

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

121 7th Place East, Suite 350
St. Paul, MN 55101-2147

In the Matter of Xcel Energy's Plan for a
Community Solar Garden Program Pursuant to
MINN. STAT. § 216B.1641

PUC Docket No. E-002/M-13-867

PETITION FOR EXPEDITED RELIEF

An ad hoc community of solar businesses (collectively, the "Solar Garden Community" or "SGC"), all with invested interests in the success of the community solar garden program in Minnesota ("CSG Program"), files this petition (the "Petition") for expedited relief in response to the supplemental comments and notice filed by Xcel Energy on April 28, 2015 (the "Supplemental Comments").

I. INTRODUCTION

In the Supplemental Comments, Xcel Energy asserts that "within 31 days of this filing, all projects which have proposed co-located gardens with an aggregate capacity greater than 1 MW will be scaled to 1 MW. New or existing applications which propose projects that individually or in aggregate exceed 1 MW will not advance."¹ The actions Xcel Energy proposes would decimate the CSG Program and potentially render long-lasting and far-reaching concerns over an unstable regulatory market in Minnesota. Furthermore, the position is entirely inconsistent with Xcel Energy's prior public statements, both to the Commission and the general public. To be sure, Xcel Energy's representative acknowledged during a public hearing on August 7, 2014, that "the structure of the program does allow someone to find a large parcel of land and put several 1 MW projects next to each other..."² Based on significant deliberation on these issues in the docket, the involvement of Xcel Energy in the process, and express Commission Orders allowing siting gardens in close proximity, the SGC members have invested

¹ *Supplemental Comments*, at page 3 (emphasis added).

² Audio Recording of Hearing, available at:

http://minnesotapuc.granicus.com/MediaPlayer.php?view_id=2&clip_id=224; at approximately 2:25:45.

The SGC has requested a full transcript of the hearing and reserves the right to further supplement the record on this issue.

millions of dollars developing projects under Xcel Energy's CSG Tariff as formed. The SGC has no choice but to request expedited relief to preclude Xcel Energy from taking the actions proposed in the Supplemental Comment - "within 31 days" could be today, which may lead to irreversible damages to SGC members. The SGC emphasizes that this Petition is limited to requesting a Commission ruling on the previously-determined ability of solar developers to aggregate Community Solar Garden Sites under the CSG Program. Other issues currently pending before the Commission regarding the CSG Program can and should wait for resolution until the Commission's June hearing.

II. ANALYSIS

A. **Expedited Relief is Warranted to Enforce the Clear and Unambiguous Terms of the Commission's Prior Order**

There is no statutory provision establishing an explicit timeframe for Commission action on this matter. The SGC is not seeking further action on a previous order to rescind, alter, or amend that order under section 216B.25 of the Minnesota Statutes because, as explained in detail below, the Commission's prior orders have been clear. We are somewhat in uncharted territory because we have not seen a utility flagrantly disregard the clear terms of a Commission order. It appears that Xcel Energy's proposed actions in the Supplemental Comments would be a violation of the Commission's order(s) and could be a matter that would either be enforced by the Commissioner of Commerce under section 216A.07 subd. 2 of the Minnesota Statutes or referred to the Office of the Attorney General for enforcement under section 216B.54 of the Minnesota Statutes. The SGC sincerely hopes this matter doesn't proceed down either path.

Instead, this Petition simply asks the Commission to issue an order putting Xcel Energy on notice that Xcel Energy's proposed action in the Supplemental Comments would be in violation of the clear and unambiguous terms of its order dated September 17, 2014, in this docket, approving the CSG Program (the "CSG Program Approval Order"), and that any violations thereof will be referred for enforcement. Therefore, the Commission is only bound by the general notice requirement under Rule 7829.2800, which states "Matters may come before the commission only on ten days notice to the parties and those persons on the official service

list. Under exigent circumstances, the executive secretary shall reduce the ten-day notice period.”³ Given that Xcel could take action as early as today, and that such action could have lasting ramifications, expedited relief is necessary.⁴

The Minnesota Supreme Court recently interpreted the definition of “exigent circumstances.” There, the court stated

“Exigent circumstances” is defined as “[a] situation that demands unusual or immediate action and that may allow people to circumvent usual procedures.” *Black’s Law Dictionary* 227 (9th ed. 2009). Similarly, dictionary definitions of exigent include “[r]equiring immediate action” and “[r]equiring immediate aid or action.” *The American Heritage Dictionary of the English Language* 622 (5th ed. 2011); *Merriam-Webster’s Collegiate Dictionary* 406 (10th ed. 2001). Our case law is consistent with these definitions. We have said that the term “‘exigent’ bespeaks urgency or emergency.”⁵

The significant and potentially irreversible harm developers would incur as a result of Xcel’s proposed actions and the short timeline in which Xcel Energy threatens to take such action give rise to exigent circumstances - the Commission’s immediate enforcement of the CSG Program Plan Approval Order is an emergency. As previously explained by the SGC, its members have relied on the current structure of the CSG Program and the Commission’s orders, investing significant amounts of human and financial resources developing projects complying with the CSG Program. If CSG applications and the corresponding CSG projects filed by SGC members are eliminated, the SGC members could be irreparably harmed. While the harm to SGC members is relatively clear, the chilling effect the actions would have on solar development in Minnesota is unknown but would certainly signal to the industry and financing institutions that Minnesota is not a stable regulatory environment in which to invest. The SGC therefore requests immediate action from the Commission to put Xcel Energy on notice that Xcel Energy’s

³ MINN. R. 7829.2800. Furthermore, taking action pursuant to SGC’s Petition is not a proceeding requiring written submissions - facts are not at issue and the record leading up to the Commission’s prior determination is full and the matter has been resolved. See MINN. R. 7829.1200.

