you, and frankly for our ratepayers, in it. And I think the answer to that question is "yes" because the last time we were here talking about community solar gardens you were penalized. I don't think it was quite called a penalty in the tariff but most people recognized it as a penalty. In the service quality dockets we developed in the tariffs some penalties. So help me out Mr. Denniston, I think we would have the right to develop penalties or some sort of monetary compensation but it would have to be via tariff, right?

4:57:20 (Answer, Mr. Denniston) Whatever remedy is would have to be in a tariff and subject to the Commission's jurisdiction. The Commission has no authority to issue penalties. Then you have what happened in the QSP docket – and it had to do with a dark time in the history of the Company when we had the ticket-gate. Employees who were quickly fired became known falsifying trouble tickets, okay, and as part of the resolution on that we agreed to the QSP settlement which gave the authority for the Commission, or actually self-implement, the underperformance payment. So it is something that we agreed to and therefore it is not a penalty. The Commission's authority to issue penalties is under statute and it is a wholly different paradigm. You know if you believe that there has been just a violation of a Commission order, you go to the OAG and it then goes to District Court, the District Courts assesses the penalty, the penalty is a fine and gets paid to the State of Minnesota. That's a totally different paradigm. But, I agree that for example in PPAs for example, there can be provisions there what happens if you don't accept it or you shut us off and then there would be a provision in it. One thing to keep in mind here – we are not earning on this program, right, you know there is no earnings for us. The bill credits that are $300 million or whatever the number is, it goes from you know basically our ratepayers to the subscribers to the CSG developers, and we are here trying to process these interconnection applications at cost, tremendous amount of resources that we are devoting to this. A lot of time we before you on complaints. We are trying our darndest, we really are, to run this in a fair way. You have seen some recent complaints – more to come. There are so many different Notices of Dispute heading your way. Okay, we are trying our best, we are trying our darndest. We don't like being here in this forum. We want to do what we can to avoid it. Okay, I heard the other dockets before us with the friendly banter – I want that for this. But, we are trying our darndest.

4:49:50 (Answer, Mr. Denniston) If I could circle back to more of the legislative angle what we can do here. Complicated issues and diversity of opinion. I think one thing we do agree on is the sooner we can get the reclosers installed the better place we all will be. Why don't we take this back, work with our supply chain, it is not like ordering pringles on a shopping cart. If you say I need 200 reclosers, you know they are going to say that is the totality of production for so many months. We will work with them, we will get what we can and we will do our darndest in a safe way to get them installed. And then what can be done in between times? We are willing to have negotiations. We want it. You know, but one key group that we need to bring in are our linemen – our linemen have the right and responsibility to stop work that they think is unsafe. So if management says,

employees, linemen, you are going to do this, the linemen have the opportunity to say "no, we are not." And so, I think we bring the workers in, maybe we have been overly concerned about them and thinking about issues they think are workable. I think we bring them into the conversation. So, we want to work with you. I think a legislative approach is better. We all have great legal arguments, right? But, I think that the most important thing is to solve this issue and you know there are so many issues brewing here, we don't need another one. We are trying are darndest.

5:01:20 (Commissioner Tuma) Yeah, and I guess I just try to get to my line of theory, and I appreciate that input, that is very helpful. But I think this concept that we don't have authority to order some sort of, or create a structure for some sort of reimbursement or some sort of monetary penalties (even though that is an inappropriate term), I think is a little bit inaccurate in the way it was kind of at least laid out for us – Because we order monetary, we order you to pay back customers with for example you put the wrong meter on or you have collected too much. There is a monetary situation there that we have authority to issue. Because this is a tariff issue and because it is created by a legislative mandate sent to us by the legislature, I do think we have some authority to put some parameters around that. I don't know if they are there yet. That would be a very difficult legal argument if someone would bring a complaint to us right now. And, I think it is better for us to keep our legislative hats on and to lay out a process by which we can establish what should be done and what are the consequences if it is not done. And I think that's where you are trying to go Mr. Denniston. I think that's the posture we are in right now – is that we have some authority, probably not fully vetted yet to be a tariff that I would advise anybody to bring an action under. But, we need some more work on the legislative end of our duties – not the legislature, but us – developing the appropriate tariffs and mechanism to deal with this. That's kind of where I am at Mr. Denniston. It seems like that is where the Company is at, but correct me if I am wrong.

5:03:23 (Answer, Mr. Denniston) Yeah, I think conceptually it is always better to work things out.

5:03:30 (Commissioner Tuma) And I don't know what that should look like yet because I think I want to hear more work to be done. But I think you hear the frustration that it is not happening fast enough. But I get that. I was frustrated a year ago. I went back and looked at the tape and actually the landscape behind me looked almost identical because the trees were budding. So, it must have been about a year ago. And I was worried and befuddled that we could not get notices to people in a

more timely fashion and it seems like it is coming back to us and back to us. I would hope we can move forward expeditiously as we do this and we get in discussions about the different decision options.

