

STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION

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July 15, 2022

In the Matter of Minnesota Power's Petition for
Approval of its New SolarSense Customer Solar Program

Docket No. E-015/M-20-607

COMMENTS OF FRESH ENERGY

Fresh Energy submits these comments in response to the Commission's June 10, 2022, *Notice of Comment Period* regarding Minnesota Power's SolarSense Annual Report and Proposed Program Modification. The Commission's *Notice* described the issue to be addressed as follows:

Issue: Should the Commission approve Minnesota Power's requested modifications to its SolarSense Customer Solar Program?

Topics Open for Comment:

- What should be the SolarSense target incentive level?
- What should be the maximum rebate per SolarSense customer?
- What allocation process should be used?
- Are there other issues or concerns related to this matter?

Introduction

Fresh Energy appreciates Minnesota Power's continued efforts and engagement in administering its SolarSense Program over the past few years. Overall, the program has been successful in enabling more Minnesota Power customers to install solar systems through its solar incentives and has seen high demand from customers in each program year. We also appreciate MP's adoption of the Low-Income Solar Grant Program into the overall SolarSense Program, as we believe this effort expands access to under-resourced customers and addresses the historic inequities faced by this population.

We are pleased to see the SolarSense Customer Rebate Program have strong success and high

demand from MP customers, but we believe this success is not currently reflected in the Low-Income Solar Grant Program to the same degree. We believe the Low-Income program can be modified to increase transparency in the application process, provide a standardized rubric to guide grant selection, and conduct more targeted community education and outreach to increase the number of applications in the Low-Income program.

We provide the following comments on MP's SolarSense Annual Report and Proposed Program Modifications, guided by the Commission's topics open for comment on this issue.

Should the Commission approve Minnesota Power's requested modifications to its SolarSense Customer Solar Program?

We believe the Commission should approve Minnesota Power's requested modifications to its SolarSense Customer Program, with a few additional Low-Income Program modifications we discuss in the following sections.

What allocation process should be used?

We believe the lottery-based allocation process Minnesota Power proposes in its Annual Report is a helpful change from the current first-come-first-served allocation method. Given the high demand for solar incentives from MP customers, the lottery system will allow for a fairer distribution of funds as it will not favor customers who submit applications right as the rebate period opens.

One modification we suggest within the lottery-based allocation system MP proposed is to establish a specific time-period to allow for applications to be submitted, reviewed, selected, and given funds to make the process more efficient and transparent for customers. For example, MP could set a short window of a few days for customers to submit their applications, then give another window for MP staff to review the applications, followed by the lottery and disbursement of funds at the end of that period.

Are there other issues or concerns related to this matter?

The main issues and proposed modifications we have for the SolarSense Program are within the Low-Income Solar Grant Program which we discuss in detail below.

A. Low-Income Program Budget and Outreach

Fresh Energy appreciates Minnesota Power's continued dedication and engagement with its Low-Income Solar Grant Program, as it addresses the historic inequities under-resourced households face in installing solar systems. In its annual report, MP discusses the four projects that received funding from this program in 2021,¹ and we are pleased to see the program has helped these

¹ Minnesota Power, [SolarSense Annual Report and Proposed Program Modifications](#), June 1, 2022, Docket

customers and communities more broadly in adopting solar. However, it appears the Low-Income program has not had the same success rate as the regular Customer Rebate Program, and it seems there is a large gap in the number of projects funded between these two programs.

For the Customer Rebate Program, MP awarded funds to 59 projects in 2021, comprising 98% of the overall budget for the program. The low-income program, on the other hand, only gave funding to four projects in 2021 and used 53% of the overall budget dedicated to that program. We understand the low-income program is meant to fund a much smaller pool of projects compared to the Customer Rebate Program, with MP meeting the Commission's goal of funding at least four projects per year.² To further understand this gap between the two programs, we looked at the four projects MP funded in 2021 and found the average cost of installation across these projects to be \$16,000. This means that MP could have funded three additional projects with its remaining budget, almost doubling the number of solar installations within the low-income program in 2021.

Minnesota Power discusses in its annual report that a main driver for the lower-than budgeted spending for the SolarSense Program is due to the lack of demand for low-income solar projects.³ The Customer Rebate Program does not share the same challenge, seeing such high demand from customers that the rebates have sold out in a matter of minutes upon opening in recent years. Addressing the gap in demand across the two programs is important, and we suggest a few targeted modifications to the low-income program below that could bring demand to a similar level as the Customer Rebate Program.