⁴ MINN. R. 7829.3100 (permitting the Commission to vary any applicable time periods “at the request of a person for good cause shown”).

⁵ *In re Minn. Power for Auth. to Increase Rates for Elec. Serv.*, 838 N.W.2d 747, 757-758 (Minn. 2013). Although this case interpreted the phrase as it existed under 216B.16 subd. 3 of the Minnesota Statutes, the same plain language interpretation should apply.

proposed action in the Supplemental Comments would be in violation of the clear and unambiguous terms of the CSG Program Approval Order, and that any violation thereof will be referred for enforcement. The SGC's legal analysis to support this action appears below.

B. The CSG Program Approval Order and Xcel Energy's CSG Tariff Explicitly Permit Multiple Community Solar Garden Sites to be Situated in Close Proximity

In the CSG Program Approval Order the Commission took the following action:

The Commission concurs with Fresh Energy that the definition of "community solar garden site" should expressly state that solar gardens may be sited near each other in order to share distribution infrastructure. This clarification will allow solar gardens to be built more cost-effectively and is consistent with the statutory mandate that the program reasonably allow for the creation, financing, and accessibility of solar gardens.

The Commission also agrees with SunEdison that replacing the term "point of interconnection" with "point of common coupling," a term that is defined and used elsewhere in Xcel's tariffs, will add clarity to the definition of "community solar garden site."

Accordingly, the Commission will require Xcel to replace the current definition of "community solar garden site" with the following definition:

"Community Solar Garden Site" is the location of the single point of common coupling located at the production meter for the Community Solar Garden associated with the parcel or parcels of real property on which the PV System will be constructed and located, including any easements, rights of way, and other real-estate interests reasonably necessary to construct, operate, and maintain the garden. Multiple Community Solar Garden Sites may be situated in close proximity to one another in order to share in distribution infrastructure.⁶

Xcel Energy complied with the terms of the CSG Program Approval Order by amending the definition of Community Solar Garden Site.⁷ Importantly, the term Community Solar Garden is

⁶ *The CSG Program Approval Order*, at pgs. 14-15 (emphasis added).

⁷ Xcel Energy Electric Rate Book, Section 9, Original Sheet No. 70 (The "Xcel CSG Tariff"). PDF copy available here:

http://www.xcelenergy.com/staticfiles/xcel/Regulatory/Regulatory%20PDFs/rates/MN/Me_Section_9.pdf

defined elsewhere in the Xcel CSG Tariff, which includes a reference to nameplate capacity and location.⁸ The distinction between Community Solar Garden and Community Solar Garden site is both critical and clear. Under the Xcel CSG Tariff, and consistent with state law, a Community Solar Garden is constrained by the statutory 1 MW limitation.⁹ Under the Xcel CSG Tariff, Community Solar Garden Site is not similarly constrained. A Community Solar Garden Site is different. The Community Solar Garden Site includes the point of common coupling, production meter, real estate interests, etc., and “Multiple Community Solar Garden Sites may be situated in close proximity to one another.” There is no limitation on the number of Community Solar Garden Sites that may be situated in close proximity to each other under either the Xcel CSG Tariff or State law.

Xcel Energy had the opportunity to petition for reconsideration of the CSG Program Approval Order. It failed to do so. This is not surprising because Xcel Energy helped develop the definition of Community Solar Garden Site. As the SGC noted in a prior comment, Xcel Energy worked with a solar developer and brought the proposed definition to the Commission to seek its approval.¹⁰ The Supplemental Comments are therefore nothing more than an unlawful collateral attack on a prior Commission order.

C. Minnesota Law Does Not Preclude Construction of Multiple Community Solar Garden Sites in Close Proximity

As Xcel mentions, MINN. STAT. §216B.1641 defines a CSG to be a facility limited to 1 MW in generating capacity. As has been the seemingly common practice of the utility in this docket,¹¹ Xcel focuses on this provision to the exclusion of all other germane and express elements of the same statute that the Commission must also give effect to. The CSG statute could hardly be more clear that there be no limit to the cumulative generating capacity of CSGs:

⁸ The Xcel CSG Tariff, Original Sheet No. 69.

⁹ MINN. STAT. § 216B.1641 subd. (b) (“A solar garden is a facility that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription. The solar garden must have a nameplate capacity of no more than one megawatt.”)

¹⁰ Email communication from counsel to Commission Staff, attached as Ex. A.

¹¹ *In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of Its Proposed Community Solar Garden Program*, Docket No. E-002/M-13-867, ORDER REJECTING XCEL’S SOLAR-GARDEN TARIFF FILING AND REQUIRING THE COMPANY TO FILE A REVISED SOLAR-GARDEN PLAN, pg. 7 (Apr. 7, 2014) (“April 2014 CSG Order”) (rejecting Xcel Energy’s proposal to cap the program).

There shall be no limitation on the number or cumulative generating capacity of community solar garden facilities other than the limitations imposed under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.¹²

Further yet, the statute requires the Commission to only approve a program that would reasonably allow for the creation, financing, and accessibility of community solar gardens. Likewise the Commission must determine the program to be in the public interest. In light of a statute that gives the Commission a number of directives, the SGC understands the Commission to have carefully weighed program elements that would best meet all of the above.

