



Minneapolis
City of Lakes

**Office of the
City Coordinator**

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DRAFT October 29

November 3, 2013

–Via Electronic Filing–

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

Re: COMMENTS ON XCEL ENERGY’S PLAN FOR A COMMUNITY SOLAR GARDEN PROGRAM DOCKET NO E-002/M-13-867

Dear Dr. Haar:

The Minneapolis City Council at their November 1, 2013 meeting authorized staff to file these comments on behalf of the City regarding Xcel Energy’s plan for a Community Solar Garden program (CSG). We are supporting the comments of the many solar advocates who have also submitted comments in much greater detail.

The City of Minneapolis recently adopted a Climate Action Plan (Plan) to meet our climate protection goals which are similar to the goals established by the State of Minnesota in the Next Generation Energy Act. The Plan includes very aggressive goals for energy efficiency. It also sets aggressive goals for deploying renewable energy and other strategies to clean our energy supply. Engaging our energy utilities and state government are key strategies identified in the Plan. Xcel Energy recently committed in writing to helping the City achieve these goals which includes reducing citywide greenhouse gas emissions 15% by 2015 and 30% by 2025 and increasing local renewables by 10%.

- 1) The proposed bill rate compensation is inadequate for many reasons, including:
 - The initial “applicable retail rate” is about 20% lower than current electricity charges. For the City-owned buildings’ standard commercial accounts, we are paying between \$0.10 - \$0.12/kWh in the summer months for just the kWh charge, the fuel charge, and the demand charge.
 - The initial “applicable retail rate” should include an inflation adjustor similar to other Xcel tariffs that have a 2.5% annual rate adjustment.
 - Solar garden operators should retain SRECS.
 - Xcel Energy must provide compensation in some form for annual “true-ups” and unsubscribed solar that is fair, reasonable and consistent with the intent of the original legislation.
 - A more robust conversation is needed to determine if additional incentives should be added to transmission/distribution “hot spots.”

- 2) The 10 megawatt annual cap and the 2.5 megawatt per quarter cap for the first 24 months of implementation will constrain the market and should be removed. Based on a similar concept with implementing Xcel’s Solar Rewards program we know that these caps undermine the solar market and place constraints on those developers trying to take advantage of federal tax credits set to expire. The proposed queue system could serve to exclude the sort of small- and mid-sized community solar projects (e.g., under 500 kW) that could fit on rooftops in Minneapolis.



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- 3) The 5-7 different fees paid in advance – no matter the size of the system is neither fair nor reasonable.
- 4) Solar developers should receive interest, for any escrow and/or advance deposit fees associated with the Xcel Energy program.
- 5) Xcel Energy is to be applauded for stating in their filing that they plan to upgrade and provide adequate resources and staffing to manage the community solar garden program. This was not the case for their previous management of solar programs.

The City of Minneapolis urges the PUC take these comments under consideration. Please contact Gayle Prest, City of Minneapolis Sustainability Director at gayle.prest@minneapolismn.gov or 612 673 2931 if you have any questions regarding this filing.

Sincerely,

Paul Aasen,
City Coordinator