



US Renewable Energy Credit Exchange Inc.
REC-XUSA MNREC-X

July 14, 2017

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Nancy Lange	Chair
Daniel Lipschultz	Commissioner
Matt Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

**RE: Minnesota Electric Utilities Efforts to Achieve Solar
Energy Standards**

Docket Number E999/M-17-283

Dear Mr. Wolf and Commissioners:

Please accept these comments from the United States Renewable Energy Credit Exchange, a Minnesota Public Benefit Corporation, in regards to the above referenced docket and the general intent of the historic legislation (Minn. Stat. § 216B.1691) passed in 2013 that enabled the dramatic rise in solar construction jobs and clean energy production in Minnesota.

With any innovative and ground breaking proposal in any industry there is to be an expected 'learning curve' that can only take place after initial implementation. Getting the effort out for a test drive is essential in understanding where the kinks are. The United States Renewable Energy Credit Exchange (US REC-X) has been closely following the PUC dockets for both community solar gardens and the

overall Solar Energy Standard (SES) and we have these brief observations and points for consideration.

1. **Please clarify that the solar energy legislation passed by the Minnesota Legislature was intended to benefit Minnesota jobs and clean energy.** Those who advocated for this legislation presented a convincing argument that this legislation would create good paying jobs and bolster a new industry so that it could reach a scale that allowed for sustainability to serve the needs of Minnesotans and their desire for clean energy and local jobs over the long run. This clarification request may seem redundant or obvious, but it is seriously needed when a review of the Otter Tail Power Solar Energy Standard Annual Report filed June 1, 2017 is examined. Special attention to pages 7 and 8 explain to the commission that SRECs from out of state sources will be considered to meet the Small Solar Carve-out. This is totally not acceptable given the intent of the legislation, thus the need for clarification.

US REC-X suggests that there are many opportunities to meet the SES within the state of Minnesota. One of the most obvious would be starting with the vast number of small solar projects that already exist in Minnesota that are on rural cooperative distribution or other service lines. A report submitted by Minnesota Rural Electric Association of 10/6/2016 for docket PR16 - 512 provides a list of distributed facilities both existing and pending in Minnesota cooperative service territory. Though the report is agnostic to technology, there are well over 1,000 projects accounted for and we can assume that the majority of them are solar. Purchasing SRECs from Minnesota businessmen and residents should be a priority for fulfilling the Small Solar Standard that has recently been adjusted to a 40kW maximum size for easier attainability for both OTP and Minnesota Power.

If Otter Tail Power and Minnesota Power established a program to purchase SRECs from Minnesota Rural Cooperative member-owners the goals of the original legislation could be met as intended. This type of program would bring new revenue to those co-op members who invested in clean energy, supported local jobs, but because of their service provider were not able to enjoy some of the financial incentives enjoyed by Minnesotans in IOU service territories that ran more successful small solar programs.

Clarifying this provision would end the ambiguity partially created by the original Renewable Energy Standard. The ambitious Next Generation Act of 2007 calling for 25% 'renewable energy resources' was open to all renewable technologies. And as

wind energy was the most economic at the time it was relied on as the work horse of the portfolios. Wind, however has major geographic resource constraints in that the resource is only available in specific areas that allow for large tracts of land to be secured. Meeting this regulation by allowing for wind resources from out of state, yet directly transferred to Minnesota, made sense.

But in 2017 we fully understand the solar resource is available everywhere, and can be fit into the smallest of land spaces. There is no justifiable reason to go outside of the state when the resources can be easily obtained within, to the fullest advantage of the residents of this state.

The opportunity to meet the Small Solar Standard within Minnesota is completely and unequivocally available today and a clarification of the original intent of the legislation would guide the development of this program.

2. **US REC-X does appreciate and understand that there is also a valid point in the Otter Tail Power annual report in that the MRETS tracking system is not especially applicable to registering projects 40kW and below.** MRETS is a fine system for large scale utility projects and was originally designed as such. The technology thresholds for monitoring and registering protocols however do not lend themselves for use in the small distributed energy space.

US REC-X believes that the development of small, distributed energy projects can be accounted for with a more simple approach that allows for initial third party verification of projects and annual reporting by project owners that can be easily verified through digital, time-stamped pictures of the various monitoring devices that are routinely used in small projects but do not meet the higher technology threshold of utility scale projects.

In conclusion; US REC-X requests the Commission to clarify that the original intent of the 2013 (Minn. Stat. § 216B.1691) legislation was to invigorate the Minnesota solar industry by developing solar projects in Minnesota that benefit the Citizens of Minnesota. We believe there is ample evidence existing that this standard can be met by utilizing the resources developed by Minnesota rural cooperative members. And that a program to purchase SRECs from cooperative members would accelerate the development over the next few years in order to totally fulfill the Small Solar Standard as intended for Minnesota. And that a more flexible approach to small project registration and verification be

developed to facilitate and integrate small clean energy projects into the formal accounting of the SES.

The United States Renewable Energy Credit Exchange thanks the Minnesota Public Utilities Commission for their hard work creating a fair, economically just, and sustainable energy future for all the people of Minnesota.

Respectfully submitted:

Directors: US Renewable Credit Exchange

/s/ Ralph Jacobson

/s/ Jesse Royer

/s/ Michael Krause

/s/ Tom Karas