5:04:10 (Commissioner Tuma) I really do though feel that we are not in a posture legally right now to make a determination on consequences. And I think that there needs to be some more work on developing the tariffs to do that. So, this is a report, okay, a report you gave to us, and I don't think that is the appropriate avenue to start ordering damages from – that would be a complaint. And this is not a complaint. I know that there was a lot of complaining in responding to the comments on the report, but I don't view them as "complaints." And so I think that's the bar from us ordering damages at this stage or some sort of monetary consequences for your violation of the tariff is that we are in a report here and not a complaint. But, I would reserve that to be a different issue if we were in a complaint which I don't hope come to us. Do you understand what I am saying Mr. Denniston? That I agree with you, I think that we are really not in a position because it is not ripe, because it is not the right venue at this stage because we are working off of a report and not a complaint. Would you agree with that?

5:05:25 (Answer, Mr. Denniston) I understand. Yeah.

Decision No. C21-0102

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 20D-0262E

IN THE MATTER OF VERIFIED PETITION OF SUNSHARE, LLC FOR A DECLARATORY ORDER APPROVING A RENEWABLE ENERGY CREDIT ADDER.

COMMISSION DECISION ISSUING DECLARATORY RULINGS AND AUTHORIZING MODIFICATIONS TO BIDS

Mailed Date: February 25, 2021
Adopted Date: January 20, 2021

Colorado PUC E-Filings System

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I. BY THE COMMISSION

A. Statement

1. Through this Decision, we address the Petition for Declaratory Order filed on June 17, 2020, corrected on July 17, 2020, and amended on November 23, 2020, and December

29, 2020 (Petition), by SunShare, LLC (SunShare). We allow Public Service Company of Colorado (Public Service or the Company) to reform the price paid for Renewable Energy Credits (RECs) for renewable energy production under five of SunShare's six executed Producer Agreements with Public Service resulting from the Company's 2018 Solar*Rewards Community Solar Garden (CSG) Request for Proposals (RFP) process, consistent with the discussion below. Additionally, we deny SunShare's request for a waiver of Public Service's creditworthiness requirements.

B. Background and Procedural History

2. On June 17, 2020, SunShare filed its Verified Petition seeking a declaratory order pursuant to Rule 4 *Code of Colorado Regulations* (CCR) 723-1-1304(i) of the Commission's Rules of Practice and Procedure. SunShare explains that it was awarded six bids for CSG projects in Public Service's 2018 CSG RFP process (2018 CSG Projects), each for 2 MW of capacity. It states it has experienced significant interconnection delays and that the projects are no longer viable at their bid REC prices. SunShare requests an increase in the REC price per kWh generated (a REC Adder) for five of the six 2018 CSG Projects. SunShare also requests that we grant a one-time waiver of Public Service's creditworthiness requirement for use of a parent guarantee to fund interconnection payments upon the execution of an Interconnection Agreement or find that the creditworthiness requirement cannot be applied in Colorado.

3. By Decision No. C20-0472-I, issued June 29, 2020, we accepted the Petition for consideration, determined the Commission would hear the Petition *en banc*, and set a partial procedural schedule.

4. By Decision No. C20-0506-I, issued July 14, 2020, we allowed the following parties to participate in this proceeding: Public Service, the Colorado Office of Consumer

Counsel (OCC), Trial Staff of the Colorado Public Utilities Commission (Staff), and the Colorado Energy Office (CEO). We also granted SunShare's unopposed request for extraordinary protection of certain information included in the Petition, including the pricing term in each of SunShare's 2018 CSG Project Producer Agreements, proposed REC Adder amounts, and a schedule setting forth the nature and extent of SunShare's cost increases. Additionally, we directed parties to confer and provide a preferred procedural schedule for the remainder of the proceeding.

5. Initial briefs were filed on or before July 27, 2020, by the following parties: Public Service, the OCC, Staff, and CEO. Two developers of CSG projects, Pivot Energy (Pivot) and Oak Leaf Energy Partners (Oak Leaf), submitted comments.

6. By Decision No. C20-0562-I, issued July 31, 2020, we set August 6, 2020, as the deadline for the filing of Reply briefs and required that parties submit a filing asserting whether an evidentiary hearing is necessary. Reply briefs were filed on or before August 6, 2020 by each of the parties.[1] On August 10, 2020, SunShare filed a response to Decision No. C20-0562-I.

7. On October 29, 2020, SunShare and Public Service filed a Joint Status Report. The Joint Status Report states that SunShare and Public Service have executed an Interconnection Agreement for a project comprised of 5 MW of the capacity at issue in the Petition. The Joint Status Report also states "[e]arly indications are positive that the parties can achieve Interconnection Agreements regarding all 12 of the 12 MW of 2018 CSG Projects" subject to the Petition, and that SunShare has begun the county application process for the 7 MW of conditional land use permitting for projects awaiting Interconnection Agreements.[2]

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[1] Public Service filed a Corrected Reply on August 7, 2020.

[2] Joint Status Report, filed October 29, 2020, at pp. 2-3.

8. By Decision No. C20-0809-I, issued November 16, 2020, we required SunShare to file an amendment if the activity listed in the Joint Status Report changed the issues raised in the Petition. On November 23, 2020, SunShare filed its First Amended Petition for Declaratory Order, in which it did not amend the relief requested but clarified that the activities listed in the Joint Status Report have changed expected in-service dates and that a waiver of Public Service's creditworthiness requirement would no longer apply to the 5 MW of its 2018 CSG Projects that have received an Interconnection Agreement. SunShare also advocated for a decision *en banc* arguing that there is an absence of any factual dispute.

