

January 22, 2024

Will Seuffert  
Executive Secretary Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
Saint Paul, Minnesota 55101-2147

Dear Mr. Seuffert:

The Cities of Bayport, Chanhassen, Eden Prairie, Edina, Minneapolis, Minnetonka, North Mankato, Saint Paul, St. Cloud, and St. Louis Park along with Ramsey County (“Local Government Coalition”) thank the Commission for the opportunity to offer Reply Comments regarding the Xcel Energy proposal to move certain community solar subscribers from a bill credit matching its Applicable Retail Rate (“ARR”) to the 2017 Value of Solar credit schedule.<sup>1</sup>

As local governments, we support the Commission’s goal of affordable rates as highlighted during the hearing leading to the Commission Order for a proposal.<sup>2</sup> We are Xcel customers ourselves, of course, but also understand the need for affordability for the residents and businesses in our jurisdictions.

However, the record now has hundreds of comments from community solar subscribers and non-subscribers alike who strongly oppose the change proposed by Xcel. Further, data supplied by Xcel Energy<sup>3</sup> reveals that the initial cohort of early adopters helped make the program a success by many measures. Subscriber profiles are not simply “commercial and industrial” customers, but include:<sup>4</sup>

- *Minnesota cities, counties, and other governmental entities, which account for a quarter of the subscribed capacity to ARR-era gardens*
- *Fifty-eight public school districts*
- *Eighty-two churches, private schools, hospitals, and other non-profits*
- *Residential households*

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<sup>1</sup> Docket No.: E002/M-13-867. Xcel Energy Proposal for Switching ARR-Era Community Solar Gardens to Appropriate VOS Rate. Sept. 25, 2023.

<sup>2</sup> Docket No.: E002/M-13-867. Commission Order. Jun 27, 2023; Commission Hearing was May 11, 2023.

<sup>3</sup> Docket No.: E002/M-13-867. Information Request No. 41 to Xcel regarding Customer Classes and Bill Credits. Requested by MN Department of Commerce. Dec 13, 2023.

<sup>4</sup> Docket No.: E002/M-13-867. PUBLIC Comments of the Minnesota Department of Commerce, Division of Energy Resources In the Matter of Petition for Approval of Northern States Power Company, dba Xcel Energy, for Approval of its Community Solar Garden Program. Jan. 8, 2024.

	Subscribed Capacity (%)	Percentage of total bill credits (Sep. 2023)
Government	25	25
Public Schools	17	16
Hospitals, Clinics, Churches, Private Schools	13	13
Residents	16	17
Private Business/Other	30	28
Total	100	100

Summary of Community Solar Subscribers Under the ARR<sup>5</sup>

From the data, the Local Government Coalition concludes that the cohort of early community solar adopters under the ARR helped create a successful, inclusive program operating in the public interest.

Even with the subscriber summary data, there is not enough information to quantify the harmful impacts of the proposal from Xcel. For example, the impacts borne by residential and public interest subscribers and the people they serve could lead to a loss of jobs,<sup>6</sup> increased local taxes,<sup>7</sup> reduced school services,<sup>8</sup> and added difficulty in meeting the State’s clean energy goals.<sup>9</sup> Indeed, the impacts would extend beyond Xcel’s Minnesota customers.

The record demonstrates that any benefit of approving Xcel’s proposal would be outweighed by the harm it would cause. Therefore, we urge the Commission to maintain regulatory certainty in the State by preserving the Commission’s prior Order to maintain the ARR for the term of the contract.<sup>10</sup> Protecting regulatory certainty will help Minnesota remain cost-competitive when procuring future generation beyond the community solar program.

<sup>5</sup> *Id.* p.10.

<sup>6</sup> Clean Energy Economy of Minnesota Comments (Jan 8, 2024) (eDocket No. 201964-01)

<sup>7</sup> University of Minnesota Comments (Jan. 9, 2024) (eDocket No. 20241-201993-01)

City of Inver Grove Heights Comments (Jan. 8, 2024) (eDocket No. 0241-201936-01)

City of Minnetonka Comments (Jan. 8, 2024) (eDocket 20241-201992-01)

Winona County Comments (Jan. 3, 2024) (eDocket 20241-201790-01)

City of St. Clair Comments (Jan. 3, 2024) (eDocket 20241-201822-01)

<sup>8</sup> Big Lake Schools – ISD 727 Comments (Jan. 2, 2024) (eDocket No. 20241-201721-01)

Rocori Public School Comments (Nov. 13, 2023) (eDocket No. 202311-200445-01)

Mankato Public School Board (Jan. 12, 2014) (eDocket No. 20241-202131-01)

<sup>9</sup> City of Maple Grove Comments (Jan. 3, 2024) (eDocket No. 20241-201825-01)

City of Oakdale Comments (Jan. 8, 2024) (eDocket No. 20241-201938-01)

<sup>10</sup> Docket No.: E002/M-13-867. Commission Order Approving Solar Garden Plan with Modifications, Order Points 1 and 3.b. Sept. 17, 2014.

For these reasons, the Local Government Coalition strongly supports the **overwhelming public position** that the proposal from Xcel to change the bill credit for early community solar subscribers is not aligned with the public interest.

The Local Government Coalition thanks the Commission for consideration of our Reply Comments.

Sincerely,

City of Bayport  
Matthew Kline, MPA  
City Administrator

City of North Mankato  
Kevin McCann  
City Administrator

City of Chanhassen  
Kelly Grinnell, CPFO  
Finance Director

City of Saint Paul  
Russ Stark  
Chief Resiliency Officer;  
Cecilia Govrik  
Energy Coordinator

City of Eden Prairie  
Jennifer Fierce  
Sustainability Coordinator

City of St. Cloud

City of Edina\*  
Matthew Gabb  
Sustainability Specialist

City of St. Louis Park\*  
Emily Ziring  
Sustainability Manager

City of Minneapolis  
Patrick Hanlon  
Deputy Commissioner Sustainability, Healthy  
Homes, Environment

Ramsey County  
Trista Martinson  
Board Chair

City of Minnetonka  
Darin Nelson  
Finance Director

\*A non-subscriber co-signing in the interest of community members