



Minnesota Solar Energy Industries Association

We Move Minnesota Solar + Storage Forward

Attached is a sample of the Grid Access Fees for five cooperative electric utilities that have made information on their fees publicly available. Many cooperatives do not share this information publicly, and only provide it upon request to cooperative members who have an interest in solar. Solar Grid Access Fees are charged in addition to a cooperative member's existing fixed fee for electricity. Most cooperatives allow up to 3.5 KW to be installed without a fee.

Clearwater Polk Electric Cooperative	\$2.78 per kW, up to \$29.00 a month
Red River Valley Electric Cooperative	\$3.64 per kW, up to \$39.00 a month
McLeod Co-op	\$3.92 per kW, up to \$51.00 a month
Lake Region Electric Cooperative	\$2.41per kW, up to \$18.00 a month for residential and \$4.97per kW, up to \$144.00 for commercial.
Wright Hennepin Electric Cooperative	\$2.78per kW, up to \$20.00 a month



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CLEARWATER-POLK ELECTRIC COOPERATIVE, INC. COGENERATION AND SMALL POWER PRODUCTION 2024 RATE SCHEDULE

AVAILABILITY

Available to all members where the member has qualified small power production or cogeneration facilities connected in parallel with the Cooperative's facilities. The member is required to execute an Interconnection Agreement with the Cooperative. A Qualifying Facility (QF) is a cogeneration and small power production facility that satisfies the conditions in 18 Code of Federal Regulations, Section 292.101(b).

CHARACTER OF SERVICE

Alternating current, 60 hertz, at available secondary voltages.

RATE

The Cooperative shall pay the member monthly for all energy furnished during the month at the rate shown in Section 1 - 4 below. In addition, the Grid Access Charge may be applied depending on the cogeneration rate selected.

GridAccessCharge: Pursuant to MN State Statute 216B.164 Subd. 3(a) the Grid Access Charge is applied to all distributed generation systems interconnected after July 1, 2016 that select either Net Energy Billing or Roll Over Credits as a cogeneration rate. The Grid Access Charge is applied against the kW of nameplate capacity of the qualified facility above the first 3.5 kW. System greater than 3.5 will be charged the monthly rate on the additional kW of nameplate capacity, not to exceed the monthly maximum charge.

<u>Service Type</u>	<u>Rate Schedule</u>	<u>Monthly Charge per kW</u>	<u>Max Monthly Charge</u>
Rural Residential	1 & 1EX	\$2.78	\$29.00
Commercial & Industrial-1 Phase	1	\$2.78	\$29.00
Commercial & Industrial-3 Phase	3	\$2.78	\$29.00

1. NetEnergyBilling: Available to any QF of less than 40 kW capacity that do not select either the Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

The Cooperative shall bill the qualifying facility for the excess of energy supplied by the Cooperative above energy supplied by the qualifying facility during each billing period according to the Cooperative's applicable retail rate schedule. The Cooperative shall pay the member for the energy generated by the qualifying facility that exceeds that supplied by the Cooperative during a billing period as follows:

<u>ServiceType</u>	<u>Rate</u>	<u>ARCER</u>
Rural Residential	1 & 1EX	\$0.12024/kWh
Commercial & Industrial-3 Phase	3	\$0.14310/kWh

2. Roll Over Credits: Available to any QF of less than 40 kW that do not select either Net Energy Billing, Simultaneous Purchase and Sale Billing or Time of Day rates.

Kilowatt-hours produced by the QF in excess, of the monthly usage shall be supplied as an energy credit on the member's energy bill, carried forward and applied to subsequent energy bills, with an annual true-up on December 31. Excess energy credits existing as of December 31 shall default back to the Cooperative with no compensation to the QF.

3. Time-of-Day Purchase Rate: Available to any QF of less 100 kW capacity or less and available to QFs with capacity of more than 100 kW if firm power is provided.

Cooperative shall pay the member for all energy delivered per Clearwater-Polk Electric's wholesale power provider's (Minnkota Power Cooperative), current year rate schedule and in accordance set forth in Minnkota's PURPA Waiver which was granted by the FERC on June 21, 2018.

TAXES

The rates set forth are based on currently effective taxes and the amount of any increase in existing or new taxes on the transmission, distribution, or sale of electricity allocable to sales hereunder shall be added to the rates as appropriate to be paid by the member.