9. By Decision No. C20-0841-I, issued December 4, 2020, we set December 7, 2020, as the deadline for responses to SunShare's First Amended Petition. The decision stated that the Commission "agree[ed] with SunShare that there appears to be an absence of factual dispute," and determined "the matter is ripe to move forward with a declaration regarding the matters to which SunShare seeks."[3] On December 7, 2020, the OCC and Staff filed responses.

10. On December 29, 2020, SunShare filed a Second Amended Petition for a Declaratory Order with a revised proposed REC Adder amount. At the time the original Petition was filed, the federal Investment Tax Credit (ITC) was slated to step down from 26 percent to 22 percent on January 1, 2021, and SunShare's proposed REC Adder amounts reflected this step down by requesting a higher REC Adder amount for projects that reach a 2021 in-service date compared to projects that reach a 2020 in-service date. In its Second Amended Petition, SunShare explains that the 2020 ITC level was extended through the end of 2022 by the Consolidated Appropriations Act, 2021, H.R. 133, and decreased its proposed REC Adder for projects with a 2021 in-service date to account for this.

[3] Decision No. C20-0841-I, at ¶¶ 10-11.

C. SunShare's Request for Relief

11. In its Petition SunShare explains that on November 30, 2018, it was awarded six bids for CSG projects in Public Service's 2018 CSG RFP, each for 2 MW of capacity. SunShare explains that the Producer Agreements memorialized a December 31, 2019 in-service date for each project to take advantage of the 2019 ITC level of 30 percent, and that its six bids included either $0 or negative REC prices based on its proposed sites and plan to build the CSGs in 2019. Additionally, it explains that to facilitate favorable financing terms and to minimize transaction costs, its CSG projects are "bundled," and financing for all of the 2018 CSG Projects is tied to the entire twelve MW Portfolio.[4]

12. SunShare states that prior to submitting its bids in the 2018 RFP, Public Service provided non-binding pre-application studies for the substations to which the majority of SunShare's bids would interconnect. After it filed the interconnection requests required by its Producer Agreements for the 2018 CSG Projects, it received notices from Public Service stating that there was no capacity available to support SunShare's CSGs at substations associated with the interconnection requests. SunShare states that five of the six 2018 CSG Projects have been affected by the No Capacity Notices, and that its only options were to move project sites or wait for another developer to withdraw an existing interconnection request.

13. Following the April 29, 2019 enactment of H.B. 19-1003, codified at C.R.S. § 40-2-127(2)(b), which allows CSGs at a single location to be up to 5 MW in nameplate capacity, SunShare proposed site moves for five of its 2018 CSG Projects to maximize the capacity per site up to 5 MW. SunShare states that Public Service rejected SunShare's proposed site moves, and that after it was unable to reach an agreement with Public Service to allow for

[4] SunShare Corrected Petition, filed July 17, 2020, at ¶ 14.

the interconnection of the five 2018 CSG Projects, SunShare provided Public Service with a Notice of Dispute under the Commission's SGIP Rules. SunShare further explains that following the issuance of our Decision No. C20-0406 in Proceeding No. 20D-0148E, issued May 29, 2020, Public Service changed its positions concerning the co-location of SunShare's 2018 CSG Projects and entered into a Settlement Agreement with SunShare to resolve the Notice of Dispute and the interconnection issues facing the five 2018 CSG Projects. SunShare states that the Settlement Agreement, attached to the Petition as Confidential Attachment A, includes interconnection accommodations necessary to allow the five 2018 CSG Projects to move forward with interconnection studies.

14. Despite the accommodations provided for in the Settlement Agreement, SunShare explains that the delay caused by the unexpected lack of capacity on Public Share's system has impeded the projects' viability at their bid REC prices. SunShare states the delays have forced the projects to contend with intervening events including the reduction of the Federal Investment Tax Credit (ITC) and the Trump Administration's actions to repeal tariff exemptions on bifacial solar panels. SunShare asserts it has borrowed deposit and escrow funds for far longer than budgeted and that the five 2018 CSG Projects have been forced to acquire, design, permit, and move to new locations which have lower solar insolation.

15. Therefore, SunShare requests that the Commission issue a declaratory order stating that Public Service may reform the REC price in the Producer Agreements for the five 2018 CSG Projects. In its Highly Confidential Petition, it sets forth a proposed REC Adder amount that would apply to projects with a 2021 in-service date,[5] and revises this proposal in the Highly Confidential Corrected Petition and the Highly Confidential Second Amended Petition (Requested REC Adder).[6] SunShare states that the Requested REC Adder amount accounts for financing and transaction costs, reduction of the ITC from the 2019 level of 30 percent to the current level of 26 percent, decreased production forecasts due to the relocation of projects, carrying costs for required escrows, deposits, and other development costs, increased equipment costs due to the elimination of exemption for bifacial panels by the Trump administration, and increased development costs for new projects sites. SunShare asserts the Requested REC Adder amount does not incorporate net financing proceeds, change in customer pricing necessitated by the COVID-19 pandemic, or standard costs at the original bid sites. It also provides a minimum REC Adder amount, below which it states the projects would be "unworkable given the risks and lower expected project revenues" (Lowest Viable REC Adder).[7]

16. SunShare asserts that while it is "rare for the Commission to grant REC Adder relief," the standard for granting a REC Adder has been unique circumstances that result in an

[5] In its Highly Confidential Corrected Petition, SunShare proposes two different REC Adder amounts. One would have applied to projects with 2020 in-service dates, and the other is meant to apply to projects with a 2021 in-service dates. Because the projects will not reach a 2020 in-service date, we do not address SunShare's requested REC Adder amount for projects with a 2020 in-service date.

