



Request for City Council Committee Action from the Department of City Coordinator

Date: October 31, 2013

To: The Honorable Elizabeth Glidden, Chair, Intergovernmental Relations Committee

Subject: Submission of Comments to PUC regarding Xcel Energy's Proposed Solar Garden program

Recommendation: Authorize submission of comments to the Minnesota Public Utilities Commission (PUC) regarding Xcel Energy's plan for a Community Solar Garden program (Docket No E-002/M-13-867)

Previous Directives:

September 20, 2013: Directed staff to submit comments to the Minnesota Public Utilities Commission to direct Xcel Energy to include in its 2014 Resource Plan a timeline for replacing Sherco coal plant's units 1 and 2 with clean energy (Docket E002/RP-13-368)

June 28, 2013: Directed staff to submit comments to state regarding Xcel Energy's Annual Report and Petition Service Quality Performance including Smart Grid report (Docket E002/M-13-255)

July 9, 2011: REE support to submit comments to Minnesota Dept. of Commerce related to Xcel Energy's proposed 2013-2015 Triennial Conservation Improvement Plan focused on eliminating Solar Rewards

Department Information

Prepared by: Gayle Prest, Sustainability Director Approved by: Paul Aasen, City Coordinator Presenters in Committee: Gayle Prest
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Financial Impact

- No financial impact

Supporting Information

Pursuant to legislation passed last year (Minn.Stat. 216B.1641) Xcel was required to file a plan with the Minnesota Public Utilities Commission (PUC) by September 30, 2013 to operate a community solar program (CSG). Many of the terms and conditions are defined in statute. The initial comment period closes November 6, 2013 and the reply comment period closes December 6, 2013.

The community solar gardens concept offers a new renewable energy option for residents, businesses and nonprofits that are not able because of physical or financial limits to place solar on their property. Basically, community solar gardens allow energy users to purchase

or lease subscriptions at a central solar installation and received a monthly bill credit proportional to their subscription size. They can be either a roof mounted or ground mounted systems. Larger scale systems tend to be more efficient and lower cost. Xcel already operates a similar program in Colorado.

Statutory Requirements:

- Each CSG must have a minimum of 5 subscribers
- A subscription can't be more than 120% of their average annual electric consumption
- No single subscriber can claim more than 40% interest
- Size of the CSG can range from 10 kW – 1 megawatt
- CSG must be located within the same county or contiguous county as the subscribers

Community solar gardens under 40 kW in size will be eligible for the state's Made in Minnesota solar bonus program currently under development. If it is less than 20 kW in size it would be eligible for Xcel's new proposed solar incentive program.

Solar industry has been very engaged in reviewing the proposed CSG plan. Council Member Elizabeth Glidden testified on October 23 before the Minnesota House of Representative's Energy Policy Commission on some initial concerns.

City Letter

The City's draft comments to the Public Utility Commission are consistent with many of the comments proposed by industry stakeholders and primarily centers around recommending elimination of proposed cap, the many program fees to be charged by Xcel and the proposed rates paid by Xcel to the subscribers.

Submitting comments is consistent with the Minneapolis Climate Action Plan's goals to reduce greenhouse gas emissions and increase local renewable energy (passed June 2013), the ThInc Green Initiative's green jobs goals and the Energy Pathways/Xcel's Energy franchise agreement discussions underway.