

The Commission met on **Thursday, July 21, 2016**, with Chair Heydinger and Commissioners Lange, Lipschultz, Schuerger, and Tuma present.

The following matter was taken up by the Commission:

ENERGY AGENDA

E-002/M-13-867

In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of Its Proposed Community Solar Garden Program

Commissioner Schuerger moved to take the following actions:

1. Take no action to modify the structure of the applicable retail rate (ARR) at this time.
2. Take no action to adopt a bill-credit-rate adder for the ARR at this time.
3. Approve the value-of-solar (VOS) rate for use as the community solar garden (CSG) bill-credit rate for all CSG applications filed after December 31, 2016. Require Xcel to incorporate the following adjustments when calculating the VOS rate for solar gardens:
 - a. Adopt a fixed inflation escalator by setting the VOS inflation at the Consumer Price Index (CPI) rate in the VOS Methodology.
 - b. Use weather-normalized historical peak load data in the calculation of avoided distribution capacity.
4. Require Xcel to file an updated VOS rate for DOC-compliance review, to be effective for the following calendar year (the 2017 VOS rate), by October 1 2016, and by October 1 each subsequent year.
5. Require Xcel, starting with the 2018 VOS rate to be filed by October 1 2017, to use location-specific avoided costs in the calculation of avoided distribution capacity.
6. Find that the VOS rate that is in place at the time an application is deemed complete will be the subscriber bill-credit rate for the term of that CSG.
7. Maintain the 1 MW limit on co-located CSGs.
8. Remove the limit on material upgrades for new applications filed after the date of the final order in this matter.

The motion passed 5–0.

Commissioner Schuerger moved to request that the Department consider and report to the Commission by March 1, 2017, whether the VOS rate for use as a CSG bill credit rate should be adjusted with a positive or negative adder, for any of the following:

- a. Brownfield sites or landfills
- b. Public facilities
- c. Commercial or industrial rooftops
- d. Prime agricultural land
- e. “Directly in the communities [the solar gardens] serve”
- f. Residential subscribers
- g. Low-income residential subscribers
- h. Others the Department identifies as warranting modification or an adder

The motion passed 5–0.

Commissioner Tuma moved to require Xcel to modify its tariff as follows:

1. Revise Section 9, Sheet No. 67 as follows:

The applicant shall ~~complete~~ achieve Mechanical Completion of the project within twenty-four (24) months from the later of August 6, 2015 or the Company finding that the application is complete Expedited Ready. Failure of the Company to meet the timeframes for completing engineering studies and interconnection cost estimates set forth in the Commission’s September 28, 2004 Order in Docket No. E999/CI-01-1023 as implemented in Section 10 of the Company’s tariff will extend this twenty-four (24) month period on a day-for-day basis. Day-for-day extensions will also be applied to the extent the application is the subject of an Independent Engineer review (Section 9, Sheets 68.11–68.13) or to the extent it is directly delayed as the result of an Independent Engineer review for another application in the same Study Queue. The Company shall provide, upon an applicants’ good-faith request, written confirmation of the then-current Mechanical Completion deadline for an application under this section, accounting for applicable day-for-day extensions.

The 24-month period shall be tolled day-for-day for a project application that, in the Company’s determination, has suffered a Force Majeure event prior to Mechanical Completion. For purposes of this section, Force Majeure means: any act of God, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or any other cause beyond a Party’s control, except that a local-government moratorium to issuing a permit may extend the 24-month period for no more than an additional 6 months. Failure to seek a permit, delay in seeking a permit, or permit-processing time not subject to a moratorium is not included in this extension. An event of Force Majeure does not include an act of negligence or intentional wrongdoing.

~~If the project is not completed~~ If Mechanical Completion is not achieved within this twenty-four (24) month period (including any day-for-day extension referenced above), then the Company will return the deposit and the garden operator, if it still intends to proceed with the project, will need to reapply and submit a new application fee and deposit. Additionally, in this situation, if applicant already has an executed Interconnection Agreement, then that Interconnection Agreement may not be used for a project as part of the Solar*Rewards Community program, and such project shall immediately lose its queue position in the interconnection queue.

2. Insert the following paragraph at Section 9, Sheet No. 68:

i. “Mechanical Completion” means completion by the Applicant of each of the nine items the Applicant’s personnel is required to complete in Step 8 of Section 10 (at Sheet No. 98).