[6] SunShare Highly Confidential Corrected Petition at p. 9; SunShare Highly Confidential Second Amended Petition at p. 7.

[7] SunShare Corrected Petition at ¶ 47; SunShare Highly Confidential Corrected Petition at ¶ 47. Because SunShare's request for extraordinary protection of proposed REC Adder amounts was granted by Decision No. C20-0506-I, issued July 14, 2020, the proposed REC Adder amounts are not specified in this Decision and are instead set forth in Highly Confidential Attachment A.

unreasonable delay to CSG Projects or a material change to their financial models, and which REC Adders are necessary to maintain the viability of the projects.[8] SunShare argues the circumstances facing the five 2018 CSG Projects that were forced to move sites meet this standard.

17. SunShare contends a REC Adder that would allow its 2018 CSG Projects to move forward is in the public interest. It states that by maintaining the viability of these projects, the Commission would be furthering State policy objectives of reducing greenhouse gas pollution and promoting development of distributed generation and clean energy.

18. SunShare asserts that competitive acquisitions principles would not be thwarted if the Commission grants its request for a REC Adder. It states it was the only developer awarded bids during the 2018 CSG RFP not notified of potential interconnection issues prior to execution of Producer Agreements.

19. Additionally, SunShare requests a waiver of Public Service's creditworthiness requirement relating to the use of parent guarantees. It explains that in the Settlement Agreement, SunShare and Public Service agreed that "upon execution of the Interconnection Agreements within 30 business days of issuance, SunShare will either provide 100 percent of the cost of interconnection payments as it relates to the 2018 [CSG] Projects or provide one-third of the estimated costs and secure the remaining two-thirds of IA funding through a parent guarantee subject to the Company's creditworthiness policy."[9] SunShare included in its Petition Public Service's creditworthiness policy, which requires a guarantor meet certain unsecured credit

[8] SunShare Corrected Petition at ¶ 67.

[9] SunShare Corrected Petition at ¶ 35.

ratings from Moody's or S&P.[10] It claims that as a small company, it cannot meet the required unsecured credit ratings, and that Public Service will not waive the creditworthiness requirement relating to a parent guarantee without Commission approval.

20. In its Petition, SunShare states that the purpose of using a parent guarantee as security for the final 2/3rd cost payment is to allow SunShare to use cash-on-hand in to approve an Interconnection Agreement as soon as it is agreed upon. In the absence of a parent guarantee, SunShare would receive the Interconnection Agreement requiring payment of an amount not yet known, and then seek financing to provide 100 percent of the upgrade costs within 30 business days, which could delay grid upgrades by 1.5 months.

21. In its original Petition, SunShare stated that the 2018 CSG Projects must be placed in service by December 31, 2020, before the previously planned step down of the ITC in 2021, to allow ratepayers to receive the full value of the ITC and to keep the necessary REC Adder as low as possible. According to SunShare, Public Service's creditworthiness policy is a barrier to a timely in-service date because it prevents SunShare from using the parent guarantee option allowed for in the Settlement Agreement.

22. In its First Amended Petition, SunShare removed its request for the creditworthiness waiver as it relates to the 5 MW project that has an executed Interconnection Agreement. In the Second Amended Petition, SunShare explains that it paid 100 percent of the upgrade costs for that project and did not use a parent guarantee. It also states that a waiver of the creditworthiness requirement may still assist the remaining projects in proceeding with interconnection upgrade construction on an expedited timeline as set forth in the Settlement

[10] SunShare Corrected Petition at ¶ 38.

Agreement. SunShare also states that there is no factual dispute at issue in this Proceeding, and it asks that the Petition be decided without a hearing.

D. Positions of the Parties

23. SunShare's Petition presents two issues: (1) whether the Commission should grant a REC Adder and in what amount; and (2) whether the Commission should grant SunShare's request for a waiver of Public Service's creditworthiness requirement relating to the use of parent guarantees.

1. REC Adder

24. Public Service agrees with SunShare that the five 2018 CSG Projects at issue in the Petition meet the Commission's legal standard to grant a REC Adder. Specifically, Public Service states that in the Settlement Agreement, it agreed SunShare may present a REC Adder amount for Commission approval within SunShare's discretion based on SunShare's financial models.[11] It emphasizes that SunShare's circumstance is distinct from other CSG developers that have asserted challenges interconnecting to Public Service's system because "SunShare had no prior notice of the potential for the lack of capacity at certain substations."[12] Therefore, Public Service states allowing a REC Adder is reasonable in this distinct circumstance and explains "SunShare was placed in an unprecedented circumstance because the potential for interconnection capacity limits had not been discussed prior to or during the impacted RFP bid preparation cycle."[13]

[11] Public Service Response to Petition, filed July 24, 2020, at p. 3.
[12] Public Service Reply, filed August 6, 2020, at p. 5.
[13] Public Service Reply at p. 6.

