



Docket No. M-13-867

January 13<sup>th</sup>, 2017

**Comments of Cooperative Energy Futures in Response to Department of Commerce Comment Requests on Potential Adders/Subtractors to the Solar\* Rewards Community Value of Solar**

Cooperative Energy Futures (CEF) is a member-owned cooperative developer of community solar gardens focused on creating access to community solar that can generate substantial cost reductions and energy cost stability for residential and low-income solar subscribers. CEF has received the comment requests submitted by Sue Pierce at the MN Department of Commerce from December 15<sup>th</sup>, 2016 and December 28<sup>th</sup>, 2016 and is including the attached in-depth response to the questions identified in that information request. This detailed response includes detailed information about our projects, development approach, and costs, and therefore is marked as Trade Secret, along with an attached Trade Secret financial model.

In summary, and as substantiated in our deeper responses, Cooperative Energy Futures supports the development of a Residential adder around \$0.025/kWh, and the development of an additional Low-Income adder (that would stack with the Residential adder) of \$0.0125/kWh, which we see as necessary to creating a community solar garden industry that is accessible to a broad range of subscribers as required by state law. We also see a strong value to the grid, and to the compatibility of solar garden development with other uses to encourage solar gardens on roof-tops and in close association with load. We therefore support an adder for solar gardens on roof-tops of \$0.015/kWh. We also encourage the Department of Commerce and the Public Utilities Commission to closely evaluate the methods that will be used starting with the 2018 VOS to base the Avoided Distribution Capacity Costs on location-specific data to determine whether that revision of the VOS method will effectively capture the location-specific benefits of solar gardens in ideal locations. Finally, we encourage the Department and the Commission to evaluate the value of solar gardens that maintain community ownership and grow local contractors and jobs for the additional economic value it provides to the local economy and consider an adder for projects that meet these local economic development goals.

Regardless of the adders that are ultimately put into place, we advocate for universal application of adders that does not favor out-of-state developers or create substantial financing uncertainty. We support a regular review process to adjust adders over time that provides significant advance notice of changes and makes modifications in a gradual fashion to avoid creating boom and bust cycles of community solar development. We appreciate the invitation to provide input on this key issue on the future of Minnesota's community solar garden development.

Sincerely,

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