

December 7th, 2023

William Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place E., Suite 350
St. Paul, MN 55101

STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION

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

RE: Cooperative Energy Futures' (CEF) Reply Comments Regarding Xcel Energy's Proposed Calculation for the 2024 Value of Solar (VOS) and the Associated Tariff Sheet Changes for the 2024 VOS Vintage Year Bill Credit. (Docket No. E002/CI-13-867)

Issue:

- A. Should the Commission approve the 2024 VOS?
- B. Should the Commission discontinue the requirement for Xcel to file updated value-of-solar (VOS) calculations, as found in the Commission's March 4, 2020, Order?
- C. Are there other potential uses and applications for the VOS?
- D. Are there any other issues or concerns related to this matter?

A. SHOULD THE COMMISSION APPROVE THE 2024 VOS?

CEF agrees with the Department of Commerce's (the Department) initial comments regarding approval of the 2024 VOS. The Department rightfully points out that when calculating the 2024 VOS, Xcel Energy failed to use the federal social cost of carbon as described in "the EPA's External Review Draft of Report on the Social Cost of Greenhouse Gases released in September 2022, and its successor..."¹ as ordered by the commission on September 14, 2023 in Docket E-999/CI-14-643 and required by the recently passed 100% by 2040 law.

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We also agree with the department's recommendation for the commission to require Xcel to update the 2024 VOS calculations " to reflect the commission's adoption of the draft cost of greenhouse gas emissions valuations as presented in Environmental Protection Agency's External Review Draft of Report on the Social Cost of Greenhouse Gases: Estimates incorporating Recent Scientific Advances, with approval of the recalculated 2024 VOS subject to a 30- day negative check-off."²

B. SHOULD THE COMMISSION DISCONTINUE THE REQUIREMENT FOR XCEL TO FILE UPDATED VOS CALCULATIONS, AS FOUND IN THE COMMISSION'S MARCH 4, 2020, ORDER?

We agree with the Department's analysis that the new Community Solar Gardens (CSG) legislation does not change or affect Minn. Stat. § 216B.164, subd. 10, a completely separate tariff rate that does not only apply to Community Solar Gardens. We also agree with the Department when it states that the language in subdivision 10, instructing Xcel to calculate the VOS rate every year, is unambiguous.³ CEF is in complete concurrence with the Department's recommendation that Xcel Energy continue to recalculate the VOS annually and present it to the Department annually for approval.

C. ARE THERE OTHER POTENTIAL USES AND APPLICATIONS FOR THE VOS?

CEF also agrees with the Department's analysis of other possible uses and applications for the VOS. The Department correctly points out that the VOS is a benchmark and acts as the most accurate representation of the value of distributed energy in Minnesota and a properly calculated VOS remains crucial for determining the value to ratepayers of distributed solar generation through a detailed calculation of its benefits and costs.⁴

CEF also believes there may be other, currently unforeseen, uses for the VOS and having the VOS as a tool in case an alternative tariff becomes valuable is another worthwhile reason to require Xcel to continue to calculate the VOS annually.

CONCLUSION:

CEF is completely in agreement with the Department's recommendation that Xcel Energy recalculate the 2024 VOS incorporating the the most recent federal Social Cost of Greenhouse Gases, subject to a 30-day negative check-off, and continue to recalculate the VOS annually.

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<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={F0C9128C-0000-CF12-8389-558F09A1C485}&documentTitle=202311-200768-01>, Page 2.

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<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={F0C9128C-0000-CF12-8389-558F09A1C485}&documentTitle=202311-200768-01>, Page 2.

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<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={F0C9128C-0000-CF12-8389-558F09A1C485}&documentTitle=202311-200768-01>, Page 3.

Cooperative Energy Futures is pleased to have this opportunity to submit a reply comment regarding the issue of the approval of the 2024 VOS. We recognize and appreciate the hard work and thoughtfulness the commission has dedicated to this issue over the years.

Sincerely,

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