**RED RIVER VALLEY
CO-OP POWER**MY
CO-OP ▾BILLING
INFORMATION ▾ENERGY-SAVING
PROGRAMS ▾SERVICE
INFO ▾SAFETY
INFO ▾ASSOCIATED
LINKS ▾

Distributed Generation Rules/Rates

We follow the Minnesota statewide standards for interconnection.

Rules/Rates

Red River Valley Co-op Power will assist members in interconnecting their own electric generation equipment (typically solar or wind) with our electric distribution system provided safeguards are followed. RRVCPA follows the Minnesota statewide standards for interconnection. Your co-op's policy, contract, processes, requirements, application and charges are listed to help you understand the process.

Before submitting the documentation found in the Distributed Generation Resources section, keep in mind the following requirements:

- Complete the application describing proposed co-generation equipment and submit to RRVCPA along with submittal fee listed on the application. You must also complete the contract and receive approval before starting.
- Any co-generation system must have a UL-Listed inverter with automatic shutdown or UL-listed automatic shutdown device for safety reasons when the system is connected to the grid. This means there will be no danger to line crews working on the line during a power outage because the co-generation equipment will automatically disconnect from the grid.
- A second disconnect is also required that must be accessible to RRVCPA line crews. This disconnect must be easily accessible, visibly marked, labeled as such and be code approved. This is the members' responsibility to install.
- Per State statute, the member is responsible for interconnection costs. You will be asked to pay in advance. If the cost is less, you receive a refund. If the cost is more, you will be billed the additional cost. You will also be responsible for the cost of maintenance and inspections in the future.
- Prior to your system being commissioned, RRVCPA will test the automatic shutdown of your system to ensure safety. The installation has to be state inspected prior to commissioning and follow the National Electric Code.
- Per statute, the member is required to have the appropriate amount of liability insurance and provide proof.
- Any net excess energy your system produces at the end of each billing month put back on the distribution system will be credited at a calculated rate. The rate is adjusted annually.
- If Minnesota changes its laws governing the interconnection process, you may be required to change the system to match as well.
- If you have off-peak metering that is subtractive (kWh subtracted off the main meter), you will be required to change that metering to non-subtractive metering at your expense or retire the off-peak.
- **Per Minnesota statute and its own policy, Red River Valley Co-op Power adopted a distributed grid access fee on November 23, 2020, effective January 1, 2021. In fact, policy adopted by the Board on 3/19/2018 as allowed under Minnesota statute 216B speaks to this right.**

DG RATE CREDITED TO MEMBERS FOR EXCESS PRODUCTION

The revenue class of the service your DG system is connected to determines the rate RRVCPA will pay the member for excess production put back onto the distribution grid. These rates are adjusted annually per Minnesota statute 216B. The rates per revenue class are as follows:

- Revenue class 1 - 10.6 cents per kWh
- Revenue class 2 - 11.4 cents per kWh

- Revenue class 3 - 9.6 cents per kWh
 - Revenue class 4 - 8 cents per kWh
 - Revenue class 5 - 10.9 cents per kWh
 - Revenue class 6 - 10.6 cents per kWh
-

MONTHLY GRID ACCESS CHARGE PER KW (SINGLE-PHASE)

The first 3.5 kW has no charge. After that threshold has been met, there is a charge of **\$3.64 per kW** up to 39.999 kW. The distributed generation grid access charge for single-phase service shall not exceed \$39 per month.

MONTHLY GRID ACCESS CHARGE PER KW (THREE-PHASE)

The first 3.5 kW has no charge. After that threshold has been met, there is a charge of **\$3.48 per kW** up to 39.999 kW. The distributed generation grid access charge for three-phase service shall not exceed \$81 per month.

DISTRIBUTED GENERATION RESOURCES

- [Cogeneration Policy](#)
- [Cogeneration Rules](#)
- [Technical Interconnection & Interoperability Requirements](#)
- [Pre-Application Request Application](#)
- [Simplified Interconnection Application](#)
- [Standard Interconnection Application](#)
- [Storage Application](#)
- [Certification of Completion](#)
- [C-MIP Process Overview](#)

- [C-MIP Simplified Process](#)
- [C-MIP Fast Track Process](#)
- [C-MIP Study Process](#)
- [C-MIP Interconnection Agreement](#)
- [Uniform Contract](#)

ABOUT US

Red River Valley Cooperative Power Association has been delivering reliable electric energy to its member-owners since 1939 using technology and innovative services to meet the needs of agricultural, commercial and residential members alike.

