

November 20, 2019

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E015/M-16-485

Dear Mr. Wolf:

On September 19, 2019, Minnesota Power (MP or the Company) submitted a request to extend its SolarSense Customer Solar Program (SolarSense Program) for one year. MP's SolarSense Program offers solar rebates for installation of customer-sited solar generation. In 2017, the Company received Minnesota Public Utilities Commission (Commission) approval to revise and expand its rebate structure and move cost recovery of its rebates from its Conservation Improvement Program to the Solar Factor in its Renewable Resource Rider (RRR).

MP is requesting to extend its program through the 2020 calendar year including the budget set forth in Table 1, below:

	2019	2020
Customer Incentives	\$701,395	\$701,395
Low-Income Solar Program	\$55,000	\$55,000
Research & Development	\$45,000	\$45,000
Program Development & Delivery	\$196,150	\$196,150
Total Annual Budget	\$997,545	\$997,545

MP states that as of August 2019, solar incentives under the SolarSense Program were fully allocated and the Company had 14 customers on a waiting list. Costs for the program would continue to be recovered through the Solar Factor within the RRR.

MP included compliance information on its SolarSense Program with its reporting on compliance with the Solar Energy Standard in Docket No. E999/PR-19-276. In 2018, the Company awarded rebates to 90 customers, of which 45 projects with a total capacity of 481.25 kW were completed in 2018, and an

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additional 29 were expected to be completed in 2019. The Company states that 16 projects were abandoned for various reasons.

The Minnesota Department of Commerce, Division of Energy Resources (Department) has reviewed MP's request to extend its SolarSense Program for an additional year, and has no objections. Extending the SolarSense Program will allow it to more closely align with the completion of MP's existing rate case. For ease in tracking compliance, the Department requests that any future compliance filings be submitted in the instant docket and not in the SES compliance docket.

The Department recommends **approval** of MP's request to extend its SolarSense Program by one year, and is available to answer any questions the Commission may have.

Sincerely,

/s/ SUSAN L. PEIRCE
Rate Analyst Coordinator

SLP/ja
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E015/M-16-485

I. INTRODUCTION

The Minnesota Public Utilities Commission (Commission) adopted the Value of Solar (VOS) methodology in its April 1, 2014 Order in Docket No. E999/M-14-65, and approved its use for Northern States Power Company, d/b/a Xcel Energy's (Xcel or the Company) Solar*Rewards Community (CSG) Program through the Commission's September 6, 2016 Order in this docket.

On August 30, 2019, Xcel submitted its 2020 VOS rate and supporting methodology.

On September 6, 2019, the Commission issued a Notice of Comment seeking comment on Xcel's calculation of its 2020 Value of Solar (VOS) rates for use in its community solar garden program (CSG). On September 19, 2019, the Commission issued a clarification that it was not seeking comment on the calculation of the avoided distribution cost component, but rather only sought comment on whether Xcel correctly implemented and calculated its system-wide results according to the approved Department of Commerce methodology.

II. DEPARTMENT ANALYSIS

Xcel's August 30, 2019 filing utilized the approved VOS methodology with modifications for the avoided distribution cost, as well as using the actual solar production levels rather than estimated production levels. As such the methodology does not conform with the Commission approved VOS methodology.

The Commission is currently addressing changes to the avoided distribution cost methodology in Docket E999/M-14-65. The Department has generally supported the changes proposed by Xcel in that proceeding, and recommends approval of the proposed 2020 VOS rates.

/ja