clean energy economy mn

Clean Energy Economy Minnesota

CleanEnergyEconomyMN.org

October 18, 2016

Daniel Wolf, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: Docket No. E999/CI-15-755—Initial Comments from Clean Energy Economy Minnesota

Dear Mr. Wolf,

Clean Energy Economy Minnesota (CEEM) hereby offers its initial comments regarding Minnesota Public Utilities Commission (MPUC) inquiry into fees assessed on qualifying facilities. CEEM recommends that the MPUC eliminate, or else limit fees to reasonable amounts that accurately account for both the costs and benefits of distributed energy resources and are transparent in their determination. This includes weighing the negative effect fees have on consumers that are evaluating distributed generation options and clean energy businesses that are investing in distributed generation solutions to address demand from customers. The choices these consumers make have a significant impact on the larger, statewide clean energy economy as a whole.

Assessing fees upon distributed generation facilities discourages investments that have substantial effects on commerce. Fees imposed upon individuals and businesses that utilize wind, solar, biomass, or other clean power sources dissuades capital investments that utilize Minnesota products and services. Between 2004 and 2013, the private sector invested nearly $11 billion in renewable energy projects directly in Minnesota. To continue these types of economically stimulating investments, the MPUC should eliminate or reduce fees that make it more difficult for consumers to afford and procure clean energy technologies.

Further, favorable clean energy policies, that control costs and fees, have established an entirely new sector of Minnesota's economy. Employment in clean energy jobs has increased by 78% since 2000, making the clean energy sector the fastest growing market in the state. Over 54,000 Minnesota jobs are provided by Minnesota's clean energy and energy efficiency businesses. More importantly, these jobs offer wages that are 42% higher than the statewide average. (Clean Energy Trust). If the MPUC eliminates or limits fees on distributed generation facilities, it will remove barriers that stand in the way of Minnesota's continued leadership in the clean energy sector, and reduce restrictions that negatively impact this sector's continued growth and stability.

Finally, excessive fees on clean energy generation facilities limits customer choice and prohibits market competition. Because traditional sources of energy are already part of Minnesota's energy infrastructure, consumers must be willing—and able—to make investments in alternative sources of energy supply by choice. Unjustified fees on these new, clean energy sources make the choice uneconomic for many Minnesotans by adding unreasonable costs that drive them out of the market. MPUC should eliminate or limit these fees in order to give Minnesota consumers more control and choice over their energy needs.

Overall, the fees placed on distributed generation facilities are often unreasonable, not transparent, fail to account for the benefits provided by distributed energy resources, and are limiting the potential of Minnesota's clean energy sector. By eliminating these fees, the MPUC can send clear market signals to businesses, investors, and consumers that will continue to advance the clean energy economy while reducing the barriers these fees impose upon those seeking options to meet their energy needs.

Sincerely,

Gregg Mast, Executive Director