STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

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Northern States Power Company, d/b/a Xcel Energy, In the Matter of Xcel Energy's Tariff Revisions Updating Community Solar Garden Tariff Providing Additional Customer Protections in Subscription Eligibility, Docket No. E002/M-21-695, INITIAL COMMENTS of the MINNESOTA SOLAR ENERGY INDUSTRIES ASSOCIATION (MnSEIA) and COALITION FOR COMMUNITY SOLAR ACCESS

on Eligibility, (CCSA)

Docket No. E002/M-21-695

In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its Proposed Community Solar Garden Program

Docket No. E002/M-13-867

January 18, 2023

REPLY COMMENTS OF THE JOINT SOLAR ASSOCIATIONS

The Minnesota Solar Energy Industries Association ("MnSEIA") is a 501(c)(6) nonprofit trade association that represents our state's solar businesses, with 135 member companies, which employ roughly 4,000 Minnesotans.

The Coalition for Community Solar Access ("CCSA") is a 501(c)(6) and is the national trade organization specifically focused on the community solar industry, representing over 110 member companies with active operations in over 20 states as well as at the Federal level.

Collectively, MnSEIA and CCSA offer these comments as the Joint Solar Associations ("JSA" or "Associations").

COMMENTS

The Minnesota Public Utilities Commission ("Commission") constantly reinforces its commitment to promoting and protecting the public interest. A commitment that is mandated by Minnesota law. And the public interest overrides the interests of any person, party or utility. In this matter, the Commission has made it clear that the public interest is allowing low-income ratepayer to have access to all of the programs that they are legally entitled to, which includes the right to participate in Xcel's community solar garden ("CSG") program.

While the majority of parties in this matter appear to agree with the Commission, Xcel, however, has chosen to ignore the Commission's order and Minnesota law, continuing to argue the law and its billing system cannot comply with these authorities. It, however, has not been able to cite any law that clearly supports its position, which should be concerning considering the legal and practical implications of it. And it claims that its billing system cannot comply with the law and that it would be "cost-prohibitive to make the necessary changes." Based on the initial comments of many of the stakeholders, this is a crucial fact for their position. A fact they appear to have accepted despite the fact that Xcel has not produced any objective documentation or the testimony of an IT staff person to substantiate it. And a fact that is hard to believe because it would seem unreasonable for a sophisticated Fortune 500 company to spend ratepayer money on a computer system that is so unsophisticated that it is limited to only being able to retain the name of a single customer of record and the amount of that party's bill.

Which is why the initial comments filed by a majority of the parties are more significant for what they do not say than what they do say. There appears to be a general acceptance that Xcel's billing system is unable comply with the law and that it would be too expensive to change it despite the fact that neither is supported by the current record. But more importantly, no one has presented a legal argument that supports Xcel's position that its affordability programs are limited to only the party that is directly paying its bill, even though their arguments largely appear to center around this false premise.

The Commission ordered Xcel to change its tariff to comply with the law so that its low-income ratepayers can have access to its affordability programs and CSGs.³ If Xcel complied with the

¹ See, e.g., Minn. Stat. § 216B.09, subd. 1 ("The commission, on its own motion or upon complaint and after reasonable notice and hearing, may ascertain and fix just and reasonable standards, classifications, rules, or practices to be observed and followed by any or all public utilities with respect to the service to be furnished."); and, Minn. Stat. § 216B.1641(e)(4) (a community solar garden program approved by the Commission must "be consistent with the public interest").

² Xcel Energy, Compliance Filing, In the Matter of Xcel Energy's Tariff Revisions Updating Community Solar Garden Tariff Providing Additional Customer Protections in Subscription Eligibility, Docket No. E002/M-21-695, and In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its Proposed Community Solar Garden Program, Docket No. E002/M-13-867, p. 30 (Attachment A p. 10) (Nov. 11, 2022) ("Xcel Compliance Filing").

