

September 30, 2013

Burl W. Haar, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: INITIAL COMMENTS
Docket No. E-002/M-13-642

The Minnesota Public Utilities Commission and parties are faced with a number of legislative and Commission-directed objectives and proceedings concerning distributed generation, including solar generation. Sam's East, Inc. and Wal-Mart Stores East, LP ("Wal-Mart") hereby respectfully submit comments that are in large part designed to ensure that action taken in the above-captioned docket is consistent with these objectives.

According to Minn. Stat. §216B.164 (Subdivision 1), the primary objective of the legislature in enacting this provision was to "give the maximum possible encouragement to cogeneration and small power production consistent with protection of the ratepayers and the public." Recent revisions of this statute (which did not revise this subdivision) are then to be interpreted consistent with this statutory objective.

Amended subdivision 3a(b) provides that standby charges not be imposed on any net metered or qualifying facility that does not exceed 100 kW and only in certain circumstances on any such facility of over 100 kW. In its petition, NSP simply extends the exemption from standby charges to 100 kW but otherwise provides that standby charges will apply to generation that exceeds 100 kW. For example, paragraph 11 of the proposed revised agreement provides that "Standby charges apply if the Net-Metered Facility System has an AC nameplate capacity of more than 100 kW." But the ratepayer is already paying for energy to be available throughout the day and year through its underlying tariff charge and an additional charge for standby generation, if not implemented properly, could amount to a double-charge for the same availability. Therefore, at least until the Commission has an opportunity to gain input from parties and consider the various issues raised in the numerous related solar and distributed generation dockets, Wal-Mart recommends that the exemption from standby charges be extended consistent with the statutory extension of the net metering limit, i.e., to 1000 kW, and that the tariff and agreement language be so amended.

This protection would ensure that the amendments are implemented consistent with the statutory objective of providing the "maximum possible encouragement" to the development of solar (and other) distributed generation.

Respectfully submitted,

/s/

Kenneth Baker

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