

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Dan Lipschultz	Commissioner
Matt Schuerger	Commissioner
Katie J. Sieben	Commissioner
John A. Tuma	Commissioner

IN THE MATTER OF XCEL ENERGY’S  
RENEWABLE CONNECT PROGRAM

DOCKET NO. E002-19-33

**COMMENTS OF SUNSHARE, LLC,  
SUNRISE ENERGY VENTURES LLC,  
AND SOLARSTONE PARTNERS, LLC**

**Introduction**

Sunshare, LLC, Sunrise Energy Ventures, LLC and Solarstone Partners, LLC (“CSG Providers”) submit the following comments with respect to Xcel Energy’s petition for approval of its Renewable\*Connect program.

The CSG Providers generally applaud Xcel’s interest in expanding the renewables market in Minnesota by making it easier for retail customers to purchase solar and other renewable energy directly. But Renewable\*Connect essentially allows Xcel, as a monopoly utility, to disrupt if not end the CSG market for third party providers by providing Xcel an enormous and anti-competitive advantage through a program that represents a “complicated” but otherwise well-dressed end run around the restrictions imposed on the Minnesota community solar garden market. While Renewable\*Connect and Solar\*Rewards Community solar products represent essentially the same to a customer – offsite solar products that can hedge against customers’ electricity rates and open access

to solar energy to all customers – Renewable\*Connect provides Xcel a massively larger advantage in economies of scale, unlimited statewide sales potential not limited by artificial county boundaries, utility marketing via existing ratepayer funded communication channels, lower development and interconnection costs, and full access to information on grid interconnection points. Because these advantages are not available to the CSG Providers and other private providers, Renewable\*Connect represents a wholly unfair and anti-competitive offering. As a result, Renewable\*Connect will create a patently unfair playing field that will undoubtedly negatively affect the state’s CSG market, and ultimately thereby harm, not help consumers. Accordingly, the CSG Providers respectfully ask that the Commission defer action on this matter at this time. Instead, we ask that the Commission take a bit more time to study this matter through designation of a lead commissioner and/or referral to mediation overseen by a neutral for the purpose of developing a more complete record on which the Commission may make a decision in the public’s interest.

#### **COMMENTS**

The CSG Providers market CSG products to homeowners, renters, small and large businesses, municipalities, schools, and low-income residents. Essentially anyone with an Xcel utility bill can and does participate in one or more of our CSGs. To date, The CSG Providers have approximately 264 MW of CSG operating in the state, 42 MW planned or under construction, representing more than \$612M of private investment in the state.

As we understand it, the Renewable Connect program would essentially give Xcel authority to construct what is in effect one or more large-scale community solar gardens,

and to offer customers the opportunity to subscribe to a portion of the generation from that facility and be credited against their individual energy bills. Nor is relevant that the current offering represents a “premium.” That Renewable\*Connect may currently be a premium product does not alleviate anti-competitive concerns regarding geographic siting, financing advantages, marketing advantages, and customer enrollment advantages. Additionally, it is our understanding that Xcel has not committed to ensuring that Renewable\*Connect will, in fact, always be a premium product. In similar proceedings in Colorado, Xcel acknowledged that if the price of natural gas increases, the energy credit could increase to a sufficient level such that Solar\*Connect could in fact be a discount product.

At its core, the program essentially offers a hedged solar product to consumers with an offsite resource, tied to a specific amount of solar capacity. Minnesota’s community solar program is supposed to be exactly the same thing – an offsite, hedged solar product that opens solar energy access to all. An overview comparison shows the key similarities in the two programs:

	Renewable*Connect	Solar*Rewards Community
SIMILARITIES		
Product	✓ Off-site solar that allows customers to hedge against electricity rates	✓ Off-site solar that allows customers to hedge against electricity rates
Target Audience	✓ Any customer with an electricity bill interested in solar energy	✓ Any customer with an electricity bill interested in solar energy

DIFFERENCES		
Size of Community Solar Garden	✓ Unlimited MW	1 MW
Cost to build system	✓ \$1.00/W for 50 MW system	\$2.00/W for <1MW system
Geographic area served by Community Solar Garden dedicated facility	✓ Unlimited – All of Xcel Energy’s service territory	Same and adjacent counties
Financing	✓ Utility-backed	Customer-backed
Customer enrollment process	✓ Instant, 24/7 sign-up, customers can sign-up using My Account portal	Requires customers to sign 3 documents; can take 20+ days to process customer enrollment
Marketing through Xcel’s key account management teams?	✓ Yes	No