Under the current program, each CSG is sized at no more than 1MW, which gives effect to the statutory requirements governing the structure of the CSG itself and corresponding subscriptions. Indeed, the CSG statute states:

(b) A solar garden is a facility that generates by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription. The solar garden must have a nameplate capacity of no more than one megawatt. Each subscription shall be sized to represent at least 200 watts of the community solar garden's generating capacity and to supply, when combined with other distributed generation resources serving the premises, no more than 120 percent of the average annual consumption of electricity by each subscriber at the premises to which the subscription is attributed.¹³

In addition, the Commission required Xcel Energy to include a statement in its tariff explaining that “Multiple Community Solar Garden Sites may be situated in close proximity to one another in order to share in distribution infrastructure.” The Commission concluded that the clarification will allow solar gardens to be built more cost-effectively consistent with the statutory mandate that the program reasonably allow for the creation, financing, and accessibility of solar gardens.¹⁴ As such the Commission was simply following its duty to, wherever possible, give effect to all of the provisions of a law.¹⁵ Nowhere in the CSG statute is there any indication

¹² MINN. STAT. § 216B.1641 subd. (a).

¹³ MINN. STAT. § 216B.1641 subd. (b).

¹⁴ *CSG Program Approval Order*, at 14.

¹⁵ MINN. STAT. §645.16

that 2, 4, 6, etc. Community Solar Garden Sites cannot be located on a single parcel of real estate or otherwise have to be separated by a certain distance. To the contrary it would be fairly surprising to find in a statute addressing the limitations on land or rooftops suitable for solar development, which would amount to a directive to use land less efficiently - an absurd and unreasonable result.¹⁶

D. The Prior Proceedings, Xcel’s Representations, and The CSG Program Approval Order All Permit Multiple Community Solar Garden Sites in Close Proximity

To be sure, reading into legislative “intent” is unnecessary because there is no ambiguity in the statute itself.¹⁷ Xcel Energy’s alternative statutory reading was not adopted in prior proceedings - in fact, Xcel Energy conceded the issue by August of 2014 - and no changes should be adopted at this point that would have any retroactive effect on the CSG Program. And as early as April 2014, the Commission stated its intent to maximize CSG development:

A capacity limit holds the potential to delay the growth of solar gardens and limit opportunities for subscribers to participate in the program. Allowing maximum garden development in the early years of the program is particularly critical to allow developers to take advantage of the federal Investment Tax Credit before it expires.¹⁸

Since issuance of the CSG Program Approval Order, Xcel Energy affirmatively represented in public that multiple 1 MW CSGs could be co-located on one parcel of real estate, emphasizing the technical aspects of interconnection over arbitrary real estate boundaries. Indeed, in its Frequently Asked Questions resource dated February 5, 2015, Xcel Energy states:

¹⁶ The SGC does not concede that the CSG Statute or prior Commission orders are ambiguous. But even if the Commission were to disagree, it could not apply a reading that would require inefficient use of land. Minnesota law specifically states: “In ascertaining the intention of the legislature the courts may be guided by the following presumptions: (1) the legislature does not intend a result that is absurd, impossible of execution, or unreasonable...” MINN. STAT. § 645.17.

¹⁷ Minnesota law states: “When the words of a law in their application to an existing situation are clear and free from all ambiguity, the letter of the law shall not be disregarded under the pretext of pursuing the spirit.” MINN. STAT. § 645.16. In other words, no statutory construction is necessary or permitted when the intention of the legislature is clearly manifested by plain, unambiguous statutory language. *In re Molly*, 712 N.W.2d 567, 571 (Minn. Ct. App. 2006) (citing *Phelps v. Commonwealth Land Title Ins. Co.*, 537 N.W.2d 271, 274 (Minn. 1995)).

¹⁸ *April 2014 CSG Order*, at pg. 7 (emphasis added).

15. Is there a limit to the Solar Garden Size?

The maximum solar garden system size is 1 MW AC. The system size is based on the sum of the inverter(s) maximum AC output. There is no limit to the number of solar gardens which can be placed on a property, but no single garden can exceed the 1 megawatt PV system cap. While there is no program restriction on multiple gardens in one area, there could be technical limitations that could require expensive distribution system upgrades.¹⁹

Compare that to language in Xcel Energy’s current Frequently Asked Questions resource, which simply states:

14. Is there a limit to the Solar Garden size?

The maximum solar garden system size is 1 MW AC. The system size is based on the sum of the inverter(s) maximum AC output.²⁰

Guidance on the interconnection process for CSGs sited in close proximity has also been removed. The same FAQ once explained that “Operators may notify Xcel Energy that they have more than 1 garden in close vicinity and request that those be studied together for the purpose of determining interconnection costs. The gardens must still have distinct points of common coupling and distinct Interconnection Agreements. If projects are studied together, the Section 10 timelines for the size of the overall study apply rather than the 1MW or under timelines.”²¹ The current version of the FAQ no longer includes the direction. At best, Xcel Energy’s prior comments and materials are evidence that Xcel Energy changed its position on co-location and now seeks to have the solar developers bear the significant losses associated with its change of mind.

III. CONCLUSION

The SGC respectfully asks the Commission to enforce its prior orders, issuing another order putting Xcel Energy on notice that Xcel Energy’s proposed actions in the Supplemental Comments would be a violation of the CSG Program Approval Order. Should Xcel Energy continue to violate the clear terms of the Commission’s orders, the Commission should further note that such violations will be referred to the Office of the Attorney General, under section 216B.54 of the Minnesota Statutes, or the Commissioner of Commerce under section 216A.07

¹⁹ Copy attached hereto as Exhibit B (emphasis added).