25. Public Service advocates for a lower REC Adder amount than that proposed by SunShare.[14] It states that its lower amount is reasonable to enable the development of the 2018 CSG Projects, and states that SunShare's projects have purportedly significant economies of scale at 5 MW per site that are not reflected in SunShare's Requested REC Adder. Public Service argues against the full inclusion of SunShare's additional costs due to delay because most CSG projects face numerous challenges during their development, and setting an expectation that REC prices may be modified for any changed condition may lead to a flood of requests from developers.

26. Staff asserts that the Commission has the authority to resolve SunShare's requests, but it argues that additional evidence is necessary for the Commission's determination. Staff states that the following information should be developed through discovery and through an evidentiary hearing: (1) a record of the events that caused the interconnections delays and the responsible party for those delays; (2) specific financial evidence supporting the magnitude of the proposed REC adder; (3) evidence as to whether a REC Adder and waiver of the creditworthiness requirement is detrimental to the competitive market for CSG facilities in Colorado; and (4) information and policy argument addressing whether ratepayers should be responsible for increased costs caused by others.

27. Staff's substantive response to the requested relief states that a REC Adder could disrupt Colorado's competitive market for CSG facilities and be unfair to other bidders. Staff questions SunShare's use in its Petition of the Lazard industry average rate of return and discount rates to calculate its discount rate, stating that use of the Lazard industry average may result in a

[14] Public Service Confidential Response to Petition, filed July 24, 2020, at p. 8.

windfall to SunShare if its actual rate of return and discount rates are lower.[15] Further, it states it is not convinced that Lazard Levelized Cost of energy analysis is the appropriate benchmark for isolating the pricing of CSG RECs, and it suggests that the pandemic may have resulted in lower costs not reflected in SunShare's Requested REC Adder. Additionally, Staff points to § 40-2-127(5)(IV)(C), C.R.S., which directs the Commission to encourage "[t]he development of CSGs with attributes that the commission finds result in lower overall total costs for the qualifying retail utility's customers," and states that SunShare has not provided any evidence that the REC Adder will result in lower overall costs to customers.[16]

28. CEO states that the Commission should find that the requested relief is in the public interest because it does not detrimentally impact CSG developers, it coincides with the Commission's intent to increase CSG installation and operational capacity, and it advances state policy. It also points to SunShare's statement that approximately half of the capacity associated with the 2018 CSG RFP has been withdrawn and that SunShare's impacted projects represent more than half of the remaining 2018 capacity. CEO advocates in favor of granting a REC Adder at SunShare's requested amount, stating that "SunShare has presented a reasonable proposal to address a portion of [the costs due to delay] through a REC Adder and to absorb other expenses."[17] It notes that Public Service and SunShare have both had an opportunity to add Adder at SunShare's requested amount, stating that "SunShare has presented a reasonable proposal to address a portion of [the costs due to delay] through a REC Adder and to absorb other expenses."[18] It notes that Public Service and SunShare have both had an opportunity to add

[15] Trial Staff Response to Petition, filed July 27, 2020, at p. 6.
[16] Trial Staff Reply, filed August 6, 2020, at p. 1.
[17] CEO Response to Petition, filed July 27, 2020, at p. 8.
[18] CEO Response to Petition, filed July 27, 2020, at p. 8.

all necessary facts to the record and that Public Service didn't provide any additional information on its lower proposed amount.

29. The OCC recognizes that a successful CSG program is an important goal, and that construction of the 2018 CSG Projects may provide SunShare's customers with the benefits of CSGs. However, it is concerned that a REC Adder would harm ratepayers. OCC states that if a REC Adder is granted, ratepayers should not be assigned additional costs, through the Renewable Energy Standard Adjustment (RESA) or otherwise, because they played no part in the delays.

30. Pivot and Oak Leaf submitted comments stating SunShare's situation is not unique and that many developers have experienced problems with Public Service's interconnection process. Pivot and Oak Leaf claim that they have received equivalent No Capacity Notices and have suffered similar frustrations due to lack of substation and distribution capacity and Public Service's failure to provide accurate capacity maps prior to bid cycles. Pivot notes that if SunShare is successful in its Petition, other developers could file similar petitions to bolster REC prices. It requests the Commission issue clear criteria as to why and when REC prices should be adjusted. Oak Leaf requests that any accommodations offered to SunShare be applied equally to other CSG project developers who have had similar experiences.

31. In response to comments from Pivot and Oak Leaf, SunShare asserts that the standard to grant a REC Adder is a showing of unique circumstances. SunShare states that while Oak Leaf and Pivot may have experienced interconnection delays, the developers do not show that they experienced the same circumstances (*i.e.*, having no notification of the possibility of No Capacity Notices prior to submitting bids).