To address the demand gap between the Customer Rebate Program and the Low-Income Solar Grant Program, we believe additional targeted advertising, outreach, and education could help increase demand in the low-income customer segment in MP's service territory. We understand that MP proposed to establish an education and outreach budget in the previous round of this proceeding, with the Commission ultimately not approving the establishment of this budget category.⁴ However, we recommend that MP use a similar general advertising budget to fund a targeted outreach effort to make more low-income customers aware of the program and help in the application process.

Alternatively, MP could use a portion of the unused funds from either the low-income budget or the program development and delivery budget for 2021 to design and implement a targeted outreach effort for the next program year. This initiative would be used to educate low-income customers about the program and potentially aid with the application process to reduce the barriers these customers may be facing currently. For example, if MP used \$15,000 from the unused funds within the low-income budget or the program development and delivery budget in 2021, it could fund a dedicated outreach and education effort for the low-income program in 2023 without taking away

No. E-015/M-20-607, p. 8

² Public Utilities Commission, [Order Approving Program Extension and Changes in Part, with Modifications](#), December 17, 2020, Docket No. E-015/M-20-607, p. 7 (hereinafter "2020 SolarSense Order").

³ Id., p. 9

⁴ 2020 SolarSense Order, p. 8

from the overall annual budget for the program.

Increasing access for solar installations across under-resourced households is important and we appreciate Minnesota Power's continued efforts in reforming its Low-Income Solar Grant Program to meet the needs of its customers. Therefore, it is worth investing in more targeted outreach, advertising, and education for the next program year.

B. Low-Income Program Oversight and Grant Allocation Process

Regarding how the Low-Income Solar Grant Program is administered and overseen, there is potential for this program to have greater access, transparency, and clarity through both the external oversight committee and development of a standardized rubric to use as a guide in selecting projects. We appreciate MP's efforts in developing and forming the external oversight committee in 2021 and it is important to maintain this committee to evaluate projects. Additionally, it is important for this committee to include diverse representation of stakeholders and community members from MP's service territory to ensure a broad range of perspectives and experiences are utilized in the grant selection process.

In addition to maintaining the external oversight committee, the development of a standardized rubric with metrics and evaluation criteria to evaluate applications can help make the Low-Income Solar Grant Program more transparent and equitable.

One example of a program utilizing a standardized rubric to evaluate projects comes from Xcel's recent Resilient Minneapolis Project.⁵ This program was specifically targeted at Minneapolis communities with a need for increased energy resilience to incentivize them to adopt solar and storage systems, which will be co-owned between the selected communities and Xcel Energy. Xcel developed a rubric with weighted scoring criteria to evaluate projects and convened a review committee made up of internal and external stakeholders to lead the selection process.⁶

While the Resilient Minneapolis Project differs from MP's Low-Income Solar Grant Program in terms of overall goals and metrics, it can still offer a strong example of the utilization of a standardized rubric and evaluation through an external review committee. The creation of a similar rubric that is tailored to MP's low-income customers and solar projects would be useful in assisting its external review committee members during the project selection process. MP could make this rubric available on its website to further increase transparency for customers applying for the low-income solar grants and aid their selected solar developers in knowing what the utility is looking for when selecting projects.

⁵ Xcel Energy, [Integrated Distribution Plan, Appendix H: Resilient Minneapolis Project Certification Request](#), October 1, 2021, Docket No. E002/M-21-694, p. 10

⁶ Id., p. 9

Conclusion and Recommendations

We appreciate Minnesota Power's continued efforts in improving its SolarSense Customer Solar Program. We offer the following recommendations to further improve participation in its Low-Income Solar Grant Program with the overall SolarSense Program.

Commission Approval of the Requested Modifications to the SolarSense Customer Solar Program

- We recommend the Commission approve the requested modifications to the SolarSense Customer Solar Program with the modifications we recommend to the Low-Income Solar Grant Program and lottery allocation process.

Lottery Allocation Process

- We recommend the Commission approve Minnesota Power's requested lottery-based allocation system with the modification of adding a specific timeframe for the applications to be submitted, reviewed, and selected within the lottery system.

Low-Income Solar Grant Program Modifications

- We recommend Minnesota Power conduct a targeted outreach and education effort tailored to the low-income customer segment to increase awareness of the program and aid in the application process.
- We recommend Minnesota Power continue to use its external review committee in evaluating projects and ensure the committee is made up of diverse stakeholders and community members.
- We recommend the development of a standardized rubric with weighted evaluation criteria to be used by the external review committee to increase transparency in the process and aid in the selection of projects.

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