²⁰ See <http://www.xcelenergy.com/staticfiles/xcel/Marketing/Files/MN-SRC-FAQ.pdf>

²¹ See Exhibit B.

subd. 2 of the Minnesota Statutes. The issue of co-location was fully discussed in front of the Commission, Xcel previously agreed to the resolution, and the CSG Plan Approval Order carefully balances the Commission's duty to give effect to a statute with many express requirements. Allowing Xcel to blatantly defy the Commission's carefully considered orders as the utility threatens to do would result in irreparable harm to the members of the SGC and to the emerging Minnesota solar market as a whole. To the SGC members alone, Xcel's actions would yield tens of millions of dollars in damages even after repayment of the deposits and fees. If the Commission wishes to prospectively cap co-location of Community Solar Garden Sites, that would be a suitable decision item for the Commission's June hearing. Any such decision will necessarily require consideration of how any proposed cap would impact, for example, the creation, financing, and accessibility of community solar gardens. But the SGC emphasizes that any retroactive changes to the CSG Program will likely result in damages to SGC members and other solar developers. As such, we respectfully ask the Commission to take swift action that would avoid such an outcome.

Dated: April 29, 2015

Respectfully submitted,

STOEL RIVES LLP

/s/ Andrew P. Moratzka

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ATTORNEYS FOR THE SOLAR
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EXHIBIT A

From: [Moratzka, Andrew P.](#)
To: [Mackenzie, Susan \(PUC\) \(susan.mackenzie@state.mn.us\)](#); [Bahn, Andy \(PUC\) \(Andrew.Bahn@state.mn.us\)](#)
Cc: [Bergan, Sara E.](#); [Dan Rogers \(drogers@sunedison.com\)](#)
Subject: Revised Decision Alternatives
Date: Wednesday, August 06, 2014 6:01:01 PM
Attachments: [SunEdison Revised Decision Alternatives CSG Hearing August 7 2014.docx](#)

Sue/Andy-

Attached are SunEdison's proposed revised decision alternatives. I apologize for this taking so long. We had a productive call with Xcel this afternoon on the definition of Community Solar Garden Site and then exchanged a couple of e-mails afterward to come to agreement on that definition. Therefore, at least between SunEdison and Xcel, there is agreement on the revised definition of Community Solar Garden Site.

I believe the clarification to decision alternative C.3. reflects all parties' understanding, including Xcel. But I cannot say that for certain.

Our proposed revision to the definition of a subscriber is our attempt at a compromise. I do not believe Xcel agrees with our proposal. And I am not sure how other parties feel or if there will be other suggestions. We will be open to discuss the best way to arrive at a definition that comports with the CSG statute.

I hope this is helpful.

Thank you for all of your hard work on this docket. Truly a monumental effort.

See you tomorrow,

-Drew

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Docket No. E-002/M-13-867: Revised Decision Alternatives (SunEdison)

Staff Briefing Papers Part I: CSG Rate

C) Other Recommendations

C.3) Find that the CSG applicable retail rates and REC prices approved in the Commission's April 7, 2014 Order in the current docket will ~~continue to be~~ used for all CSG projects filing complete applications prior to the ~~until a future~~ date that the Commission issues an Order approving a VOS rate for CSGs.

Staff Briefing Papers Part II: CSG Compliance Filing

7) Definition of Community Solar Garden Site:

7.C) Require Xcel to revise the definition of "Community Solar Garden Site" as follows:

"Community Solar Garden Site" is the location of the single point of common coupling interconnection ~~interconnection~~ located at the production meter for the Community Solar Garden associated with the parcel or parcels of real property on which the PV System will be constructed and located, including any easements, rights of way, and other real-estate interests reasonably necessary to construct, operate, and maintain the garden. Multiple Community Solar Garden Sites may be situated in close proximity to one another in order to share distribution infrastructure.

13) Definition of "Subscriber"

13.A) Require Xcel to modify its definition of a "subscriber" in Tariff Sheet 72 to allow the subscriber to be any retail meter of an Xcel retail customer. Xcel may further clarify that multiple meters for the same retail customer and located on the same or contiguous parcels of land do not give rise to separate "subscribers."

EXHIBIT B

Solar*Rewards Community MN - Frequently Asked Questions

Questions for Garden Operators:

1. [What is the Application Deposit?](#)
2. [Can I drop off my Application Deposit to the Xcel Energy offices?](#)
3. [Why does Xcel Energy need proof of insurance? \(Solar Garden Operators Only\)](#)
4. [What is the REC payment and what is subscribed/unsubscribed energy?](#)
5. [Can PV systems on several parcels of land or property be tied into one garden and can gardens be outside of Xcel's service territory?](#)
6. [How are engineering and interconnection costs determined?](#)
7. [What are the requirements around the production meter?](#)
8. [Can I change my garden location at any time during the application process?](#)
9. [Can multiple gardens be in the same location?](#)
10. [How does the subscriber maintenance work for the 25 years of the contract?](#)
11. [Can a garden be installed on a site that already has an existing net metered PV system?](#)
12. [How do I add, delete, and manage subscribers in the application system?](#)
13. [What is the Generation Interconnection Application Fee Process?](#)
14. [How long do I have to complete the installation?](#)
15. [Is there is a limit to the Solar Garden Size?](#)
16. [Can a Garden Operator change names and contact information?](#)
17. [Where can I find the deposit interest rate?](#)
18. [Can Garden Operators apply for interconnection through section 10 of the tariff prior to the opening of the SRC application system?](#)
19. [How do I contact the Builders Call Line \(BCL\) to order an account and premise number?](#)
20. [What are the requirements around the data privacy \(Utility Consent to Disclose\) form? And can multiple premises be submitted on one consent form?](#)

21. [What are the 3 program types?](#)
22. [Where can I find more information associated with metering Solar*Rewards Community projects?](#)
23. [Where can I find Standards for Electric Installation and Use for 2014?](#)
24. [Where can I find the Interconnection Application?](#)
25. [When are the account and premise numbers required?](#)
26. [Where can a Garden be built?](#)