This institution is an equal opportunity provider and employer.

CONTACT US

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 info@rrvcoop.com

QUICK LINKS

[Co-op Bylaws/Annual Meeting](#)
[DG Rules/Rates](#)
[Member Center](#)
[New Service/Change of Consumer](#)
[Off-peak Service](#)
[Off-peak Status](#)
[Pay Bill](#)
[Rebates](#)
[Sparks News](#)
[Employment](#)

Explanation of McLeod Co-op Power's DG Grid Access Fee.

Your cooperative is committed to providing a safe and reliable distribution grid to every member of the cooperative at fair and reasonable prices. We are also committed to sourcing our electricity supply from a diverse, balanced and cost effective portfolio of resources, including approximately 17% renewable energy.

The costs of providing all of our members equally with a safe and reliable distribution grid are fixed. These costs exist whether or not one of our members is able to install their own generation. We are very aware that, for a variety of reasons, the opportunity to own or install wind or solar generation is not an option for many of our members. Regardless, the grid needs to be built and maintained in such a way that it is capable of serving all members under peak load conditions, whenever that occurs; which could be when a cloud passes over a solar array, the wind is not blowing, or after the sun has set and their solar systems are not producing electricity. While these types of DG systems certainly reduce the amount of energy we have to purchase and deliver, they do not reduce our fixed costs. The problem arises in that we don't charge all of our members a fixed charge that recovers all of our fixed costs. Instead, as is true for virtually every electric utility, we bill a portion of our fixed costs based upon how much energy a member uses.

It is within this reality that MN State Statute 216B.164 Subd. 3(a) was passed that allows electric cooperatives like McLeod to charge a fee in order to collect fixed costs which are not already being recovered by rates when a member installs its own generation. Consistent with this statute, your member-elected Board of Directors approved the DG Grid Access Fee to be applied to all DG systems interconnected after March 1st, 2016. The fee will not apply to DG systems that were in place prior to that date.


The DG Grid Access Fee is calculated based upon our annual financial statements. The development of the fee establishes the portion of our fixed costs being recovered from all members in the Energy Charge. It is this portion of fixed costs that are not being recovered when a member supplies some of its energy needs from DG while remaining connected to and dependent on the grid. The DG Grid Access Fee makes sure that all members, including those with their own generation, are charged appropriately for the cooperative's distribution grid. Without the DG Grid Access Fee we are concerned about fairness; specifically that members without DG will end up being charged for grid costs that members with DG should be paying.

The development of the fee was done very carefully and in a way that provides stability and is reasonable. The fee is based on the size of the DG system (nameplate capacity) because the costs that are not being collected are a function of the energy produced, which is a function of the size of the DG system installed. We have also incorporated two provisions in order to balance the need for the fee with the potential impact on our members that decide to install DG. The first is to give a 3.5 kW allowance before the DG Grid Access Fee is applied. This allowance cuts in half the fee that would otherwise result from the typical size solar system installed at cooperatives in Minnesota, which is about 7 kW. The second is a limit on the fee that any member would be charged. We believe that both of these provisions help ensure that any resulting fees are reasonable while also reducing the shifting of cost responsibility to other members.

Based on our 2016 annual financial results, we have established a DG Grid Access Fee of \$3.92 per installed kW (for any installed kW over 3.5 kW) not to exceed \$51.00 per month. In summary, any DG system larger than 16.5 kW capacity will be capped at the \$51.00 per month maximum fee for 2017. Systems smaller than 16.5 kW and larger than 3.5 kW will pay something between zero and \$51.00, depending upon their nameplate capacity.

