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January 8, 2024

Mr. Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 East Seventh Place, Suite 350  
Saint Paul, MN 55101

RE: DOCKET E002/M-13-867 REGARDING XCEL PROPOSAL TO MOVE ARR-ERA CSG TO VALUE OF SOLAR RATES t

Dear Mr. Seuffert:

I am writing to express the City of Minnetonka's concern regarding Xcel Energy's proposed transition from the Applicable Retail Rate (ARR) to the Value of Solar (VOS) rate within their Community Solar Garden (CSG) program. This shift, particularly when implemented not even midway through 25-year contracts, poses significant financial ramifications for the city.

The City of Minnetonka stands to suffer an annual loss of \$140,000 in anticipated savings, which has played a pivotal role in moderating property taxes. These savings have directly benefited both our residents and local businesses, all of whom are likely customers of Xcel Energy. The city made a proactive decision to participate as early adopters in contributing to clean energy and carbon reduction initiatives through this program.

The sudden alteration in the agreed-upon rate structure threatens not only our financial stability but also undermines the commitment made by the city towards sustainable energy practices. This shift places an undue burden on our community, potentially jeopardizing our ability to maintain the positive impact on property taxes and renewable energy advancement we've diligently pursued.

The city urges the Minnesota Public Utilities Commission to consider the broader implications of this proposed change, not just for the City of Minnetonka but for other communities similarly invested in clean energy programs. We request a thorough review of this matter and an assessment that takes into account the long-term consequences on local property taxes, city utility rates and local environmental initiatives.

We appreciate your attention to this critical issue and respectfully ask for your support in ensuring the continuity and sustainability of our community's commitment to clean energy.

Sincerely,

Mike Funk  
City Manager  
City of Minnetonka

Cc:  
Minnetonka Mayor and Councilmembers  
Minnetonka Sustainability Commission