

Controversy Over \$250 Million Solar Energy Plan

On April 15, 2013, Geronimo Energy submitted a distributed solar energy proposal (pursuant to Minn. Stat. § 216B.222) to provide up to 100 megawatts of solar energy with the goal of meeting a part of Xcel Energy's capacity and energy needs between 2017 and 2019.¹ Geronimo's proposal is to construct and operate 2 to 10 MW distributed solar energy facilities on 31 sites located adjacent to either distribution or transmission substations throughout Xcel's Upper Midwest Service Territory.² The proposal's in-service date is December 2016, which would make capacity available for Xcel's peak demand during summer 2017.³ Geronimo also mentioned its willingness to bring portions of the proposed 100 MW online as early as 2014 and 2015, subject to demand.⁴ The project will provide 72 MW of accredited capacity to help Xcel meet its non-wind variable generation resource peak capacity obligations within the Midwest Independent System Operator's (MISO) Planning Reserve Sharing Pool.⁵ Additionally, the project will provide about 200,000 MWh of energy during its first year, 70 percent of which will be produced during peak use hours and 100 percent between 5 AM and 9 PM CST.⁶

Other benefits of the project include its generation of renewable energy credits Xcel can use toward the mandatory Renewable Energy Standards or toward a specific solar requirement in a state in which it provides service, and environmentally friendly features such as

¹ Geronimo Energy's Distributed Solar Energy Proposal, In the Matter of the Petition of Northern States Power Company to Initiate a Competitive Resources Acquisition Process, Docket No. E002/CN-12-1240, April 15, 2013
<http://stmedia.startribune.com/documents/Geronimo+solar+proposal.pdf>.

² *Id.*

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

zero carbon emissions, no non-carbon air emissions, minor water demand, and minimal environmental impacts.⁷

On December 31, 2013, state Administrative Law Judge Eric Lipman supported Geronimo Energy's proposal when he recommended that the Minnesota Public Utilities Commission approve the \$250 million project.⁸ Judge Lipman found solar generation to be a better investment than natural gas for Xcel, the first time in the U.S. that a court has officially determined unsubsidized solar energy to be a better option than natural gas for ratepayers.⁹ Judge Lipman's ruling came after the PUC ordered competitive bidding of utility-scale generation projects to help Xcel reach 150Mw of new capacity by 2017.¹⁰ The judge determined Geronimo's 100 Mw project was the most cost-efficient generation option for meeting the PUC's forecasted energy shortfalls.¹¹ Other energy resources considered were gas turbines proposed by different companies at different locations throughout Minnesota. Judge Lipman's ruling must be upheld by the PUC before the Geronimo project moves forward.¹² On March 27, 2014, the PUC decided to take action on Judge Lipman's ruling and concluded, after hours of deliberation on March 25, that Xcel should use Geronimo solar installations to meet the utility's peak power demands.¹³ The PUC decision directed Xcel to negotiate a power purchase agreement with

⁷ *Id.*

⁸ David Shaffer, *State, Power Companies Attack Solar Energy Plan*, STAR TRIBUNE, January 22, 2014.

⁹ Lucy Woods, *Solar Beats Natural Gas in Landmark US Judicial Ruling*, PVTECH, January 3, 2014 http://www.pv-tech.org/news/solar_beats_natural_gas_in_judge_ruling_for_us_utility.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Solar Plan Ok'd by MN Public Utilities Comm.*, CHISAGO COUNTY PRESS (April 3, 2014, 6:00 PM CST)

<http://www.chisagocountypress.com/main.asp?SectionID=1&SubSectionID=1&ArticleID=19116>

Geronimo, and directed the utility to negotiate agreements for gas-burning generators to provide energy on sunless days.¹⁴

Elizabeth Henley is a 2L at the University of Minnesota Law School and a U of M graduate student in water resources science. She is currently a law clerk at the Hennepin County Attorney's Office. Elizabeth earned her Bachelor of Arts Degree in Anthropology, Geography, and International Studies from the Northwestern University in 2009.

¹⁴ Adam Belz, *Largest-Ever Minnesota Solar Project Gets Tentative Legislator Approval*, STAR TRIBUNE (March 28, 2014, 5:44 AM), <http://www.startribune.com/business/252724541.html>.