³ Minn. Pub. Util. Comm., Order, *In the Matter of Xcel Energy's Tariff Revisions Updating Community Solar Garden Tariff Providing Additional Customer Protections in Subscription Eligibility*, Docket No. E002/M-21-695,

Commission's order and treated its low-income ratepayers as customers, then they wouldn't lose the consumer protections that many of the stakeholders have apparently accepted they will.

A. Antiquated Billing System

A significant portion of Xcel's and several other parties' arguments appear to rely on the fact that Xcel's billing system cannot be changed to comply with the law without "cost prohibitive" changes. It is important to note that this crucial fact has not been documented or supported by Xcel by anything other than its own self-serving statements. Statements not made by anyone from Xcel's IT department. Based on the stakeholder meeting notes, nothing appears to have been provided to the stakeholders to substantiate either of these claims.

Similarly, while a number of the parties appear to accept that Xcel made a good faith attempt to work with stakeholders to address that issues that arose from the Commission's order to change its tariff, a close and thoughtful review of the stakeholder notes appears to demonstrate otherwise. As discussed in the JSA's Initial Comments, Xcel began the stakeholder process by proposing an approach that violated the Commission's order and Minnesota law. When stakeholder Denherder-Thomas questioned Xcel's approach to the stakeholder process, noting that the "order says Xcel 'shall propose a low-income tariff modification" and wanted "to understand tariff issues, interpretation of Statue issues- that cause Xcel to feel following terms of PUC order is not the next step," Xcel's contractor, Energy CENTS Coalition ("ECC"), responded that "we looked at many scenarios" and that there is "too much detail/ complications for 3rd party involvement." ECC, of course, is a third party and the discussions that Xcel had with it to find a solution appear to have occurred behind closed doors resulting in Xcel making a decision on how to proceed before the stakeholder process even began. Stakeholder Denherder-Thomas responded that he understood "this is a complex process" and proposed "that we try to find our way through this complicated process."6 To which ECC responded, "Please send ideas if you have other proposals." Of course, the purpose of the stakeholder process was to provide information to the stakeholders so that proposals could be developed at the meetings. It is

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and In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its Proposed Community Solar Garden Program, Docket No. E002/M-13-867, p. 7 (June 24, 2022) ("Xcel shall propose a modification to its tariffs for these programs to allow low- income renters who are subject to third-party billing to access these programs.") ("PUC Order").

⁴ See, e.g., Mid-Minnesota Legal Aid, Initial Comments, In the Matter of Xcel Energy's Tariff Revisions Updating Community Solar Garden Tariff Providing Additional Customer Protections in Subscription Eligibility, Docket No. E002/M-21-695, and In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its Proposed Community Solar Garden Program, Docket No. E002/M-13-867, p. 9 (Dec. 21, 2022); Office of Attorney General, Initial Comments, In the Matter of Xcel Energy's Tariff Revisions Updating Community Solar Garden Tariff Providing Additional Customer Protections in Subscription Eligibility, Docket No. E002/M-21-695, and In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its Proposed Community Solar Garden Program, Docket No. E002/M-13-867, p. 6 (Dec. 21, 2022).

⁵ Xcel Compliance Filing, p. 21 (Attachment A, p. 1).

⁶ *Id* at p. 22 (Attachment A, p. 2)

⁷ *Id*.

difficult to provide solutions when Xcel and its contractor make broad, unsupported assertions against finding solutions rather than detailed explanations of the practical and legal problems they believe exist.

As discussed in our Initial Comments, this exchange and a close and thoughtful reading of the remainder of the stakeholder notes demonstrates that Xcel did not make a good faith attempt to comply with the Commission's order to conduct a stakeholder process to resolve the outstanding issues that the Commission outlined. Instead, Xcel used it to relitigate an issue already resolved by the Commission.