3. Revise Section 9, Sheet No. 76 as follows:

The Community Solar Garden Operator shall ~~complete~~ achieve Mechanical Completion of the project and the Date of Commercial Operation shall be within the later of twenty-four (24) months from August 6, 2015 or the Company finding that the application is ~~complete~~ Expedited Ready. Failure of the Company to meet the timeframes for completing engineering studies and interconnection cost estimates set forth in the Commission’s September 28, 2004 Order in Docket No. E999/CI-01-1023 as implemented in Section 10 of the Company’s rate book will extend this twenty-four (24) month period on a day-for-day basis. Day-for-day extensions will also be applied to the extent the application is the subject of an Independent Engineer review (Section 9, Sheets 68.11–68.13) or to the extent it is directly delayed as the result of an Independent Engineer review for another application in the same Study Queue.

The 24-month period shall be tolled day-for-day for a project application that, in the Company’s determination, has suffered a Force Majeure event prior to Mechanical Completion. For purposes of this section, Force Majeure means: any act of God, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or any other cause beyond a Party’s control, except that a local-government moratorium to issuing a permit may extend the 24-month period for no more than an additional 6 months. Failure to seek a permit, delay in seeking a permit, or permit-processing time not subject to a moratorium is not included in this extension. An event of Force Majeure does not include an act of negligence or intentional wrongdoing.

~~If the Date of Commercial Operation is not~~ If Mechanical Completion is not achieved within this twenty-four (24) month period (including any day-for-day extension referenced above), then the Company will return the Deposit and the Community Solar Garden Operator, if it still intends to proceed with the project, will need to reapply and submit a new application fee and deposit.

4. Add the following language at Section 9, Sheet No. 68.16:

15. Cancellation for failure to Timely Become Expedited Ready

An applicant must fulfill all of the requirements to become Expedited Ready by the later of the following:

1. 60 days from Initial Application Completeness (Section 9, Sheet 67, step (i), being “Deemed Complete”).
2. 60 days from July 21, 2016.
3. When applicant has appealed to the Department a Company Co-Location Notice, 60 days from the later of the Department ruling on the issue, or if a party appeals the Department ruling, 60 days from the Commission order addressing that Co-Location Notice.

Any applicant failing to become Expedited Ready within this timeframe will be provided written notice, then cancelled automatically without further notice unless cured within 10 business days of notice.

The motion passed 5–0.

Commissioner Lipschultz moved to take the following actions:

1. Adopt the NREL PVWatts calculator as an approved source of estimating system production for solar energy.
2. Adopt Xcel’s Official Guidelines and review requirements for the branding and use of Xcel’s logo in all developer marketing and marketing material. These guidelines and requirements were presented to the stakeholder workgroup at the March 8, 2016 meeting and attached to the minutes.
3. Require garden operators to comply with all current Federal Trade Commission (FTC) regulations and other federal regulations on green claims.
4. Require Xcel to annually publish the annual average historic bill-credit rate increases and make that information publically available.

5. Adopt the two CERTs Disclosure Checklists (“prepaid” and “pay-as-you-go” models) adopted by the Xcel Stakeholder Workgroup on June 8, 2016, and require garden operators to include one of the two checklists in all subscriber contracts going forward.

6. Direct garden operators to include the following language in subscriber contracts:

The Minnesota Public Utilities Commission’s (MPUC) Consumer Affairs Office, also known as CAO, provides information and dispute resolution assistance to consumers. MPUC’s mediators are available Monday through Friday from 9:00 a.m. to 4:00 p.m. to answer any questions you may have before completing and submitting the complaint form. Please email consumer.puc@state.mn.us with your inquiry or call 651.296.0406 or 1.800.657.3782.

7. Order Xcel to require attestation of compliance in the CSG Annual Reports filed by garden operators (described in Section 9, Tariff Sheet 77).

Commissioner Lipschultz withdrew his motion.

Commissioner Lipschultz moved to take the following actions:

1. Require Xcel to develop a community-solar-garden proposal or proposals specifically for low-income customers applying LIHEAP eligibility standards.
2. Require the Company to file the proposal or proposals by March 1, 2017.
3. Require that any proposals by other parties to enhance access to community solar gardens for low-income customers be filed by the same date.

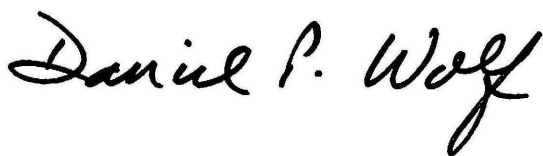
The motion passed 5–0.

Commissioner Tuma moved to require Xcel to file, within 30 days of the order in this matter, updated tariff sheets reflecting the Commission’s decisions.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: September 21, 2016



Daniel P. Wolf, Executive Secretary