



October 9, 2025

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

**Re: In the Matter of Otter Tail Power Company's Petition for Approval of the Distributed
Solar Energy Standard Projects
Docket No. E017/M-25-338**

Executive Secretary Bergman,

Please find here the Initial Comments of the Minnesota Solar Energy Industries Association and Coalition for Community Solar Access. These comments reflect the views of our organizations and interested members on the issues raised and the topics open for discussion in the Minnesota Public Utilities Commission's Notice of Comment Period issued on September 9, 2025, in the above-referenced docket.

Sincerely,

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**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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Joseph Sullivan	Commissioner
John Tuma	Commissioner

**In the Matter of Otter Tail Power
Company's Petition for Approval of the
Distributed Solar Energy Standard
Projects**

October 6, 2025

**INITIAL COMMENTS of MnSEIA
and CCSA**

Docket No. E017/M-25-338

INTRODUCTION

The Minnesota Solar Energy Industries Association (“MnSEIA”) is a nonprofit association of over 160 members that represents Minnesota’s solar and storage industry. Our broad membership ranges from rooftop installers to non-profit organizations, manufacturers, developers, and many others, all of whom collectively employ over 5,000 Minnesotans. The Coalition for Community Solar Access (“CCSA”) is a national trade association representing more than 120 community solar companies, businesses, and non-profits working to expand customer choice and access to solar for all American households and businesses through community solar. CCSA works with customers, utilities, local stakeholders, and policymakers to develop and implement policies and best practices that ensure highly successful community solar programs that champion the energy customer. These two organizations will be collectively referred to as the Joint Solar Associations (“JSA”).

The JSA submit these Initial Comments in response to the Public Utilities Commission (“Commission”)’s September 9, 2025, Comment Period on Otter Tail Power Company (“Otter

Tail”’s August 29, 2025, petition for approval of two proposed Distributed Solar Energy Standard (“DSES”) projects in Pelican Rapids and Parkers Prairie (“Projects”).

The JSA appreciate Otter Tail’s Petition, preceding RFP, and engagement with the DSES program. The JSA have advocated for greater use of distribution-sited solar and the grid benefits it can provide for years, and projects included in the DSES are a crucial step for utilities in expanding that usage. We offer these Initial Comments in regards to Otter Tail’s request for expedited hearing, and provide minor feedback for other utilities and the Commission on future DSES rounds in regards to battery storage, for increased grid benefit from these types of projects.

These Initial Comments will focus on the following specific topics, from those listed by the Commission in the September 9, 2025, Notice of Comment Period:

2. Should the Commission determine the Projects qualify towards the DSES?
4. Are there other issues or concerns related to this matter?

COMMENTS

The JSA do not take a position on the approval of Otter Tail’s investments or their applicability to the Renewable Resources Cost Recovery (RRCR) Rider by the Commission. Our comments here, where indicated, remark on Otter Tail’s request for expedited hearing if the investments are approved by the Commission, and offer suggestions for utilities on future distribution-sited solar systems in regards to battery energy storage systems (BESS).

2) Should the Commission determine the Projects qualify towards the DSES?

Yes, if the Commission approves Otter Tail’s investments in the Projects, the JSA respectfully request that the Commission determine that they qualify towards Otter Tail’s achievement of the DSES standard. Otter Tail estimates the Projects will meet 140% of their total

DSES need by 2030, with a reasonable overbuild to account for weather and variance¹.

4) Are there other issues or concerns related to this matter?

In their August 29, 2025, filing, Otter Tail requests expedited hearing on their petition and the Projects, by the end of February 2026. This request was made given recent updates and revocations of federal tax credits for renewable energy sources, in addition to Treasury guidance that may limit the application of historical safe harbor standards.² Given both the direct impact of these changes, and the potential indirect impacts of financial uncertainty and rapid regulatory change on longstanding industry standard practice, Otter Tail requested expedited review to minimize cost and, therefore, maximize potential benefit to ratepayers. If the Commission approves the Projects as reasonable and approves them for cost recovery, the JSA support this request for expedited hearing.

