Lori Hoyum Policy Manager 218-355-3601 lhoyum@mnpower.com

December 20, 2013

VIA E-FILING

Dr. Burl W. Haar Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, MN 55101-2147

Re: In the Matter of the Implementation of

Solar Energy Standards Pursuant to 2013

Amendments to Minnesota Statutes,

Section 216B.1619

Docket No. E-999/CI-13-542

Dear Dr. Haar:

The Minnesota Public Utilities Commission ("Commission") issued a Notice for Comment on Customer Exclusions from the Solar Energy Standard - Phase 2 ("Notice") on December 3, 2013, in the above referenced docket. Minnesota Power respectfully submits its Comments in response to the Notice.

Please contact me at the number provided above with any questions or concerns.

Yours truly,

Lori Hoyum

Gori Hoyum

Attachment cc: Service List



| STATE OF MINNESOTA |) | AFFIDAVIT OF SERVICE VIA |
|---------------------|------|--------------------------|
| COUNTY OF ST. LOUIS |) ss | ELECTRONIC FILING |
| COUNTY OF ST. LOUIS |) | |
| | | |
| | | |

Jodi Nash of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 20th day of December, 2013, she served Minnesota Power's Comments on Customer Exclusions from Solar Energy Standard – Phase 2 on the Minnesota Public Utilities Commission via electronic filing. The remaining parties on the attached service list were served as so indicated on the list.

Subscribed and sworn to before me this 20th day of December, 2013.

Notary Public - Minnesota My Commission Expires 1/31/2015

SUSAN ROMANS
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2013

Print Close

Service List Member Information

| Last Name | First Name | Email | Company Name | Delivery | Viev Trad |
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| Abbey | Ross | abbey@fresh-energy.org | Fresh Energy | Electronic Service | No. |
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Enio

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Doug

Chanti

Daniel

Michelle

Larkin Hoffman (Silicon Energy)

Just Change Law Offices

City of Mpls Sustainability

Wind on the Wires

City of Minneapolis

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| Bill | | | | | |
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| 3ob | Larkin Hoffman (Silican Energy) | 1413 Hunting Valley Rd Ste 1, Saint Paul, MN-55109-1555 | | Paper Service | No |
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STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Implementation of

Docket No. E-999/CI-13-542

MINNESOTA POWER'S

Solar Energy Standards Pursuant to 2013

Amendments to Minnesota Statutes,

COMMENTS

Section 216B.1619

I. Introduction

The Minnesota Public Utilities Commission ("Commission") issued a Notice for Comment on Customer Exclusions from the Solar Energy Standard – Phase 2 ("Notice") on December 3, 2013 (Docket No. E-999/CI-13-542). Minnesota Power (or "the Company") respectfully submits its Comments in response to the Notice.

II. Response to Topics Open for Comment

What specific NAICS codes should be used to screen customers who are potentially eligible for exclusion from the Solar Energy Standard (SES), and why?

- o The list included in the Department of Commerce's August 29, 2013 comments?
- The list included in Minnesota Power's August 15, 2013 filing?
- o Some other set of NAICS codes?

In its August 15, 2013 filing Minnesota Power offered a list of NAICS codes for general guidance in determining customer exclusions. The Company is not opposed to utilizing this

initial list, along with any additional categories included in the Department of Commerce – Division of Energy Resources ("Department") August 29, 2013 Comments. Minnesota Power believes the NAICS code categories should be expansive enough to encompass all customers eligible for exclusion and also not place limitations that may unintentionally not cover those customers eligible for the exclusion.

What criteria other than NAICS codes, if any, should be used to make a final determination of customer eligibility?

- Size or rate schedule criteria, such as having a minimum kW demand or being on a demand-metered or large C&I rate?
- o A certain percentage of customer activity being in a qualified NAICS code?
- The specific statutory activity tied to a facility, account, and/or meter? For example, if a customer who qualifies by NAICS code has its manufacturing facility on one meter and its headquarters office on a different meter, does the latter qualify? Does it matter if the headquarters office is at a different site than the manufacturing facility?
- o Some other criteria?

The Solar Energy Standard statute¹ does not give direction on limiting customer exclusion eligibility by size, rate schedule or any other miscellaneous specification. Also, since the statute specifically states "there shall be excluded retail electric sales to customers," Minnesota Power views "customer" as the definitional criteria for exclusion and, as such, all locations and facilities associated with that customer would be excluded as part of the eligibility process. Minnesota Power believes there should not be any further requirements created for exclusion beyond meeting the definition under the NAICS code categories. It may, however, be prudent to have the customer list all applicable accounts as part of their application for exemption.

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¹ Minn. Stat. §216B.1691 Subd. 2f

What information should customers who apply for exclusion be required to provide?

Customers applying for exclusion should provide general information such as business name, purpose and the NAICS code which is the basis for the possible exclusion. It is incumbent that the business be responsible for correctly determining the NAICS on which to base their possible exclusion. Minnesota Power has begun an informal dialogue with Large Power customers that clearly meet the exclusion categories and is jointly developing a letter request template that would apply the Commission's orders in this Docket including specifying the applicable NAICS code, the statutory basis for the customer's exclusion, and customer contact information.

III. Conclusion

Minnesota Power appreciates the opportunity to provide input on the requirements for customer exclusions. Creating an inclusive process that does not hinder the customer's ability to apply or be included is imperative. The Company looks forward to further clarification on the customer exclusion eligibility requirement process.

Dated: December 20, 2013

Lori Hoyum

Policy Manager

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