2017	
DG Size (kW)	Charge Per Month
2	None
3	None
4	\$ 1.96
5	\$ 5.88
6	\$ 9.80
7	\$ 13.72
8	\$ 17.64
9	\$ 21.56
10	\$ 25.48
11	\$ 29.40
12	\$ 33.32
13	\$ 37.24
14	\$ 41.16
15	\$ 15.08
16	\$ 49.00
17	\$ 51.00
18	\$ 51.00
19	\$ 51.00
20	\$ 51.00

 (<https://www.facebook.com/LakeRegionElectricCoop>)

 (<https://www.youtube.com/user/LakeRegionElectricCo?feature=watch>)

 (<https://www.linkedin.com/company/6868380>)

[View/Pay Bill \(https://lrec.smarthub.coop\)](https://lrec.smarthub.coop) · [Contact \(https://old.lrec.coop/customer-service/contact-us\)](https://old.lrec.coop/customer-service/contact-us)

- [Careers \(https://old.lrec.coop/your-co-op/careers\)](https://old.lrec.coop/your-co-op/careers)
- [New Service Contract \(https://old.lrec.coop/customer-service/request-new-service\)](https://old.lrec.coop/customer-service/request-new-service)
- [Newsletter \(https://old.lrec.coop/customer-service/newsletter-newsflashes\)](https://old.lrec.coop/customer-service/newsletter-newsflashes)
- [Safety \(https://old.lrec.coop/your-co-op/safety\)](https://old.lrec.coop/your-co-op/safety)

RATES

[Home \(https://old.lrec.coop/\)](https://old.lrec.coop/) / [Customer Service \(https://old.lrec.coop/customer-service\)](https://old.lrec.coop/customer-service) / [Rates](#)

[2023 Rate Change Communication](https://old.lrec.coop/btnpro/download/9797)

[\(https://old.lrec.coop/btnpro/download/9797\)](https://old.lrec.coop/btnpro/download/9797)

[Rate Calculator \(http://ratecalc.lrec.coop\)](http://ratecalc.lrec.coop)

All rates below are effective as of March 1, 2022.

RESIDENTIAL AND FARM RATES

Facility Charge	\$24.00
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Summer (June, July, August)	12.2¢/kWh
Other Months	10.9¢/kWh

OFF-PEAK RATES

INTERRUPTIBLE HEATING

Summer (June, July, August)	
Energy Charge	6.8¢/kWh
Other Months	
Energy Charge (Domestic Use)*	6.1¢/kWh
<i>*only available for conditioned living space</i>	
Energy Charge (Non-Domestic)	6.8¢/kWh

OFF-PEAK STORAGE

Energy Charge	5.5¢/kWh
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COMMERCIAL RATES

SMALL COMMERCIAL

Facility Charge	\$45.00
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Summer (June, July, August)	12.10¢/kWh
Other Months	10.76¢/kWh

LARGE COMMERCIAL

Facility Charge	\$55.00
Summer Demand (June, July, August)	\$18.69/kW
Winter Demand (December, January, February)	\$12.59/kW
Demand (all other months)	\$6.48/kW
All Energy	7.05¢/kWh

IRRIGATION RATES

Facility Charge (May-September)	\$79.00
Controlled Demand Charge	\$2.25/KW
Uncontrolled Demand Charge	\$7.50/KW
All Energy	6.84¢/kWh

RENEWABLE PURCHASE RATES

Net Energy Billing Service	
Payment per kWh for energy delivered to LREC in excess of energy used	
<i>With Retail Farm/Non-Farm/Seasonal/Public Bldg Service</i>	11.638¢/kWh
<i>With Retail Commercial Service</i>	7.40¢/kWh

GRID ACCESS CHARGE FOR DISTRIBUTED GENERATION

Lake Region Electric Cooperative implemented a Grid Access Charge for Distributed Generation on new or expanded distributed generation systems (wind, solar, etc.) interconnected to LREC's electric system beginning July 1st, 2019. Systems interconnected with LREC prior to July 1st, 2019, are not affected unless capacity is added. The additional capacity will be subject to the fee.

For residential and farm, the grid access fee will be applied monthly at \$2.41/kW for each kW over 3.5 kW on facility's nameplate to a maximum of \$18/mo. For example, a 5 kW system would be charged for only 1.5 kW, which equates to \$3.62 per month. The cooperative will review the fee annually and provide notice of any changes.

