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April 4, 2023

Chair Katie Sieben
Commissioner Valerie Means
Commissioner Matt Schuerger
Commissioner Joseph K. Sullivan
Commissioner John Tuma

RE: Docket 22-170 Xcel's Resiliency Program

Petition for Rehearing, Amendment, Vacation, Reconsideration and/or Reargument

Sunnova Energy Corporation (Sunnova), in accordance with Minnesota Rule 7829.3000 is petitioning the Commission for reconsideration of its order in Docket 22-170. Sunnova has been directly affected by the March 15, 2023 order in Docket 22-170. We believe it will put Sunnova and other competitive solar providers at a significant and permanent disadvantage, reducing competition and harming customers in Minnesota.

About Sunnova

Sunnova Energy Corporation is a nationwide provider of residential and commercial solar and solar + storage systems. Through our network of independent dealers we sell, lease and install equipment. We also provide long-term operations and maintenance contracts to customers.

Reasons for reconsideration

Our first concern is the pricing advantage created by allowing Xcel to rate-base equipment. When Sunnova prices systems of any size the cost equipment – solar panels, inverters, batteries, etc. – is included in the price. Even when the customer chooses a third-party ownership product like a lease or power purchase agreement, equipment costs must be a factor in the final cost of service.

Under 22-170, Xcel will be able to rate-base the cost of equipment, spreading the largest portion of a project's cost among all Xcel customers and divorcing that cost from the specific project. In addition to burdening all Xcel ratepayers, this insulates Xcel from costs and creates an insurmountable competitive advantage.

Second, Xcel's ownership of PV systems creates at the very least the opportunity for the utility to prioritize the interconnection of its own customers over the customers of other developers. While Xcel has committed to treating all interconnection applications equally, there are insufficient guardrails to ensure fair interconnection timelines and processes.



Finally, while 22-170 confines utility ownership of PV systems to commercial and industrial customers, if allowed to move forward we believe Xcel will demand access to all market segments in short order. The market today is adequately served; allowing a monopoly to enter what is now a competitive market would be an overreach.

Sunnova supports the Commission's efforts to improve resiliency and make renewable energy available to more Minnesota businesses. We believe a robust, competitive market is the most effective way to protect rate payers and grow renewable deployment in the state. The final order in 22-170 undercuts the market and will do significant harm to all solar developers in Minnesota. We request the Commission vacate its order and not approve Xcel's resiliency program.

Respectfully submitted.

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