As highlighted, the CSG Providers and other third party providers are subject to the following restrictions: (1) a CSG cannot be greater than one megawatt, nor importantly and at Xcel’s insistence, can there be any co-location for purposes of economies of scale, (2) the CSG must be geographically located in the same or adjacent county as the customer, thus drastically reducing options for the best site(s), (3) no single customer may subscribe to more than 40 percent of any one CSG, creating artificial and unnecessarily complicated barriers, (4) other restrictions imposed on the CSG Providers and other third-party developers such as the protracted interconnection process replete with errors and delays

that have yet to be fully resolved. Xcel, however, as a monopoly, would be subject to none of these restrictions with its proposed Renewable\*Connect program.

Under the community solar garden statute, Xcel is eligible to be a CSG provider.<sup>1</sup> Importantly, however, under the CSG statute, any CSG program approved by the commission *must*, among other things, “not apply different requirements to utility and nonutility community solar garden facilities.” Likewise, while it is axiomatic, the Commission’s primary responsibility is to ensure that all rates and tariff offerings of public utilities “not be unreasonably preferential, unreasonably prejudicial, or discriminatory,” and where there is *any* doubt as to the tariff’s reasonableness, such doubt must be resolved in favor of the consumer.”<sup>2</sup>

The CSG Providers do not wish to needlessly restrict Xcel. We are in favor of programs that create opportunities for more renewable energy. Instead, we simply advocate for a level playing field – as much as possible – to compete with a regulated monopoly. This means, for instance, that facility size and geographic restrictions of the Renewable\*Connect and Solar\*Rewards Community products be the same. We submit that a more level playing field can be accomplished through the following specific recommendations:

- Require that any Renewable\*Connect capacity be subject to the requirements, rules and restrictions of the Community Solar Garden statute as the legislation contemplates.

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<sup>1</sup> Under Minn. Stat. § 216B.1641(a), the “owner of the community solar garden may be a public utility . . . .”

<sup>2</sup> Minn. Stat. § 216B.03.

- If Xcel wants to build utility scale solar gardens, the Commission should provide policy guidance to assist the legislature to likewise allow utility scale solar gardens to be built by other providers in the industry or otherwise rescind the one megawatt co-location rule adopted by the Commission in its August 6, 2014 order,<sup>3</sup> and require Xcel's Renewable\*Connect proposal to be delayed pending legislative approval or pending further development of the record as recommended below; *or*
- Deny the tariff offering if a level competitive playing field cannot be achieved.

As CSG providers, we generally would otherwise be anxious for the Commission to adopt measures that provide consumers with greater options to purchase renewable energy. The reality here, however, is that there is no overriding or compelling reason for the Commission to adopt this offering at this time without further investigation into its likely anti-competitive effects. Instead, we suggest a more measured approach. Under Minn. Stat. § 216A.03, subd. 9, the Commission may designate a commissioner to be the lead commissioner for any particular docket, or for a particular subject area. Under the statute, the lead commissioner is authorized to exercise the commission's authority to develop an evidentiary record for a proceeding, including holding hearings and requesting additional written or oral comments, and in making a recommendation to the full Commission. While we recognize the Commission seldom avails itself of the statute, the statute is nonetheless a good one. And this docket presents an excellent opportunity for the Commission to develop a more complete record on which to make a more informed decision, and one that will not unduly burden the Commission overall, nor result in any undue delay in the adoption of Renewable\*Connect. In any event, because there is no

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<sup>3</sup> MPUC Order Adopting Partial Settlement Agreement as Modified, August 6, 2014, Docket E-002/M-13-867.

compelling timeline under which the tariff must be approved, false haste should not override the need to ensure that the program is free of anti-competitive attributes, harmful to both consumers and the CSG solar market. Similarly, the Commission could likewise appoint an outside mediator or neutral party as it has in past dockets, including in Docket 13-867.

Date: March 13, 2019

Respectfully submitted,

Sunshare, LLC  
Sunrise Energy Ventures LLC  
Solarstone Partners, LLC