While the stakeholder process did not resolve or even attempt to resolve all of the issues directed by the Commission, it did highlight the apparent inadequacy of Xcel's billing system. So, if the Commission decides to rely on Xcel's claim that its billing system cannot be changed without "cost prohibitive" changes, the Commission should require Xcel to substantiate its claim, both in terms of difficulty in making changes and the cost to do so. This proof should be in the form of detailed testimony from an IT professional in light of the fact that Xcel and so many others place such significance in it.

Moreover, if the inadequacy of Xcel's system is substantiated, then the Commission should consider whether an investigation is warranted into whether it has been reasonable for Xcel to spend ratepayer money on a billing system that cannot comply with the law or adapt in ways that benefit its ratepayers. It should be noted that in its recent filing regarding the residential adder, Xcel stated, in response to a proposal by the Office of Attorney General ("OAG"), that because of its billing system's limitations, it could not support approval of the OAG's recommendation. Whether the OAG recommendation in that docket is reasonable or not, it appears that Xcel's billing system is a common excuse for Xcel not being able to adapt in ways that could benefit ratepayers. It would seem unreasonable for ratepayers to pay for a billing system that is detrimental to them and the public interest.

B. The Broader Implications of allowing a Regulated Utility to Refuse to Comply with its Orders and Minnesota Law

Regardless of whether Xcel can change its billing system to comply with the law with or without substantial costs, the Commission should consider the broad implications of allowing a regulated utility to refuse to comply with its orders or Minnesota law because the utility chose and developed a billing system and process for its affordability programs that make it difficult for it to do so. Creating a situation that makes it difficult to comply with Commission orders or Minnesota law could become a defense to doing so. Such an approach should be clearly rejected

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⁸ See Reply Comments on Residential Adder, In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its Proposed Community Solar Garden Program, Docket No. E002/M-13-867, p. 5 (January 6, 2023).

rather than acquiesced to because the implications are so significant. Compliance with Commission orders and Minnesota law should not be subjugated to the convenience of the utilities who are bound to comply with both of these authorities, especially in situations where the utility created the situation. None of the comments filed in support of Xcel's Compliance Filing address Xcel's blatant refusal to comply with the Commission's order.

As the JSA noted in its Initial Comments, the Commission clearly stated at the May 5 Hearing on this matter that low-income ratepayers should not have to choose between Xcel's affordability programs and participating in a CSG. They should be eligible to receive both because they, more than anyone, would benefit from participating in ALL of these programs. And they would not have to choose one or other if it was not for Xcel's extremely narrow definition of a customer, which is limited to only the party that is directly paying Xcel's bill. The crux of this entire docket centers around Xcel's restrictive and regressive definition. A definition it conceded at the May 5 Hearing it did not have any legal authority to support, and which, after months of considering the issue, was only able to provide an inapposite authority in its Compliance Filing to support. As both the Commission and Minnesota law make clear, low-income tenants who are receiving and paying for Xcel's services, whether directly or indirectly, are ratepayers that should be considered customers by Xcel, entitling them to all of the affordability and renewable energy programs Xcel provides.

C. Initial Comments Fail to Sufficiently Address Legal or Factual Basis for Xcel's Compliance Filing

The initial comments that support Xcel's compliance filing do not sufficiently address the legal or factual inadequacy of Xcel's compliance filing. For example, while the OAG is correct that Xcel's current position is a "substantial improvement over its original proposal," the OAG's change in position because it is "no longer persuaded that the benefits of doing so justify the costs" does not explain what it believes the costs are. Which is understandable because, as noted above, Xcel never substantiated the costs of changing its billing system or programs. Moreover, while the OAG notes that "Xcel has identified significant challenges to administering PowerOn

⁹ See Minn. Pub. Util. Comm., Hearing, In the Matter of Xcel Energy's Tariff Revisions Updating Community Solar Garden Tariff Providing Additional Customer Protections in Subscription Eligibility, Docket No. E002/M-21-695, and In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its Proposed Community Solar Garden Program, Docket No. E002/M-13-867, 3:17:25-3:17:39 (May 5, 2022) ("May 5 Hearing") (Commissioner Sieben stating, "Really, it's like, in my mind, everybody wants the same thing here . . . well, maybe not everybody, but a lot of people want the same thing here. Which is low-income people should be able to access all programs that they are eligible for."), and, 3:21:09-:3:21:14 (Commissioner Tuma stating, "I want to make sure that your customers can participate in both LIHEAP and community solar gardens.").