Additionally, we would like to respectfully highlight this kind of expediting action as an example of action that is reasonable and necessary for the Commission to take in the coming years, whenever prudent and feasible. Expedited hearing can and should be done not only for DSES projects, but other projects under the Commission's purview, including but not limited to CSGs and other midscale and larger solar installations. Ensuring that clean energy projects can either begin construction by July 5, 2026, or come online before December 31, 2027 (the updated deadlines for eligibility for the Section 48E commercial solar investment tax credit) can significantly reduce costs for those projects. Doing so would assist in meeting Minnesota's statutory clean energy goals in the most cost-effective and efficient manner possible, as well as making distribution-sited community and LMI-focused renewable energy more accessible.

¹ Otter Tail Power Public Compliance Filing, Aug. 29, 2025, pg. 9 Table 3.

² *Id.*, pg. 2

It is somewhat surprising that neither of the projects chosen from this RFP include the use of paired battery energy storage systems (“BESS”). BESS systems can increase the grid benefit of renewable assets such as these projects, saving generated electricity when it is not needed during the day for later discharge and export, to meet grid events or accomplish peak shaving. The JSA respectfully offer a pair of possible modifications that can better account for the benefits of BESS systems in future RFPs, whether for future DSES rounds from Otter Tail or other utilities, or distribution-sited solar projects of any type. Doing so allows utilities and project operators to increase dispatchable capacity and create greater grid benefit from these assets.

Firstly, greater specifics on a project’s BESS ‘use case’ can and should be explicitly provided in future RFPs. From project to project, the intended use of a battery asset can vary significantly, and consequently has major trickle-down effects on proposals. The project use case for the battery informs sizing, which informs design, which informs procurement, which informs tax credit compliance, which informs timeline and cost, and so on. The more explicit the use case provided, the more specifically tailored a BESS can be, increasing precision in bidding and potential grid benefit from the project. For example, Otter Tail’s RFP scored a maximum of 5 points for “Reliability Benefits” for battery storage, relative to 50 points for cost, and 15 points for viability and developer experience³. If a utility so desires, they can maximize the reliability and grid benefit of these projects by more specifically articulating the need for BESS in future, and score their usage in proposals relative to other factors accordingly.

Secondly, in order to better account for BESS value streams, utilities should consider allowing a variety of pricing types in distributed solar RFPs. BESS operates differently than grid-connected solar without storage, and specifically allowing kW/month pricing as a part of bids

³ Otter Tail Power Public Compliance Filing, Aug. 29, 2025, pg. 11

allows for battery tolling agreements to be included. This sort of measure can better represent BESS' benefit to the utility, and refine the proposals offered in future RFPs.

CONCLUSION

If the Commission approves the two projects included in Otter Tail's filing as eligible for cost recovery and the RRCR, the JSA urge the Commission to also grant Otter Tail's request for expedited hearing. This action will secure federal tax credits, minimize costs, and deliver direct savings to Minnesota ratepayers. Additionally, we respectfully encourage, in future proceedings, utilities maximize the opportunity for battery storage to be paired with DSES projects and other distribution-sited renewables. If a utility does so, it can maximize reliability benefits for the utility and the grid overall, continuing to move Minnesota towards a cleaner, more affordable energy future.

More broadly, this proceeding underscores the pivotal role the Commission plays in ensuring that distributed renewable energy is deployed both faster and more affordably. By, where appropriate, expediting hearing and prioritizing timely review of DSES projects, community solar gardens, and other distributed resources, the Commission can reduce uncertainty, accelerate interconnection, and ensure Minnesotans gain access to the lowest-cost clean energy available. Just as importantly, decisive action here will help keep Minnesota on track to meet its statutory goal of achieving 100% carbon-free electricity by 2040. The Commission has a clear opportunity to lead—ensuring that ratepayers, communities, and the state as a whole realize the full benefits of rapid, cost-effective clean energy deployment. The JSA thank the Commission and stakeholders for consideration of our comments in this matter, and Otter Tail for its petition and work on these projects.

Sincerely,

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