



**Christina M. Volkers, City Administrator**

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January 4, 2024

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite #350  
St. Paul, MN 55101

**RE: PROPOSAL FOR SWITCHING ARR-ERA COMMUNITY SOLAR GARDENTS TO APPROPRIATE VOS RATE; DOCKET NO E002/M-13-867**

Dear Mr. Seuffert,

Please accept these comments in opposition to Xcel Energy’s proposal to switch from the Applicable Retail Rate (ARR) to the 2017 Value of Solar (VOS) rate for legacy community solar gardens.

When Oakdale subscribed to the community solar garden program as an early adopter, the City was investing in a clean energy future with the additional benefit of savings. Xcel Energy’s proposal will negatively impact the City financially. As a small city, the transition from ARR to VOS will significantly reduce our savings and may create future financial instability over the course of the remaining years of the 25-year contracts. The financial analysis done before the City’s investment was based on ARR and anticipated electric costs were incorporated into the City’s adopted 2024 budget and long-term budget projections. The ARR credit offers rate security even as Xcel rates increase over time. Therefore, this change will have ramifications. Additionally, modifications to the bill credit and changes to the terms partway through our contract is unacceptable as no advance notice or consultation with local government subscribers was provided.

Savings from the City’s investment in community solar are in the public interest. They enable in-state solar energy production and provide environmental and climate benefits, which are essential for meeting the State’s climate goals. The savings the City receives are utilized to benefit our residents. If the Public Utilities Commission approves Xcel Energy’s proposal, the harmful and unfair impacts will not only affect the City of Oakdale but many other public entities.

Please consider the City of Oakdale’s stance and retain the ARR format.

Respectfully,

Christina M. Volkers

Cc: Oakdale Elected Officials, Mayor and Council