Questions for Subscribers:

27. [Who can participate in the Minnesota Solar Gardens?](#)
28. [What is the bill credit rate and what rate classes are eligible?](#)
29. [How is the Bill Credit Calculated and what is the timing?](#)
30. [How is the subscriber defined to determine the 40% rule?](#)
31. [How do you calculate the 120% rule? What about new construction or new owners/renters of a property?](#)
32. [What is the certificate of good standing requirement?](#)

1. What is the Application Deposit?

The Application Deposit is required for each application to secure a place in the first come first serve queue. The Deposit amount is \$100/kW for all programs. The deposit shall be refunded, with interest, within thirty (30) days after either the project is completed or the date when the Garden Operator informs the Company that it will no longer continue pursuing completion of the garden project, or if the project is not completed within the twenty four (24) month timeline (including day-for-day extensions) as set forth in the contract.

The Application Deposit be mailed to Xcel Energy or sent via wire transfer. Details on these processes are provided on the Application Deposit Form, which must be signed and uploaded to the application system prior to Xcel Energy receiving the funds. The deposit will be refunded with interest to the original provider within 2 months of the system reaching commercial operation. The deposit is returned in the same method it was received (either wire transfer or US Post) and we will contact the Garden Operator to ensure the proper wire or mailing address. More details can be found on the Application Deposit Form.

2. Can I drop off my Application Deposit to the Xcel Energy offices?

No. We will not accept deposit checks, or any other Solar*Rewards documents, that are hand delivered to our office or mailroom. Checks must be mailed (via USPS) and postmarked. Please mail a copy of the form with payment. Forms must also be uploaded to the application system.

3. Why does Xcel Energy need proof of insurance? (Solar Garden Operators Only)

Xcel Energy's regulations require that, as a condition to interconnection, the operator/owner of each system carry insurance with a combined single limit for bodily injury and property damage per occurrence of a specific minimum depending on system size. The amounts are as follows:

Systems less than 40 kW: \$300,000

Systems between 40 kW and 250 kW: \$1,000,000

Systems greater than 250 kW: \$2,000,000

We ask for proof of insurance to confirm compliance with this requirement and to ensure financial protection of both the customer and Xcel Energy. This requirement protects both parties if anyone were to get hurt while working on the meter, whether it is an Xcel Energy employee, neighbor, firefighter, or other individual. The insurance should be in the name of the Garden Operator and should list Xcel Energy as additionally insured. The general liability insurance required shall, by endorsement to the policy or policies, (a) include Xcel Energy as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Xcel Energy shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the payment of premium for such insurance; (d) provide for thirty (30) calendar days' written notice to Xcel Energy prior to cancellation, termination, alteration, or material change of such insurance; (e) the insurance shall state that coverage provided is primary and is not excess to or contributing with any insurance or self-insurance maintained by Xcel Energy. If the operator/owner Interconnection Customer is self-insured with an established record of self-insurance, there is an ability to self-insure subject to certain requirements.

4. What is the REC payment and what is subscribed/unsubscribed energy?

Depending on the election of the Garden Operator, gardens can receive a standard or enhanced bill credit. The Garden Operator makes this election on the web form when applying for the program. The Garden Operator must make the same election on the Standard Contract for Solar*Rewards Community. If the Garden Operator wishes to change their REC election, it must reapply (start over) to the program under the new REC election.

The enhanced bill credit provides a REC incentive which is included in the bill credit rate. The enhanced bill credit is the sum of the standard bill credit and the REC price. The standard bill credit is based on the applicable retail rate at the time of production, which is the full retail rate, including the energy charge, demand charge, customer charge and applicable riders, for the customer class applicable to the subscriber receiving the credit. The REC prices embedded within the Enhanced Bill Credit are fixed for the duration of the term of the contract and are fixed at the REC price in place at the time the garden has filed a completed application.

The enhanced bill credit rate is different depending upon the garden size being over or under 250 kW and customer class of the subscriber.

Subscribed energy is the portion of kWh production allocated to subscribers. (If 80 kW of a 100 kW garden is subscribed, then the subscribed energy payments to the subscribers will correspond to 80% of the total production).

Unsubscribed energy is that which does not have a subscriber. Unsubscribed energy does not receive a REC incentive. The Garden Operator will receive a bill credit for unsubscribed energy. Gardens less than 40 kW receive the average retail rate (Rate Code A50 rate found in tariff). Gardens greater than or equal to 40 kW receive the avoided cost (Rate Code A51 found in the tariff).

Range of Typical DG Interconnection Costs

DG Size Range

0 - <40 kW \$300 to \$10,000

40 - 250 kW \$500 to \$20,000

>250 – 1000 kW \$2,000 to \$150,000

For further information, you may view our interconnection tariff at this link:

http://www.xcelenergy.com/staticfiles/xcel/Regulatory/Regulatory%20PDFs/rates/MN/Me_Section_10.pdf

5. Can PV systems on several parcels of land or property be tied into one garden and can gardens be outside of Xcel's service territory?

Each garden must have one point of common coupling located at the production meter. The garden location is identified by the point of common coupling, so as long as that point is within Xcel service territory, other portions of the project can be outside of Xcel service territory.

6. How are engineering and interconnection costs determined?

Our metering and area engineers will review an applicant's line diagram, site plan and generation interconnection application during the application process. The applicant is responsible to pay all engineering and interconnection costs associated with interconnecting the new load of the solar garden. Engineering fees will be estimated and collected by the Xcel Energy Engineering Group separate from the Solar*Rewards Community™ application fee and deposit.

