

July 5, 2022

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
Saint Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Commerce Department, Division of Energy Resources**  
Docket No. E111/M-22-274

Dear Mr. Seuffert:

Attached are the Comments of the Minnesota Commerce Department, Division of Energy Resources (Department), in the following matter:

In the Matter of the Petition of Dakota Electric Association to Modify its Cogeneration and Small Power Production Tariff to Allow Retail Net Metering for Irrigation Service

Adam Heinen, Dakota Electric Association's Vice President of Regulatory Services, filed the Petition on June 3, 2022.

The Department recommends the Commission approve Dakota Electric's petition to allow retail net metering for irrigation service class customers.

The Department is available to answer any questions the Minnesota Public Utilities Commission may have in this matter.

Sincerely,

/s/ CHRIS WATKINS  
Public Utilities Rates Analyst

CW/ja  
Attachment



## Before the Minnesota Public Utilities Commission

---

### Comments of the Minnesota Commerce Department Division of Energy Resources

Docket No. E111/M-22-274

#### I. INTRODUCTION

On June 3, 2022 Dakota Electric Association (DEA or the Association) submitted its Petition to Modify its Cogeneration and Small Power Production Tariff to Allow Retail Net Metering for Irrigation Service (Petition) to the Minnesota Public Utilities Commission (Commission) to request approval to allow retail net metering for irrigation services.

The Minnesota Department of Commerce, Division of Energy Resources (Department) provides its analysis and recommendations below.

#### II. SUMMARY OF DAKOTA ELECTRIC'S PETITION

Dakota Electric Association submitted the petition in the instant docket in response to increased demand for behind-the-meter solar distributed energy resources (DERs) in the DEA service territory. DEA noted upon a review of a customer's inquiry regarding receiving net metering compensation for installing solar behind a meter enrolled on the Association's Irrigation Service rate schedule, the Association discovered its Irrigation rate schedule (Rate Schedule 36) is not specified in DEA's Cogeneration and Small Power Production tariff.

Minnesota Statutes § 216B.164, subd. 3(d) defines the average retail utility energy rate as "...the average of the retail energy rates, exclusive of special rates based on income, age, or energy conservation, according to the applicable rate schedule of the utility for sales to that class of customer."<sup>1</sup> DEA currently does not calculate an average retail cooperative energy rate for Irrigation customers, and proposed combining the Irrigation Service class with the C&I Interruptible class for the purposes of calculating the average retail cooperative energy rate.

Dakota Electric believes combining the Irrigation and C&I Interruptible class revenues and total kWh sales to calculate the average retail cooperative energy rate is the most administratively efficient tariff change for the following reasons:

- The energy charge for irrigation service and C&I interruptible service is the same;
- The majority of DEA members take irrigation service under the interruptible option;
- Irrigation service and C&I interruptible service share significant rate design and operational characteristics; and

---

<sup>1</sup> Minn. Stat. §216B.164, Subd. 3(d)

- Adding Irrigation service class revenue, sales, and charges into the C&I interruptible average retail cooperative energy rate does not change the current compensation rate for existing C&I Interruptible service customers.

Table 1 below shows the calculation of the average retail cooperative energy rate for both Irrigation and C&I Interruptible separately, as well as combined as DEA proposed in its Petition. DEA noted, and the Department reiterates here, adding Irrigation Service to C&I Interruptible results in no change to the compensation for C&I Interruptible customers who will continue to see the current rate of \$0.0515/kWh.

**Table 1. Methodology for Calculation of New Average Retail (Cooperative) Energy Rate for Irrigation Service Customers**

	<b>Total 12-month Class Revenue (A)</b>	<b>Total 12-month Class Fixed &amp; Demand Charges (B)</b>	<b>Total 12- month Class kWh Sales (C)</b>	<b>Average Retail Utility Energy Rate ([A-B]/C)</b>
C&I Interruptible <sup>2</sup>	\$23,279,678	\$4,899,577	\$357,019,841	\$0.0515
Irrigation Service <sup>3</sup>	\$1,532,119	\$674,539	\$16,831,548	\$0.0510
C&I Int. w/ Irrigation	\$24,811,797	\$5,574,116	\$373,851,389	\$0.0515

DEA is requesting Commission approval for the following two changes to its tariff:<sup>4</sup>

1. Add Rate Schedule 36 (with applicable revenue and sales inputs) into the calculation of “Annual Retail Cooperative Energy Rate” on tariff sheet Section IX, Sheet 6, Revision 38; and
2. Add Rate Schedule 36 to the C&I Interruptible Service line under “Type of Service” on tariff sheet Section IX, Sheet 11, Revision 39.

### III. DEPARTMENT ANALYSIS

The Department reviewed DEA’s petition and associated revised tariff sheets, the Association’s most recent Cogeneration and Small Power Production Filing, and applicable Minnesota Rules and Statutes and finds DEA’s proposal to be reasonable.

---

<sup>2</sup> Dakota Electric Association. 2022 Cogeneration and Small Power Production Filing. Docket No. E-999/PR-22-9. January 3, 2022. Section IX, Sheet 6, Revision 37. Accessed at <https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={F0AC207E-0000-CD1F-9D10-AFCA4AF5A7AA}&documentTitle=20221-181134-01>.

<sup>3</sup> DEA Petition, at 5.

<sup>4</sup> DEA Petition, at 6.

#### **IV. CONCLUSION AND RECOMMENDATIONS**

The Department appreciates the opportunity to provide input regarding DEA's request to provide net metering to irrigation service customers installing behind-the-meter solar DERs on their premises and commends the Association's efforts to expand net energy metering opportunities for customers choosing to install solar DERs pursuant to Minnesota Statutes § 216B.164.

The Department recommends the Commission approve Dakota Electric Association's petition to allow retail net metering for its members taking service under the irrigation rate schedules.

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce**  
**Comments**

**Docket No. E111/M-22-274**

Dated this 5<sup>th</sup> day of **July 2022**

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_22-274_M-22-274
Eric	Fehlhaber	efehlhaber@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	OFF_SL_22-274_M-22-274
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_22-274_M-22-274
Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	OFF_SL_22-274_M-22-274
Corey	Hintz	chintz@dakotaelectric.com	Dakota Electric Association	4300 220th Street  Farmington, MN 550249583	Electronic Service	No	OFF_SL_22-274_M-22-274
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E  St. Paul, MN 55106	Electronic Service	No	OFF_SL_22-274_M-22-274
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022093	Electronic Service	No	OFF_SL_22-274_M-22-274
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_22-274_M-22-274
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350  Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_22-274_M-22-274
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_22-274_M-22-274