



February 20, 2014

VIA ELECTRONIC MAIL

TO:

Dr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul MN, 55101-2147

FROM:

Carrie Cullen Hitt
Senior Vice President, State Affairs
Solar Energy Industries Association
505 9th St. NW, Suite 800
Washington, D.C. 20004

RE: PUC Docket Number E999/M-14-65 - In the Matter of Establishing a Distributed Solar Value Methodology under Minn. Stat. §216B.164, subd. 10 (e) and (f)

Dear Secretary Haar:

The Solar Energy Industries Association (SEIA)¹ would like to take this opportunity to submit reply comments in docket number E-999/M-14-65 regarding the establishment of a distributed solar value methodology under Minnesota Statute §216B.164, subd. 10 (e) and (f).

In SEIA's initial comments, we requested that the Minnesota Public Utilities Commission (Commission) explore ways in which customers may be able to retain their RECs generated under the Value of Solar Tariff (VOST). SEIA maintains that customer choice and the freedom to transact are important principles of renewable energy markets that should be promoted whenever possible. However, given the statutory language in Section §216B.164, subd. 10 (i), SEIA recognizes that the Commission may be required to determine that Renewable Energy Credits (RECs) generated under the VOST go to the utility.

In its initial comments, SEIA also stated that the Commission should address the issues of REC transfer and REC ownership under the VOST. SEIA stated RECs must be transferred between customer and utility for value, and that we would provide further comments regarding the proper valuation of RECs.

¹ Established in 1974, SEIA is the national trade association of the United States solar energy industry. Through advocacy and education, SEIA and its 1,000 member companies are building a strong solar industry to power America. The views expressed herein are the views of SEIA and not any individual member company.

SEIA supports the methodology proposed by the Environmental Law and Policy Center (ELPC) et al. in its initial comments in this docket for valuing RECs.² SEIA agrees that RECs have both environmental and compliance value, and that the VOST should incorporate both.³ The approach put forth by ELPC recognizes the full value of RECs and the importance of transacting for RECs under the VOST. SEIA urges the Commission to adopt the approach put forth by ELPC, and clearly state that RECs are transferred for both environmental and compliance value under the VOST.

SEIA appreciates the time and care taken by the Commission on this issue, and is confident that the methodology approved by the Commission will promote a robust solar market in Minnesota.

Sincerely,
/s/ Carrie Cullen Hitt

Carrie Cullen Hitt
Senior Vice President, State Affairs
Solar Energy Industries Association

² Initial Comments of Environmental Law and Policy Center, et al. E999/M-14-65 at 13 (February 13, 2014)

³ Failure to properly consider the environmental and compliance value of RECs may lead to inaccurate REC prices, double counting issues, and a stifled REC market, which may drive away investment in Minnesota's solar industry.