



Sundial Solar

A Brighter Idea

Burl W. Haar

Public Utilities Commission

PUC Docket Number: E-002/M-13-315

In the Matter of a Rate for Large Solar Photovoltaic Installations

Dear Dr. Haar-

As an interested stakeholder in the above matter I offer the following information for consideration:

- 1) **Maintain Separation of VOS and Capacity Credit Customers** – The issue of solar photovoltaic contribution to Effective Load Carrying Capacity (ELCC) dates from before 2010 and has been a long time in development. The solar industry has argued for years the adoption of PV capacity credits for larger solar installations over 60kW. However, recently adopted solar legislation has the potential of derailing the progress made on this issue particularly on installations over 60kw. I refer especially to the discussions around the Value of Solar rate (VOS). Insofar as ELCC has been a separate issue for several years prior, it is our recommendation that it remain a distinct for PV installations over 60kw. With this in mind Sundial has, in good faith, already cultivated several new clients and are in contract negotiations based in part on them receiving capacity credits. All these installations will exceed the current Xcel Energy Standby Service threshold of 60kw. To accommodate these clients while also allowing for implementation of a new VOS rate, we recommend PV array owners which exceed 60kW be allowed the **option** of receiving PV Capacity Credits or the VOS rate.
- 2) **Increase the Capacity Credit Rate** - On May 13 of this year the PUC ordered Xcel to pay an interim rate, in part stating: *The Commission agrees with the Department, the Environmental Groups, and the Solar Rate Reform Group that \$5.15 per kW per month is a reasonable, conservative interim rate.* It is our opinion that the interim rate is very conservative. We urge the Commission to order Xcel to pay a more substantial capacity credit rate for PV installations over 60kW, one that more closely aligns with the original \$8.35/kw/mo supported by the Department and the Solar Rate Reform Group (SRRG).
- 3) **Keep the Issues Separate and Stay With the Schedule** - Also noted in the May 13th Order: *The Commission establishes this schedule with the intention that the Commission approve a final solar rate by January 1, 2014, and that Xcel will implement the rate within 30 days thereafter.* We request that the Commission ensure that Xcel sticks to this schedule and keep the capacity credits in place for PV systems over 60kW. By keeping this issue distinct and separate from the ongoing VOS discussions we as an industry will have at least a modicum of stability to count on.
- 4) **SREC Ownership** – One of the most important aspects of any large solar installation is its green attributes. It is our opinion that all solar installations greater than 60kW which opt to receive capacity credits in lieu of VOS, should be allowed to retain ownership of the solar renewable energy certificates (SRECs) created by their system. To this point, Xcel has stated more than once they believe SRECs created by any VOS customer should remain with Xcel. This is another reason why the two groups of Xcel solar customers should be separate and distinct: Those who opt to receive capacity credits should be allowed to retain ownership of their SRECs while those receiving VOS will give the SRECs to Xcel as part of the rate.

We believe adoption of the above recommendations will further advance the solar industry in Minnesota while maintaining an equitable balance between the priorities of all stakeholders.

Sincerely,

Jon Kramer, CEO
Sundial Solar