



January 22, 2024

Via edockets

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
Saint Paul, MN 55101

RE: Metropolitan Council Reply Comments on Docket E002/M-13-867 Xcel Proposal to Move ARR-ERA Community Solar Gardens to Value of Solar Rates

Dear Mr. Seuffert:

The Metropolitan Council (Council) is the regional policy-making body, planning agency, and provider of essential services in the seven-county Twin Cities metro area. Our mission is to foster efficient and economic growth for a prosperous region. The Council appreciates the opportunity to provide reply comments on Xcel Energy's proposal to replace the Applicable Retail Rate (ARR) bill credit for certain existing Community Solar Garden (CSG) subscribers with the 2017 Value of Solar (VOS) bill credit effective April 1, 2024.

Stakeholder comments overwhelmingly recognize the serious and negative outcomes of this proposal, which would reduce and, in some cases, remove the existing financial benefit to CSG subscribers while undermining confidence in the state's existing and future solar programs. Like other stakeholders, the Council entered into long-term (i.e., 25 year) contracts with solar garden operators on the understanding that it would receive payments as a subscriber of the CSG program based on the ARR formula for the duration of the contracts.

Xcel proposed this drastic change in the CSG compensation rate that the Council relied upon when entering into these CSG contracts, without sufficient lead time for the Council to incorporate this change into its budgeting process. The Council estimates that a switch from the current General Service ARR rate (General Service Enhanced > 250 kW) to the Year 7 VOS will result in an annualized budgetary impact of \$1,519,013 as of January 2024. While the cumulative budgetary impact to the Council over the remaining CSG program term is difficult to predict, it will likely be well over ten million dollars. These costs will be borne by the public.

Page 18 of the January 8, 2024, Comments of the Office of the Attorney General (OAG) states that "the Commission could consider making more modest changes to the applicable retail rate without cancelling the rate entirely." The OAG's comments note that the Commission had already made one modest change to the ARR formula reducing costs by an estimated \$4.6 million for 2023 alone. Consistent with the OAG's comments, the Commission could direct Xcel to convene stakeholders to propose more modest changes to the existing CSG subscription program that are consistent with the public interest. The Council would be a willing participant in any such discussion.

For the reasons enumerated above and the reasons provided in its initial comments, the Council respectfully requests that the Commission reject Xcel's proposal as against the public interest. If the Commission determines modifications to the CSG program are warranted, it could direct Xcel to convene with stakeholders to propose more modest changes to the existing CSG subscription program that are consistent with the public interest.

Sincerely,

A handwritten signature in black ink that reads "Philip Walljasper". The signature is written in a cursive style and is positioned above a blue horizontal line.

[Philip Walljasper \(Jan 22, 2024 13:19 CST\)](#)

Philip Walljasper
Interim Regional Administrator
Metropolitan Council