

August 31, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, Minnesota 55101

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E002/M-13-867

Dear Mr. Wolf:

On July 24, 2015, Xcel Energy (Xcel or the Company) and the co-signatories to the Partial Settlement in the above-referenced docket requested that the Minnesota Public Utilities Commission (Commission) open an investigation into prospective design changes to Xcel's Community Solar Garden Program (CSG or Solar*Rewards Community), and refer the proceeding to the Office of Administrative Hearings (OAH) for a contested case proceeding. The request outlined the following issues to be addressed in the proceeding:

- Should the Commission modify the subscriber bill credit rate (the Applicable Retail Rate) formula for Solar*Rewards Community?
- Should the Commission adopt other bill credit rate formulas for Solar*Rewards Community, such as the Value of Solar?
- Should the Commission allow Solar*Rewards Community applicants to participate with co-located gardens if the gardens' aggregate capacity exceeds 1 MW? If so, to what extent?
- Should the Commission allow special rules such as larger sized garden development on marginal lands owned by public or quasi-public entities? If so, to what extent?
- What actions should the Commission take, if any, to ensure minority participation in the program?
- What actions should the Commission take, if any, to ensure the participation of Residential class customers in the program?
- What actions should the Commission take, if any, regarding the Company's interconnection review practices for community solar gardens?
- How should future distribution system upgrades driven by community solar (and outside of planned grid modernization investments) be treated? How and when should upgrades be made, and at whose cost?

On August 10, 2015, the Commission issued a *Notice of Comment Period* seeking comment on Xcel's proposal.

The Minnesota Department of Commerce, Division of Energy Resources (Department) has reviewed Xcel's proposal and does not believe a contested case is required at this time.

Rather, the Department recommends that the Commission address a limited number of issues through written comments. Specifically, the Department recommends that the Commission seek comment on how to ensure minority contractor participation in solar garden development, and subscriber participation by minority and residential customers. Further, on August 14, 2015, State Senator John Marty filed comments requesting the Commission address participation by low-income customers as part of its ongoing oversight of the CSG program. The Department recommends that the Commission solicit written comments on how to ensure participation by low-income, minority and residential customers.

With respect to issues surrounding the appropriate subscriber bill credit rate, and whether a move to the Value of Solar rate should occur, the Department agrees that these are issues that will need to be addressed by the Commission. The Commission has already approved a methodology for determining the Value of Solar; therefore, the Department does not believe this methodology needs to be revisited through a contested case proceeding.

Finally, issues regarding future distribution system upgrades and Xcel's interconnection practices for CSGs may be better addressed once more experience with CSGs is available. Xcel is required to provide relevant information in its monthly reports to the Commission. To the extent these reports and/or any individual disputes that may be brought forward indicate a need for Commission action, the Commission may take up those issues as they may arise.

The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ SUSAN L. PEIRCE
Rates Analyst

SLP/It

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Comments**

Docket No. E002/M-13-867

Dated this 31st day of August 2015

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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