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## PUBLIC UTILITIES COMMISSION

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

**NOVEL ENERGY SOLUTIONS, LLC  
COMMENTS ON XCEL ENERGY'S  
SECTION 9 TARIFF REVISIONS**

**February 3, 2019**

**Docket No. E-002/M-13-867**

### COMMENTS OF NOVEL ENERGY SOLUTIONS, LLC

*Novel Energy Solutions, LLC offers the following comments concerning Xcel Energy's (Xcel) Community Solar Garden (CSG) program changes arising from the section 9 tariff revisions filed on December 14, 2018.*

The changes requested by Xcel on the refundable deposits goes against the meaning of "Refundable Deposits". It is extremely difficult to reconcile the estimated costs, refined costs and how Xcel does the final true-up. We receive buckets of costing, but cannot delve into anything. Therefore, it is a black box for developers, creating uncertainty in the numbers. We have had variances on our IAs of over 100% from the estimated cost, and would prefer to have a means to fight what we believe to be charges outside of tariff. With this change, the developers only recourse against a high IA is a dispute in-front of the PUC, as XCEL can just take funds from other projects.

**XCEL taking our refundable deposits in the event of a dispute would fundamentally alter the program and skyrocket the cost of obtaining those deposits, additionally, developers would have to go back to their banks and completely rework their refundable deposit loan programs as now the money that used to be held in escrow is now at risk.** Additionally, there are many unintended consequences from that suggestion:

1. Each project is created as its own LLC, a separate legal entity. This proposal would expose each LLC to issues with another LLC, eliminating the idea of a separate legal entity.
2. By virtue of #1, it would make transacting on these projects almost impossible, as each buyer would be exposed to a dispute on another asset. For example:
  - a. NES sells 3 MWs to Buyer A and 2 MWs to Buyer B. Buyer B has a cost dispute of \$350,000 on an IA. XCEL could then take the \$200,000 deposits from Buyer B and \$150,000 of deposits from Buyer A. This would likely create a default position for NES with Buyer A and would unfairly hurt Buyer A for Buyer B's project.



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- b. Again, this violates the idea of each project being separate. Either each project is separate or it's not.

We believe all issues / discussions should first be brought up in the developer's group as that's the cleanest and easiest way to resolve differences. Failing that, we should bring it up to the PUC. Additionally, the payment issue goes both ways, there are funds due to developers that are delayed as well.

Fundamentally, we believe the refundable deposit program is working fine as it is. However, we are in support of the change of dropping the refundable deposit requirement once you have paid your IA, this seems to make sense.

Respectfully submitted,

*Cliff Kaehler*

Cliff Kaehler

CEO

Novel Energy Solutions, LLC






# 2019-02-03-NES' comments to PUC on Docket No. E-002-M-13-867

Final Audit Report

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