Interconnection and engineering costs are project-specific and will be determined on a case-by-case basis as engineering design and review is completed. For the purpose of preliminary estimating of interconnection costs, Xcel Energy is providing a range of scoping estimates below. Actual circumstances and detailed studies, as specified in the tariff, will determine actual requirements and costs.

7. What are the requirements around the production meter?

We have several meter types that can be used depending on the installation type. The typical meters are Itron Sentinels and the installation costs vary depending on the service type and system size. The costs are dependent on system size, service type, and interconnection method, which will be installed in accordance with our installation standards contained in the current revision of the Xcel Energy Standard for Electric Installation and Use manual.

8. Can I change my garden location at any time during the application process?

If the garden relocates after engineering documents are sent, the Garden Operator must cancel the existing application and reapply to the SRC Application system starting over from the beginning. If the location changes prior engineering review, it can be adjusted in the application.

9. Can I have multiple gardens in the same location?

Operators may notify Xcel Energy that they have more than 1 garden in close vicinity and request that those be studied together for the purpose of determining interconnection costs. The gardens must still have distinct points of common coupling and distinct Interconnection Agreements. If projects are studied together, the Section 10 timelines for the size of the overall study apply rather than the 1MW or under timelines. Gardens should also be named separate that share addresses; they should be treated like apartments with additions such as 123 Fake St. Unit 1, 123 Fake St. Unit 2, etc.

10. How does the subscriber account maintenance work for the 25 years of the contract?

The garden owner will have access to the online SRC application system for the life of the 25 year contract. During that time they can add and remove subscribers. Keep in mind that that garden must

always have at least 5 subscribers, and cannot have a single subscriber with more than 40% of the garden allocation. All subscribers must be entered 5 days prior to the end of the month.

11. Can a garden be installed on a site that already has an existing net metered PV system?

Yes, as long as the Solar*Rewards Community™ system and meters are separate from any existing NSP service and meters on a property. Also, if that customer desires to be a subscriber, they would need to meet the 120% rule requirements like any other subscriber with a Solar*Rewards system on their roof.

12. How do I add, delete, and manage subscribers in the application system?

See the [Application Process Manual](#) on the website at: [xcelenergy.com](#) > Minnesota > Save Money and Energy > Renewable Energy Programs > Solar Gardens > Additional Information (expand tab by clicking on “+” sign) > Program Policies and Sample Documents > Other (expand tab by clicking on “+” sign) > Application Process Manual. All subscribers must be entered 5 days prior to the end of the month.

13. What is the Interconnection Generation Interconnection Application Fee Process?

To initiate a new interconnection study, please download from the SRC application system and fill out and upload the Generation Interconnection Application Fee Form. Details on the Generation Interconnection Application Fee are noted in section 10 of the tariff. Once received, the one line and site plan that you have uploaded in the application system are sent to the engineering team for review and comments.

14. How long do I have to complete my installation?

Applications are valid for 24 months from the date the application is considered complete. This occurs during step 3 of the application process after line diagram, site plan, and interconnection application have been submitted and application fee, deposit, and Generation Interconnection Application Fee (previously referred to as engineering study fee) have been paid. Engineering has 30 days to determine completeness, and upon notification of a complete application the 24 month period begins. If you do not complete your installation within this 24 month period, your application will be rejected and a new application (with a new application fee) would need to be submitted restarting the application process from the beginning. Extensions are only granted in cases of Xcel Energy’s failure to meet the interconnection-study deadlines in the tariff and are on a day-for-day basis.

15. Is there is a limit to the Solar Garden Size?

The maximum solar garden system size is 1MW AC. The system size is based on the sum of the inverter(s) maximum AC output. There is no limit to the number of solar gardens which can be placed on a property, but no single garden can exceed the 1 megawatt PV system cap. While there is no program restriction on multiple gardens in one area, there could be technical limitations that could require expensive distribution system upgrades.

16. Can a Garden Operator change names and contact information?

A Garden Operator should enter the legal name of their entity at the time of initial application. After the application process has begun the name cannot be changed unless there is a legal name change of the entity with documentation. In this case, please send a request to the program manager at SRCMN@xcelenergy.com. If the legal entity owning the project changes prior to contract execution, the new legal entity must apply for a new garden (restart the process from the beginning). After the contract has been executed, an assignment to a new Garden Operator/ owner requires a Consent of Assignment from Xcel.

17. Where can I find the deposit interest rate?

The deposit interest rate can be found here:

<http://mn.gov/commerce/energy/topics/resources/Reports-Data/Deposit-Interest-Rates-Utilities.jsp>

18. Can Garden Operators apply for interconnection through section 10 of the tariff prior to the opening of the SRC application system?

Interconnection requests through section 10 will be processed through the existing section 10 tariff requirements. All SRC applications must come through the SRC application system. The process for SRC applications that have existing section 10 interconnection applications is below:

- Complete online application process for SRC program in the SRC application system (Salesforce)
- Pay SRC fees, regardless of previous app fees paid
- The Company will assign the interconnection request to SRC queue per SRC system application date
- As with any interconnection request for any generation system above 250kW, the actual costs for engineering studies will need to be paid. This includes any additional engineering review which may be needed based on later changing the purpose of the interconnection.
- IAs that are currently in the queue conforming to the S*RC program requirements (1MW AC or less) will maintain their queue position (or their claim to the necessary distribution system capacity) and can be 'converted' to a solar garden.
- IAs that are currently in queue that do not conform to S*RC program requirements will hold their place in the queue as per Section 10 rules, but would not hold their place in the queue if they were to be converted to the SRC program. If no other distributed generation IAs have been applied for that impact the same distribution system area, then that project would not be impacted. However, if additional distributed generation IAs have a secondary claim to the capacity, those would have precedent.