32. In response to arguments from Public Service and Staff on the amount of the Requested REC Adder, SunShare states that it shared its workpapers containing its assumptions and data used to create its table of cost increases (Highly Confidential Table 4) with the Parties. It highlights the fact that none of the parties, including Public Service, dispute its assumptions or calculations showing the cost increase drivers, other than Staff's argument questioning use of the Lazard industry-wide analysis. It argues that Public Service's suggested lower REC Adder amount is arbitrary and unsupported, and that Public Service's concern relating to compensating SunShare for all additional costs due to delay is unfounded because SunShare proposes to absorb a material amount of the increased costs. In response to Staff's concern, it states that its internal rate of return is higher than the Lazard assumption. Additionally, to alleviate Staff's concern, it provides a hypothetical calculation assuming a ten percent drop in blended ROR discount rate from the Lazard analysis, which would result in a REC Adder 1/10th of a cent lower than SunShare's Requested REC Adder.[19]

2. Creditworthiness Requirement Waiver

33. Public Service urges the Commission to reject SunShare's request for a waiver of its creditworthiness requirement. Public Service states that allowing 2/3 financing through a parent guarantee is already a compromise by the Company. The requirement for all developers since the birth of Public Service's CSG program is funding 100 percent of the upgrades within 30 business days. Public Service also states that the creditworthiness policy is universally applied, that it would be discriminatory to grant a waiver for SunShare, that a waiver would shift 2/3 of the financial risk to Public Service, and, in the event that SunShare cannot deliver on the payment, Public Service and its customers would bear that risk. Further, Public Service

[19] SunShare Repy, filed August 6, 2020, at pp. 14-15.

states that its credit policy is consistent with Commission rule 3665(d)(III), which requires escrow to ensure that a project has adequate funding for construction.

34. As stated above, Staff advocates for an evidentiary hearing. Included in the topics Staff believes should be explored is whether a waiver of Public Service's creditworthiness requirement is detrimental to the competitive market for CSG facilities.

35. CEO supports granting a waiver of the creditworthiness requirement. It states that it has found no evidence the creditworthiness policies apply to Colorado CSGs, and that the waiver should be granted to expedite the construction of the 2018 CSG Projects.

36. The OCC raises concerns that if SunShare does not fulfill its upgrade cost obligations, Public Service will look to ratepayers to cover default costs. It requests that if a waiver of the creditworthiness policy is granted, the Commission find that ratepayers be held harmless in the event of default.

37. In response to Public Service's creditworthiness policy arguments, SunShare states that the policy has not been approved by the Commission, that the Commission's rules already provide for creditworthiness, and that ratepayers would not be harmed in the event of a default because Public Service already holds deposits from SunShare that could be used to defray ratepayer risks.

E. Findings and Conclusions

38. We find that the pleadings submitted in this proceeding provide ample information to resolve the issues presented in the Petition, therefore no hearing is required. Of the parties, only Staff contends that additional information, specifically an evidentiary hearing, is necessary; SunShare, Public Service, and CEO state that an evidentiary hearing is not necessary and that we may make our determinations based on the existing record, and the OCC does not

request a hearing. Staff argues an evidentiary hearing is necessary to develop a factual record regarding SunShare's interconnection issues, the appropriateness of SunShare's requested REC Adder, the impact of a REC Adder on the competitive CSG market, and whether ratepayers should be responsible for the cost of a REC Adder. We are not persuaded by Staff's argument. The parties have submitted multiple pleadings presenting information relevant to the resolution of the issues raised in the Petition and have had opportunities to review and comment on information provided by SunShare to support its proposed REC Adder amounts. Additionally, SunShare has disclosed to the parties its workpapers containing the assumptions and data underlying its Highly Confidential Table 4, and apart from one substantive argument from Staff to which SunShare responded, no party has contested SunShare's submitted information or workpapers. Therefore, we conclude that the existing record on the pleadings is sufficient to support our determination on SunShare's requested relief.

1. REC Adder

39. Public Service is authorized to reform the price paid for RECs for renewable energy production under the executed Producer Agreements for the five 2018 CSG Projects at issue in the Petition, should they continue to be viable projects. Public Service shall accept a bid amount for the five CSG Projects that reflects our award of a REC Adder in an amount equal to SunShare's proposed Lowest Viable REC Adder, as indicated in Highly Confidential Attachment A to this Decision.[20] We conclude that the specific circumstances of those particular bids to Public Service's 2018 RFP for CSGs warrant the acceptance of SunShare's proposed bid

[20] See Highly Confidential Attachment A to this Decision or SunShare's Highly Confidential Petition at ¶ 47 for the amount of the Lowest Viable REC Adder. Because SunShare's request for extraordinary protection of proposed REC Adder amounts was granted by Decision No. C20-0506-I, issued July 14, 2020, proposed REC Adder amounts are not specified in this Decision and are instead set forth in Highly Confidential Attachment A.

modifications as a means to maintain the potential viability of the projects and preserve the benefits of these CSG projects to potential subscribers and the State.

40. SunShare has demonstrated by a preponderance of the evidence that it experienced interconnection delays and difficulties obtaining site moves for its 2018 CSG Projects. Public Service awarded bids to SunShare for location-specific 2018 CSG Projects and later determined that capacity constraints at certain substations required the relocation of those projects. After unsuccessfully attempting to effectuate site moves, SunShare provided Public Service with a Notice of Dispute under our SGIP rules, the resolution of which resulted in the Settlement Agreement between SunShare and the Company. While the projects have now obtained requested site moves and the ability to obtain Interconnection Agreements, they have experienced a delay of more than one year to their contracted in-service dates, which is significant.

41. SunShare has also demonstrated that the delay facing the 2018 CSG Projects has raised costs and lowered expected revenues. It has provided information, which no party has rebutted, that the delay has forced the projects to contend with the reduction of the ITC from 30 percent to 26 percent, actions to repeal tariff exemptions on bifacial solar panels, moves to new locations with lower solar insolation, and the COVID-19 pandemic. SunShare should not bear the sole burden of these delays.

