

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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March 4, 2015

**In the Matter of the Petition of Northern States
Power Company, dba Xcel Energy, for Approval of
its Proposed Community Solar Garden Program**

Docket No. E002/M-13-867

**REPLY COMMENTS IN RESPONSE TO THE COMMISSION'S FEBRUARY 13, 2015 NOTICE BY
FRESH ENERGY,
ENVIRONMENTAL LAW & POLICY CENTER, AND INSTITUTE FOR LOCAL SELF-RELIANCE**

Fresh Energy, Environmental Law & Policy Center, and Institute for Local Self-Reliance respectfully submit these Reply Comments in response to the Commission's February 13, 2015 Notice Seeking Comments regarding Xcel Energy's ("Xcel") February 10, 2015 letter addressing perceived issues with the implementation of its newly launched Solar*Rewards Community ("S*RC") program.

REPLY COMMENTS

We offer reply comments on two points raised in initial comments: 1) the Department of Commerce, Division of Energy Resources' ("Department") suggestion that 10 MW of nameplate capacity should be the "cut-off point" for co-located S*RC projects; and 2) SunShare's suggestion that Xcel adopt two program options it already offers in its Colorado community solar garden program – a distribution pre-screen and S*RC project re-location.

The Department's Suggestion for a 10 MW "Cut-Off"

The Department recommends that the Commission "[d]etermine that co-located solar gardens that collectively exceed 10 MW of nameplate capacity are outside the scope of Xcel's distribution system interconnection requirements."¹ We recommend that that Commission not adopt the Department's suggestion as proposed for two reasons. First, other commenters in response to this Notice have outlined in great detail that co-located projects that collectively exceed 10 MW are *not* incompatible with section 10.² The Department's suggestion rests on the assertion that "if the combined co-located gardens total over 10 MWs in capacity, it does not appear that Xcel's section 10 tariff interconnection process can process the interconnection request."³ We disagree and believe the detailed Comments noted above demonstrate the opposite.

Second, the Department's recommendation appears to apply to S*RC applications that have already been filed as well as applications that have already been deemed complete. The Commission should not make significant programmatic changes, such as the Department's suggestion, retroactively.

¹ Department February 24, 2015 Comments at 4.

² See Interstate Renewable Energy Council, Inc. February 24, 2015 Comments at 4-10; Solar Garden Community February 24, 2015 Comments at 10-15.

³ Department February 24, 2015 Comments at 4.

Multiple companies and subscribers have made investments, entered contracts, hired employees in Minnesota, and made business decisions in reliance on the Commission's September Order approving the S*RC program. We continue to recommend that the existing rates and program rules continue to apply to all CSG projects that have applications on file as of the date of any final commission order modifying the S*RC program.

Near-Term Program Guidance Regarding S*RC Interconnection

In our initial comments to this Notice, we suggest that the Commission open a separate docket to update state interconnection standards and processes. However, in the meantime, there are several strategies that the Commission and Xcel can incorporate now to help facilitate the interconnection of S*RC projects that do not require section 10 changes, but would entail guidance from the Commission on how Xcel administers its section 9 S*RC program rules in conjunction with its section 10 tariff. This guidance focused on near-term transparency and reporting on Xcel's interconnection of S*RC projects is outlined in our previous comments, the National Groups December 1, 2014 comments, as well as comments by the Interstate Renewable Energy Council and other commenters in this docket.

Two examples of near-term guidance the Commission should adopt are offered by SunShare in its initial comments. SunShare recommends adoption of two program options Xcel already offers in its Colorado community solar garden program. The first is an option for a "pre-screen request" to provide developers with basic information about potential interconnection points on Xcel's system.⁴ Providing this relatively basic information, at the expense of the developer, would greatly increase efficiency by allowing developers to avoid spending time and resources on locations that would not be cost-effective and to focus their projects on locations on the distribution system where cost-effective investments and developer-funded upgrades make sense.

SunShare also suggests Xcel adopt its Colorado program rule regarding project re-location in the Minnesota S*RC program.⁵ In Colorado, Xcel allows an existing S*RC application to change locations once without having to file a new application and pay new application fees. Since developers currently have no information about Xcel's distribution system and interconnection queues, there are legitimate reasons for moving an existing application to a different interconnection point. Providing transparency into the interconnection process and offering a pre-screen would allow projects to relocate to the most feasible locations on the system and prevent the inefficiencies from multiple projects crowding interconnection points that won't accommodate cost-effective interconnection. Adopting these two Colorado options would accomplish near-term transparency and efficiency.

CONCLUSION

We respectfully request that the Commission: 1) not adopt the Department's recommendation for a 10 MW cut-off; and 2) Offer near-term guidance on the S*RC program implementation as outlined above and in other comments in the record as noted, including adopting the Xcel Colorado business rules offering a "pre-screen" and regarding re-location. Looking ahead, we also suggest the Commission consider opening a separate docket to update and improve the state's interconnection process.

Sincerely,

⁴ SunShare, LLC February 24, 2015 Comments at 4-5.

⁵ *Id.* at 5-6.

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