

**STATE OF MINNESOTA  
PUBLIC UTILITIES COMMISSION**

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Betsy Wergin	Commissioner

**In the Matter of Establishing a Distributed  
Solar Value Methodology Under Minn.  
Statute 216B. 164, Subd. 10 (E) and (F)**

**Date: 04/24/2014**

**Minnesota Solar Energy Industries  
Association's Response to Xcel's Petition for  
Reconsideration of VOST Methodology**

**Docket No. E999/M-14-65**

The Minnesota Solar Energy Industries Association, MnSEIA, respectfully submits these comments related to the Petition for Reconsideration submitted by Northern States Power ("Xcel Energy"). MnSEIA respectfully requests that the Minnesota Public Utilities Commission deny Xcel Energy's motion for Reconsideration ("Petition") of the Commission's April 1, 2014 Order Approving Distributed Solar Value Methodology.

In the Approval Order, the Commission approved the Distributed Solar Value Methodology developed by the Division of Energy Resources (Department of Commerce). The Commission's approval was appropriate and Xcel's Petition should be denied. Xcel further states that there is a basis for Xcel to file their motion now as we expect substantive discussions to occur soon about whether or not the VOST should apply to Community Solar Gardens.

We believe the following Commission Order clearly stipulates a timeframe for calculation of a Value of Solar Tariff (VOST) aimed at providing a rate that developers of CSGs could use to create CSGs for the solar construction season.

22. *Within 30 days of the Commission's order approving a value-of-solar methodology, Xcel shall either*
  - a. *file a value-of-solar tariff with the Commission for the purposes of the solar-garden program subject to Commission review and approval; or*
  - a. *make a filing with the Commission that includes a calculation of the value-of-solar rate for the solar-garden program and shows cause why the rate should not be implemented.*

Additional clarifying language in Decision Option E. Bill-Credit Rate, the Commission states the following.

*The Commission's analysis does not end with the applicable retail rate. The solar-garden statute mandates that any plan approved by the Commission reasonably allow for the creation, financing, and accessibility of solar gardens. The record in this case demonstrates that the full retail rate, approximately*

*\$0.12 per kWh, is too low to reasonably allow for the creation and financing of community solar gardens. Rather, developers' uncontroverted statements indicate that a rate of approximately \$0.15 per kWh is the conservative minimum needed to secure financing and make solar gardens attractive to subscribers.*

We agree with the Commission's findings on the minimum needed for financing CSGs and submit that VOST by design was intended to use a rigorous and transparent method to quantify value of solar to rate payers and not necessarily provide the only kWh basis that would support CSG development. MnSEIA believes that the Commission - approved VOST methodology meets the rigorous and transparent test. Xcel Energy's petition brings no new information or concerns to the table. Specifically, Xcel reiterates comments criticizing four methodological areas that have been repeatedly considered by both the Commission and the Division of Energy Resources.

By comparison, MnSEIA in every round of comment or testimony provided support for our conviction that the inclusion of an Economic Development component to the solar valuation formula is appropriate, but we are not petitioning anyone to reconsider due to its exclusion. There have been many public stakeholder meetings and opportunities to comment in writing and to testify on these issues. Everyone's voice has not only been heard but encouraged. The Commission's April 1 decision is well grounded in extensive briefing papers and testimony and we urge the Commission to uphold their order.

Finally, MnSEIA respectfully believes that Xcel Energy's actions in this motion for reconsideration fall short of the Commission Order 25. Xcel's actions with this motion undercut the opportunity for collaboration as presented in Order 25. "The Commission encourages continued collaboration among Xcel, solar-garden developers, the Department, the OAG, and other interested parties". We cordially ask that Xcel Energy take this invitation to pursue win-win opportunities now and in the future.

With the 2014 solar construction season on the line, the Minnesota solar industry is ready and anxious to install community solar gardens when VOST is proposed by IOUs. We urge the Commission to uphold the April 1 order that continues a timely development of a rate that "reasonably allows for the creation, financing and accessibility of Community Solar Gardens".

Sincerely,

Lynn Hinkle  
Policy Director  
Minnesota Solar Energy Industries Association - MnSEIA  
[lhinkle@mnseia.org](mailto:lhinkle@mnseia.org)  
612-310-4742