¹⁰ *Id.* at 3:05:41-3:05:52 (Xcel's attorney responding to Commissioner Tuma's request for legal authority to support their position, "I don't have for you a specific cite on that-a specific case where this has come up. I don't know a specific case where this has come up.").

benefits to tenants that are not the named customer on the bill," the OAG did not identify how Xcel's PowerOn program is consistent with the Commission's order or Minnesota law.

Mid-Minnesota Legal Aid/Legal Services Advocacy Project ("MMLA") attempt to support Xcel's position citing Minn. Stat. § 504B.215 and arguing that "only the landlord can be the payor and customer or record." This section does state that "the landlord of a single-metered residential building shall be the bill payer responsible, and shall be the customer of record contracting with the utility for utility services." The statute, however, goes on to say, "This subdivision does not require a landlord to contract and pay for utility service provided to each residential unit through a separate meter which accurately measures that unit's use only. This subdivision does not prohibit a landlord from apportioning utility service payments among residential units and either including utility costs in a unit's rent or billing for utility charges separate from rent." ¹³

As such, this provision appears to recognize that the legislature knows how to designate when a party is a "customer-of-record," which it did not do with Xcel's affordability programs. It also appears to demonstrate that the Building Subscription Model ("BSM"), wherein tenants receive through a third-party billing service a single bill for their electricity usage less a flat-rate discount for their CSG subscription, is legal because it is not explicitly prohibited. If the legislature wanted to prohibit third-party billing, it could have done so in this statute, but it did not.

MMLA also relies on Minn. R. 7820.0700, subp. 1, to argue:

Only "customers" are eligible for the Affordability Program. Under Minnesota Rules, a person or entity is a customer only if that person or entity is "subject to the jurisdiction of [the] Commission." Once the tenant is removed as an account holder and the account is switched into the landlord's name, the tenant is no longer a customer and thus "no longer subject to the [Commission's] jurisdiction…" Consequently – and alarmingly – under BSM, tenants in these circumstances are (involuntarily) stripped of their eligibility for the Affordability Program.

MMLA appears to misread this rule because it appears to harm rather than help its argument. Minn. R. 7820.0700, subp. 1, states, "'Customer' means any person, firm, association or corporation, or any agency of the federal, state, or local government, being supplied with service by a utility, subject to the jurisdiction of this commission." Under a plain reading of this rule, it is the utility who must be "subject to the jurisdiction of [the] Commission." The Commission regulates utilities, not customers. The customers are the ones who are "being supplied with

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¹¹ MMLA Initial Comments, p. 10.

¹² Minn. Stat. § 504B.215, subd. 2.

¹³ Id

service by a utility," and, thereby, receive the benefit of that regulation by the Commission. As discussed in our Initial Comments, it cannot be reasonably disputed that the tenant is the one being supplied with the service by the utility. Even though the tenant in a third-party billing situation is not the one directly paying the bill, it is clearly the one who is using the electricity and, ultimately, paying the bill. But, more importantly, this argument completely ignores the Commission's determination that all low-income tenants who are eligible for LIHEAP are eligible for Xcel's affordability program. MMLA, like Xcel, is substituting its legal analysis for that of the Commission.