19. How do I contact the Builders Call Line (BCL) to order an account and premise number?

To order an account and premise number, the Garden Operator must submit the Service Activation form to the BCL. The form and info can be found on the Xcel Website in the Builders and Developers section [here](#). The BCL can be contacted at builders.call.line@xcelenergy.com.

20. What are the requirements around the data privacy (Utility Consent to Disclose) form?

Before a Garden Operator can add a new subscriber to a garden in the SRC Application System, they must send in a data privacy form. The data privacy form can be found on the Xcel website in the Customer Data and Privacy section [here](#). Verification of data privacy for usually takes about 1 week. Once the Garden Operator emails the utility consent to disclose form to dataprivacy@xcelenergy.com the form is verified and the Garden Operator is notified by email with the customer's consumption history. Once the email is sent, the authorization is uploaded into the SRC system which takes a couple more days. At this point the Garden Operator can add subscribers to the SRC application system. Multiple accounts and premises may be submitted on a single consent form, as long they are all owned by the same entity. Please indicate on email and/or form that this is associated with the Solar*Rewards Community program.

21. What are the 3 program types?

There are 3 program types that can be applied for:

1. *Solar*Rewards - MN with Solar*Rewards Incentive* (named *MN* in the SRC Application System) - Standard Bill Credit Only. This is only for gardens that are also applying for Solar*Rewards and comply with the Solar*Rewards rules such as system size under 20kW.
2. *Solar*Rewards - MN with Made In Minnesota Incentive* (named *MIM* in the SRC Application System) - Standard Bill Credit Only. This is only for gardens that have been accepted to the Made In Minnesota program.
3. *Solar Rewards - MN* (Named *Non-Incentive MN* in the SRC Application System) - Standard or Enhanced Bill Credit depending on Garden Operator Election. If Garden Operator elects to sell RECs then N is shown in the application system and enhanced bill credit is assigned, if election to keep RECs is made then Y is shown in the application system and standard bill credit is assigned. This program has a size limit of 1MW AC

22. Where can I find more information associated with metering for Solar*Rewards Community projects?

All CSG require two meters per the SRC contract: "Two Company-owned meters are required to be installed at each service location associated with each Customer generation source subject to this Contract. One meter is located at the main service and will record energy delivered to the Customer from the Company. The second meter (the "Production Meter") will record energy generated by the PV System only. The Company shall install, or cause to be installed, own, operate and maintain the Production Meter to measure the AC production of the PV System, at the Customer's expense and including the cost of the Production Meter itself."

23. Where can I find Standards for Electric Installation and Use for 2014?

Information on Xcel's standards can be found at this link:

http://www.xcelenergy.com/staticfiles/xcel/Corporate/Corporate%20PDFs/XcelEnergy_Standard_For_Electric_Installation_and_Use2014.pdf

a Professional Engineer stamp is not needed on the engineering documents for Xcel but local jurisdiction might require it.

24. Where can I find the Interconnection Application?

The interconnection application can be found on pages 32-40 of the MN Section 10 tariff. The tariff in its entirety can be found here:

http://www.xcelenergy.com/staticfiles/xcel/Regulatory/Regulatory%20PDFs/MN_Me_Section_10_10MW_Packet.pdf

25. When are account and premise numbers required?

Before applications are sent to engineering review please send a spreadsheet detailing SRC numbers, garden premise number and garden account/customer number to SRCMN@xcelenergy.com.

26. Where can a Garden be built?

Gardens may be built throughout Minnesota as long as the point of interconnection takes place inside of Xcel Energy territory. The Garden itself may be built or protrude outside of Xcel Energy service territory as long as the point of interconnection is inside Xcel Energy service territory. Minnesota Xcel Energy territory map may be found here: <http://www.mngeo.state.mn.us/eusa/>

27. Who can participate in the Minnesota Solar Gardens?

To participate in the Minnesota Solar*Rewards Community gardens as a subscriber you must be an Xcel Energy electric customer in Minnesota. The location of the customer premise receiving the bill credit must be in the county where the solar garden is located or in an adjacent county.

28. What is the bill credit rate and what rate classes are eligible?

Bill Credit Rates can be found in the tariff at:

[http://www.xcelenergy.com/About_Us/Rates_&_Regulations/Rates, Rights & Service Rules/MN Regulatory Rates and Tariffs](http://www.xcelenergy.com/About_Us/Rates_&_Regulations/Rates,_Rights_&_Service_Rules/MN_Regulatory_Rates_and_Tariffs) Reference sheets 64 to 69. They are also pasted below:

Customer Class	Bill Credit Type	Bill Credit Rate per kWh (AC) for Energy Delivered to Company
Residential Service	Standard	\$0.12033
	Enhanced – Solar Gardens > 250 KW (AC)	\$0.14033
	Enhanced – Solar Gardens ≤ 250 KW (AC)	\$0.15033
Small General Service	Standard	\$0.11783
	Enhanced – Solar Gardens > 250 KW (AC)	\$0.13783
	Enhanced – Solar Gardens ≤ 250 KW (AC)	\$0.14783
General Service	Standard	\$0.09456
	Enhanced – Solar Gardens > 250 KW (AC)	\$0.11456
	Enhanced – Solar Gardens ≤ 250 KW (AC)	\$0.12456

Eligible Rate Classes:

RATE	Rate Description	Bill Credit Rate
A00	Residential Water Heating Service	Residential
A01	Residential Service	Residential
A02	Residential Time of Day	Residential
A03	Residential - Underground	Residential
A04	Residential Time of Day Underground	Residential
A05 RES	Energy-Controlled Service (Residential)	Residential
A05 COMM	Energy-Controlled Service (Commercial)	Small General
A06 RES	Limited Off-Peak Service (Residential)	Residential
A06 COMM	Limited Off-Peak Service (Commercial)	Small General
A10	Small General Service (Metered)	Small General
A11	Water Heating Service	Small General
A12	Small General Time of Day - TOD Metered	Small General
A13	Direct Current Service	Small General
A14	General Service	General

		Service
A15	General Time of Day Service	General Service
A16	Small General Time of Day Service - kWh Metered	Small General
A17	General Time of Day Service - kWh Metered	General Service
A23	PK CNTL TIERED SVC	General Service
A24	PK CNTL TIERED TOD SVC	General Service
A27	ENERGY CONTROL	General Service
A29	LIGHT RAIL LINE	General Service
A34	Energy Only Street Light Metered Service	Small General
A40	Small Municipal Pumping Service	Small General
A41	Municipal Pumping Service	General Service
A62	REAL TIME PRICING - FIRM	General Service
A63	REAL TIME PRICING - CONTROLLABLE	General Service

29. How is the Bill Credit calculated and what is the timing?

How is the credit amount determined?

Each month, the solar production from a community solar garden is recorded in kilowatt-hours (kWh). The production amount is then allocated based on each individual's subscription level. The individual allocations are calculated into a bill credit by multiplying the number of kWh for the subscriber by their credit factor (\$/kWh). Detailed information on the calculation of the bill credit can be found in the published Tariff on our website.

When are the credits posted? When do customers see the credit on their bills?

On the ninth of every month, each subscriber's share of energy production from the community solar garden is posted to his/her account as a bill credit. Because customers are on different billing cycles, the timing for when each subscriber will see their credit depends on the day their meter is read (usually within a three-day window).

If a subscriber's billing cycle (three-day, meter-reading window):

- Is before the ninth of the month: the bill will reflect Solar*Rewards Community credits with a one-month lag time/delay. (For example, a September bill will show credits from July.)
- Is after the ninth of the month: the bill will reflect Solar*Rewards Community credits for the previous month. (For example, the September bill will show credits from August.)
- Contains the ninth of the month: the Solar*Rewards Community bill credit reflected may be from the previous month, or may have a one-month lag. For this small subset of subscribers, bill credits will not be reflected on their bills each and every month; some bills may include two months' worth of bill credits, while some bills may not show any credits.

Unfortunately, due to a number of factors, including meter-reading route assignments, we're not able to change customers' billing cycles. However, if a customer is on a meter reading cycle that results in a bill generating on or near the ninth of the month, we have the ability to delay the creation of that bill, in order to ensure that the customer will only see one credit applied to each bill cycle. If you would like to

discuss this option, please send us an email at SRCMN@xcelenergy.com. While the credits are reflected differently based on the timing for each customer's bill, please remember that the Solar*Rewards Community bill credits will be posted regularly to customer accounts on the ninth of each month.

Bill credits are applied to the final billed amount after all electric charges, adjustments, riders, taxes, and fees are added in. Therefore the credits will have no impact on the taxable amount owed by the subscriber.

30. How is the subscriber defined to determine the 40% rule?

Consistent with these statutory definitions, to be separate persons, corporations or subscribers, there cannot be a “joint or common interest.” If one or more “persons” have a “joint or common interest” or are part of the same partnership, then by statute they are the same person and therefore are the same customer and subscriber. For example, a business can have one or more joint or common interests that include corporate subunits or affiliates, such as Company Xa and Company Xb, and together they cannot have more than a 40 percent interest in any garden.

The Company does not have full insight into the legal structure of its customers; therefore the Garden Operator is responsible for ensuring that its subscribers are eligible. The Garden Operator is in the best position to obtain more specific insight before enrolling the customer as a subscriber.

For Government entities, where separate political subdivisions are considered separate customers, they may be considered separate subscribers for the purposes of Solar*Rewards Community. As previously noted by the Company, determinations about what governmental organization can be determined to be a political subdivision or agency, by necessity, will be made on a case-by-case basis depending on the specific facts. Where there are different political subdivisions or agencies, each such political subdivision or agency may participate separately with the ability to hold up to a 40 percent interest in any one garden.

31. How do you calculate the 120% rule? What about new construction or new owners/renters of a property?

If there is 4 months or more of consumption history, the average monthly consumption is multiplied by 12 to figure the yearly consumption. In cases where there is less than 4 months of consumption history, the new home calculator can be used.

Square Feet Range (sq. ft.)	120% Rule Equivalent (kWh)	Allow PV System Size (kW)
500 – 1,000	5,311	4.13
1,001 – 1,500	7,318	5.69
1,501 – 2,000	10,215	7.94
2,001 – 2,500	11,018	8.57
2,501 – 3,000	12,978	10.09
3,001 – 3,500	15,618	12.14
3,501 – 4,000	14,830	11.53
4,001 – 4,500	17,887	13.91

For properties that are over 4,500 square feet without consumption history, please submit an energy audit (HERS Rating or similar) or load calculations for the property. Please submit all system sizing paperwork to srcmn@xcelenergy.com.

We use NREL's PVWatts calculator to convert a subscriber's allocation in kW to annual output in kWh. That number is then checked against the customer's historic usage or the home usage estimator for compliance with the 120% rule. NREL's PVWatts calculator can be found here: <http://pvwatts.nrel.gov/>

32. What is the certificate of good standing requirement?

The state certificate of good standing must come from the State of MN. This requirement ensures that the Garden Operator is in good standing in MN. More information can be found on the State of Minnesota Secretary of State Website.