42. We find that SunShare has established unique circumstances, including delay, unexpected site moves, the reduction of the ITC, and actions to repeal tariff exemptions on

bifacial solar panels. Public Service agrees, recognizing that "the No Capacity Notices created a unique and unprecedented circumstance…."[21]

43. We acknowledge that the comments submitted by Pivot Energy and Oak Leaf Energy Partners assert SunShare's situation is not unique. However, the potential that there are wider spread issues with interconnecting to Public Service's system does not preclude a finding that circumstances surrounding SunShare's five 2018 CSG Projects are unique. Public Service explains that unlike other developers, including Pivot Energy and Oak Leaf, "SunShare had no prior notice of the potential for the Company's lack of capacity at certain substations."[22] SunShare has worked with Public Service to find a path forward for its projects, and it states that with a REC Adder, its 2810 CSG Projects are still viable. The assertions made by Pivot and Oak Leaf do not controvert the specific facts that make SunShare's situation unique. Therefore, we conclude that no other party or commenter who has submitted bids in the 2018 CSG RFP process has indicated that it is in a similar situation.

44. SunShare states, and no party has rebutted, that nearly fifty percent of the capacity awarded in Public Service's 2018 CSG RFP has been withdrawn, and that SunShare's requested relief is necessary to prevent that number from increasing to above eighty percent. These projects will provide benefits to the eventual subscribers and will further the State's greenhouse gas reduction and clean energy goals. We find that in these unique circumstances, it is in the public interest to grant SunShare's request for a REC Adder to allow the projects a path forward.

[21] Public Service Response to Petition, filed July 24, 2020, at p. 8.

[22] Public Service Reply, filed August 6, 2020, at p. 5.

45. SunShare proposes the Requested REC Adder which accounts for certain categories of cost increases due to delay.[23] It also sets forth an amount for its Lowest Viable REC Adder, below which the projects would not be viable.[24] Public Service proposes a lower REC Adder amount, but it does not critique SunShare's assumptions and calculations showing its increased cost drivers. Apart from Staff's argument concerning the use of the Lazard industry-wide analysis and its assertion that the pandemic possibly resulted in lower costs, no party has disputed SunShare's Requested REC Adder or its Lowest Viable REC Adder. We allow a REC Adder in an amount equal to SunShare's proposed Lowest Viable REC Adder, as indicated in Highly Confidential Attachment A. The Lowest Viable REC Adder will allow for the construction of the projects while preventing SunShare from receiving a windfall.

2. Creditworthiness Requirement Waiver

46. We deny SunShare's request for a one-time waiver of Public Service's creditworthiness policy relating to the use of parent guarantees and alternative request that we find the creditworthiness policy does not apply in Colorado. In its original Petition, SunShare states that a waiver of the creditworthiness policy is necessary for the 2018 CSG Projects to be eligible for the 2020 ITC level of 26 percent. SunShare asserts that without a waiver, it may take an additional 1.5 months to obtain financing for interconnection upgrades after an Interconnection Agreement is executed, and that the delay may prevent projects from reaching a 2020 in-service date. In its Second Amended Petition, SunShare explains that projects with a 2021 in-service date will still be eligible for the 2020 ITC level of 26 percent, but that a waiver

[23] SunShare Highly Confidential Second Amended Petition at p. 7.
[24] SunShare Highly Confidential Corrected Petition at ¶ 47.

of the creditworthiness requirement may still assist projects in proceeding with construction on an expedited timeline. SunShare does not explain how a delay of 1.5 months to obtain financing will harm the projects now, since the projects will be eligible for the ITC level of 26 percent through 2022. Therefore, we find that SunShare has not adequately supported its request for a waiver, and we decline to find that the creditworthiness policy does not apply in Colorado.

II. ORDER

A. It Is Ordered That:

1. Public Service Company of Colorado (Public Service) shall allow SunShare, LLC (SunShare) to modify five of its six bids to Public Service's 2018 competitive solicitation for CSGs. Public Service is authorized to accept a bid amount for the five projects that reflects our award of an increase in the REC price per kWh in an amount equal to SunShare's proposed Lowest Viable REC Adder, as indicated in Highly Confidential Attachment A to this Decision.

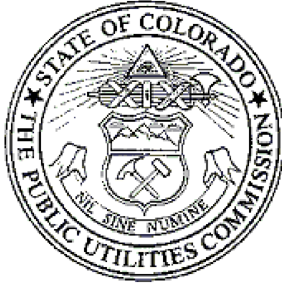
2. SunShare's request for a waiver of Public Service's creditworthiness requirement relating to the use of parent guarantees is denied, and we decline to grant its alternative request to find that the requirement does not apply in Colorado.

3. The 20-day time period provided by § 40-6-114(1), C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

4. This Decision is effective upon its Mailed Date.

B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING January 20, 2021.

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

JOHN GAVAN

MEGAN GILMAN

Commissioners

Nos. A15-1831

STATE OF MINNESOTA

IN COURT OF APPEALS

In the Matter of the Petition of Northern States Power, dba Xcel Energy, for Approval of Its Proposed Community Solar Garden Program

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BRIEF AND ADDENDUM OF RESPONDENT MINNESOTA PUBLIC UTILITIES COMMISSION

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III. PURPA IS NOT IMPLICATED BY XCEL'S CSG PROGRAM.