MMLA's real concern appears to be its belief that the BSM model is a way for landlords to "reap profits by using vulnerable tenants to involuntarily compel them to participate in a program for the monetary benefit of the landlords, rebillers, and developers." This position, however, ignores the current agreement, which requires all tenants to opt in to any CSG. So, under the agreement, no one will any longer be involuntarily compelled to participate in a CSG program. It also ignores the fact that tenants are getting something for nothing. They are getting a credit without having to pay anything for it and without the potential risk or the complexity of being an individual CSG subscriber. Under the agreement a renter can, of course, choose to opt out to sign up as an individual CSG subscriber if they believe that any additional credit they might receive is worth the potential risk and hassle. Xcel and MMLA's position, however, takes that choice away from the vulnerable tenants. If they want to receive affordability benefits from Xcel, they don't get to choose the low risk/low hassle CSG credit. As such, MMLA appears to be in support of creating the same type of situation they are criticizing. All tenants, including vulnerable ones, should have the choice and ability to participate in all the programs that they are eligible for.

Both MMLA and the Citizens Utility Board ("CUB") argue that tenants under the BSM model lose several consumer protections. MMLA argues that they lose these protections because they are no longer a customer. This argument is circular. If Xcel considered its low-income ratepayers, what CUB calls "end-users," its customers as ordered by the Commission, then they would still have these protections. Nothing stops Xcel from working out a budget billing plan under Minn. Stat. § 216B.098, subd. 2, or a payment agreement under Minn. Stat. § 216B.098, subd. 3, directly with a customer/end-user other than its refusal to do so. What budget plan or payment agreement they work out with the end-user is then relayed to the landlord or re-biller. Neither the landlord or re-biller has to work out the budget plan or payment agreement with the

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¹⁴ PUC Order, p. 7 ("Xcel shall propose a modification to its tariffs for these programs to allow low-income renters who are subject to third-party billing to access these programs.").

¹⁵ MMLA Initial Comments, p. 10.

¹⁶ See MMLA Initial Comments, p. 7; Citizens Utility Board, Initial Comments, In the Matter of Xcel Energy's Tariff Revisions Updating Community Solar Garden Tariff Providing Additional Customer Protections in Subscription Eligibility, Docket No. E002/M-21-695, and In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its Proposed Community Solar Garden Program, Docket No. E002/M-13-867, p. 3 (Dec. 21, 2022).

customer/end-user, they just pass along whatever is established between Xcel and the customer/end-user. Moreover, if a customer/end-user is experiencing a medical emergency, they can relay that information to Xcel and Xcel can stop requiring payment from that customer/end-user during the medical emergency or establish a payment plan considering the customer's financial circumstances or any extenuating circumstances. If Xcel doesn't require a payment because of the customer's medical emergency, then there is no payment for the landlord or rebiller to pass along to the customer/end-user. The communication is between Xcel and the customer/end-user, while the bill being relayed through the landlord or re-biller is whatever Xcel and the customer establish. And the loss of access to the Commission's complaint process is unlikely considering the Commission has already clearly stated that it considers Xcel's low-income ratepayers its customers regardless of whether they are directly paying Xcel for the service they are receiving from Xcel or not.

Other consumer protections and concerns are addressed in the Landlord Addendum, Xcel Tariff Sheets 9-99.1 and 9-99.2, and Minnesota Statutes sections 504B.221(a) and 504B.225, as discussed by the Community Solar Garden Operators in their Initial Comments. ¹⁷ For example, 4.h. states that a landlord will not bring a nonpayment eviction solely based on unpaid electric service charges while 4.k says that a landlord will apply payment to rent before applying payment to electricity charges in the event of underpayment, and 4.g limits late fees to 1.5% or \$1.00, whichever is greater, when the unpaid electric service balance is over \$10.00. Some initial comments appear to simply ignore the proposed tariff changes that have been agreed on in arguing against the BSM.

CUB does raise several other important questions, but these questions highlight the failure of the stakeholder process rather than illegality or impossibility of the BSM. These are the questions that should have been addressed during the stakeholder process rather than continuing to argue who is a customer of Xcel. The Commission had already determined that issue by directing Xcel to "propose a modification to its tariffs for these programs to allow low-income renters who are subject to third-party billing to access these programs," and the stakeholders should have respected the Commission's decision. If Xcel or any other stakeholder disagreed, then they could have petitioned for rehearing, amendment, vacation, reconsideration, or reargument under Minn. R. 7829.3000 within 20 days of the Commission's order, but they did not do so.

¹⁷ See TBR, LLC and Solar Holdings LLC, Initial Comments, In the Matter of Xcel Energy's Tariff Revisions Updating Community Solar Garden Tariff Providing Additional Customer Protections in Subscription Eligibility, Docket No. E002/M-21-695, and, In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its Proposed Community Solar Garden Program, Docket No. E002/M-13-867, p. 7-8 (Dec. 21, 2022).

¹⁸ *Id.*, p. 7 (Order Point 2B).

D. JSA Support the Edits of the CSG Operators

In their Initial Comments TBR, LLC and Solar Holdings LLC (collectively, "CSG Operators"), provide recommended edits to Xcel's CSG tariff revisions on tariff sheets 9-74, 9-76, and 99.1-.3 in lieu of Xcel's proposal in Attachment F of its compliance filing. For the reasons discussed in our Initial Comments, the JSA support the CSG Operators' edits as more reasonable than those proposed by Xcel.

CONCLUSION

While everyone appears to express an interest in protecting low-income ratepayers, it does not seem like everyone has taken a critical look at the law and the facts that have been established in this docket. The law is ignored or misconstrued by some, while facts are presumed by others. No one would dispute that a low-income ratepayer should not lose a more lucrative benefit to retain a lesser one. While it is unfortunate, and the JSA are sympathetic to the very few tenants that were negatively affected by the transition to a BSM, that situation has been resolved by the agreement that has been reached among the stakeholders and should not happen in the future. An agreement that addresses the concerns raised by some of the Commissioners. With the agreement reached by stakeholders to require renters to opt-in to a CSG while allowing them to opt out at any time without penalty, Xcel's refusal to comply with the Commission's order is putting them in the same situation that was criticized by some-forcing them to choose one program or the other. No one can reasonably dispute that a low-income renter would benefit from participating in both of them and, as Commissioner Sieben noted, "low-income people should be able to access all programs that they are eligible for." While the BSM likely provides a smaller credit than if a renter elected to have an individual CSG subscription, it does so without the potential risk, cost and complexity of having an individual subscription. However, because renters can opt out for any reason, any renter can opt-out to subscribe on their own if they think the extra credit is worth the risk, cost and hassle. Low-income ratepayers should have the same choice, but they don't under Xcel's proposal. They are forced to take the potentially risky, more costly and complex CSG option if they want to participate in a CSG, a choice that most, if not all, are unlikely to make in their situation. As such, while Xcel's approach may only be affecting a small number of low-income ratepayers today, it is eliminating the possibility of hundreds or thousands of more low-income ratepayers from participating in the future. Something the Commission has consistently said it wants to encourage. Accordingly, while the JSA support Xcel's tariff changes to the extent they require all tenants to opt-in to any

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¹⁹ See Minn. Pub. Util. Comm., Hearing, In the Matter of Xcel Energy's Tariff Revisions Updating Community Solar Garden Tariff Providing Additional Customer Protections in Subscription Eligibility, Docket No. E002/M-21-695, and, In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its Proposed Community Solar Garden Program, Docket No. E002/M-13-867, 3:17:25-3:17:39 (May 5, 2022) ("May 5 Hearing") (Commissioner Sieben stating, "Really, it's like, in my mind, everybody wants the same thing here . . . well, maybe not everybody, but a lot of people want the same thing here. Which is low-income people should be able to access all programs that they are eligible for.").

CSG program and allow them to opt-out at any time, for any reason at no cost, it recommends that the Commission determine that Xcel's compliance filing is inadequate because of its failure to follow the Commission's order and Minnesota law with regard to low-income ratepayers eligibility for its affordability programs.²⁰

Respectfully submitted,

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²⁰ The JSA also reiterate that because Xcel's request that the Commission "amend and reopen its original Order point 2b" is untimely and not a petition as required by Minn. R. 7829.3000, it should be denied even without considering its lack of merit.