When the Minnesota Legislature passed the CSG statute it authorized a novel and distinct program separate from the traditional process that governs the purchase of renewable energy from small third-party developers. In 1978, the U.S. Congress passed the Public Utility Regulatory Policies Act ("PURPA") in an effort to encourage the development of small renewable energy facilities and to reduce the demand for fossil fuels. *Am. Paper Inst. v. Am. Elec. Power Serv. Corp.*, 461 U.S. 402, 405 (1983). The renewable energy facilities are known in the industry as "qualifying facilities" ("QF's"). *Id*. Pursuant to PURPA, utilities must purchase all electricity generated by a QF at the utility's avoided cost. *Id*. at 406. "Avoided cost" is "the cost to the electric utility of the electric energy which, but for the purchase from such cogenerator or small power producer, such utility would generate or purchase from another source." *Id*.

PURPA's provisions were codified in Minn. Stat. § 216B.164 ("co-gen statute"), and Xcel's Section 10 tariff was created to implement Minnesota's co-gen statute. The CSG program and Section 10 tariff have a few notable differences. First, the CSG program's "applicable retail rate" is higher than the "avoided cost" rate in the Section 10 tariff. (RPA, 28). Second, a developer under the CSG program may not proceed with their project if it would require Xcel to make a "material upgrade." (RPA, 33). The Section 10 tariff does not impose any such limitation. Third, under the Section 10 tariff, a project can be approved up to 10 MW. Minn. Stat. § 216B.164, subd. 2a(h).

Sunrise argues that the CSG program's "material upgrade" provision is a violation of PURPA, but the Commission properly dismissed Sunrise's argument because it relies

on a conflated view of PURPA/Section 10 and the CSG program. The Minnesota Legislature enacted the CSG statute as an alternative program to the PURPA/Section 10 process. If Sunrise wishes to avail itself of the CSG program's premium rates, it must also comply with the qualifications and limitations the Commission finds necessary to ensure the program is consistent with the public interest. Alternatively, there is nothing to prevent Sunrise from pursuing its projects as a PURPA QF under Xcel's Section 10 tariff. Under the Section 10 process, Sunrise would not be subject to the "material upgrade" provision, and Xcel would still purchase its generation at the Section 10 avoided cost rate for projects up to 10 MW.[10] Indeed, Sunrise's projects have already obtained places in the Section 10 interconnection queue that have not been disturbed by any of the Commission's orders.

Moreover, the Commission's determination to approve the "material upgrade" provision was based on its authority to "approve, disapprove, or modify" the CSG program as necessary to "be consistent with the public interest". Minn. Stat. § 216B.1641(e). The Commission approved the "material upgrade" provision as a way to limit the range and complexity of distribution upgrades that developers can request, and thus result in a faster-moving interconnection queue. (RPA, 35). As all developers have stressed to the Commission, it is crucial that the process move quickly if developers are to take advantage of a federal tax credit for renewable energy production which the

[10] Although Sunrise appears to claim an unfettered right to develop their 20, 30 and 50 MW projects under PURPA, it is noteworthy that Sunrise's projects are too big to qualify under the PURPA/Section 10 process. Minn. Stat. § 216B.164, subd. 2a(h) (defining "distributed generation" as a facility that has a capacity of ten megawatts or less).

developers are relying on to make their projects financeable. (RPA, 24). At the time of the *Order Adopting Settlement*, the tax credit was set to expire at the end of 2016.[11] (*Id.*). Accordingly, the Commission reasoned, a faster-moving interconnection queue should benefit developers by facilitating project development prior to the expiration of the Federal tax credit. (RPA, 35).

Even if PURPA were implicated in the CSG program, which it is not, PURPA authorizes the Commission to "establish reasonable standards to ensure system safety and reliability of interconnected operations." 18 CFR § 292.308. The response to the CSG program has exceeded all expectations. Absent the "material upgrade" provision, Xcel would be required to undertake substantial, and potentially disruptive, upgrades at multiple substations throughout the state in order to accommodate the influx of solar generation. Thus, the Commission's decision to approve the "material upgrade" provision was an appropriate way of ensuring the reliability and safety of the system and consistent with the public interest.

IV. THE COMMISSION'S AUGUST 6, 2015 ORDER IS NOT A REGULATORY TAKING.

The Takings Clause is not implicated unless the government conduct affects a recognized "property" interest. *Am. Pelagic Fishing Co., L.P. v. U.S.*, 379 F.3d 1363, 1372 (Fed. Cir. 2004) ("as a threshold matter, the court must determine whether the claimant has established a property interest for purposes of the Fifth Amendment."). The

[11] Since the time that Sunrise initiated this appeal, Congress extended the federal tax credit for another three years before gradually decreasing the credit to 10 percent in 2022. Consolidated Appropriations Act, Pub. L. No. 114-113; Div. P, Title III., Sec. 301-304; signed December 18, 2015.

CERTIFICATE OF SERVICE

I, Mustafa Adam, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota; or

xx by electronic filing.

Docket No.: E002/M-21-126

Dated this 23rd day of June 2021.

/s/

____

Mustafa Adam
Regulatory Administrator

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_C-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_C-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_C-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_C-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_C-21-126
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-126_C-21-126
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