	No cost	Fee	Monthly Cap
Residential & Farm	<i>First 3.5 kW at no cost</i>	\$2.41 per kW	\$18/mo
Commercial	<i>First 3.5 kW at no cost</i>	\$4.97 per kW	\$144/mo

**VIEW & PAY BILL
([HTTPS://LREC.SMARTHUB.COOP](https://lrec.smarthub.coop))**

**VIEW OUTAGE
CENTER ([/OUTAGE-
CENTER](/outage-center))**

CUSTOMER SERVICE

- View/Pay My Bill - SmartHub (<https://lrec.smarthub.coop>)**
- Payment Options (<https://old.lrec.coop/customer-service/payment-options>)**
- Outage Center (<https://old.lrec.coop/customer-service/outage-center>)**
- Contact Us (<https://old.lrec.coop/customer-service/contact-us>)**
- Learn About SmartHub (<https://old.lrec.coop/customer-service/learn-about-smarthub>)**
- Load Control Notifications (<https://old.lrec.coop/customer-service/lcsignup>)**
- Understanding My Bill (<https://old.lrec.coop/customer-service/understanding-my-bill>)**
- Rates (<https://old.lrec.coop/customer-service/rates>)**
- Request New Service (<https://old.lrec.coop/customer-service/request-new-service>)**

Newsletter: NewsFlashes (<https://old.lrec.coop/customer-service/newsletter-newsflashes>)

CEO Message (<https://old.lrec.coop/customer-service/ceo-message>)

Update Contact Information (<https://old.lrec.coop/https%3A/update.lrec.coop>)

CONTRACTORS

Contractors Resources (<https://old.lrec.coop/forms-resources/contractor-resources>)

2021 Program & Resource Guide (/download_file/987/0)

Water Heaters (<https://old.lrec.coop/products-service/off-peak-water-heating>)

Steffes Heaters (<https://old.lrec.coop/products-service/off-peak-space-heating>)

COMMON FORMS

Application for New Service (<https://old.lrec.coop/forms-resources/forms-information-library/new-service-application>)

Transfer Existing Service (<https://old.lrec.coop/forms-resources/forms-information-library/transfer-service>)

Load Management Application (/download_file/view_inline/667/)

Authorization to Reconnect Service (http://www.lrec.coop/download_file/98/0)

QUICKLINKS

Report An Outage Online (<https://lrec.smarthub.coop/#reportanissue>)

Career Opportunities (<https://old.lrec.coop/your-co-op/careers>)

Load Control (<http://imguide.greenergy.com>)

Operation Round Up (<https://old.lrec.coop/your-co-op/operation-round-up>)

Gopher State One Call (<http://www.gopherstateonecall.org>)

QI A/C & ASHP Contractors (https://hvacree.net/gre/public_search.cfm)

Economic Development (<http://econdev.greatriverenergy.com/our-cooperatives/lake-region-electric-cooperative>)

Our Recent Videos (<https://old.lrec.coop/your-co-op/our-videos>)

Renewable Energy Interconnection (<https://old.lrec.coop/products-service/renewable-energy-interconnection>)



(<http://ottertailakescountry.com/>)

LREC IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER.

A [Creative Culture](http://creativeculturemedia.com) (<http://creativeculturemedia.com>) website. © 2025 Lake Region Electric Cooperative

WRIGHT-HENNEPIN ELECTRIC SMALL POWER PRODUCTION RIDER

I. Criteria

Available to all General Service and Commercial and Industrial Rate members of Wright-Hennepin Cooperative Electric Association (Cooperative) who enter into a Cogeneration and Small Power Production Facilities Agreement with the Cooperative for the interconnection and operation of an on-site extended parallel distributed generation system.

This rider satisfies the conditions established under Minnesota Statute 216B.164 and the Cooperative's Rules Implementing the Statute which may be subject to change.

II. Conditions of Service

- A. A member must sign the Cooperative's Cogeneration and Small Power Production Facilities Agreement and provide required documentation as outlined in the Agreement.
- B. The Qualifying Facility (QF) must be owned by the member.
- C. A member may have multiple Cogeneration and Small Power Production Facilities Agreements under separate accounts.
- D. Interconnection charges will be assessed according to the Cooperative's Schedule of Charges.



III. Grid Access Settlement

The Grid Access Settlement is assessed to all QFs. The Grid Access Settlement is applied against the kW of nameplate capacity of the QF above the first 3.5 kW. Systems greater than 3.5 kW will be charged the monthly settlement rate on the additional kW of nameplate capacity, not to exceed the monthly maximum charge.

A. Single Phase

- | | |
|------------------------------------|-----------|
| a. Monthly per kW greater than 3.5 | \$2.78/kW |
| b. Monthly maximum | \$20.00 |

B. Multi-Phase

	\$0.00/kW
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IV. Small Power Production Rates

The Cooperative and the member shall enter into one of the following small power production rates (identified in the Cogeneration and Small Power Production Facilities Agreement).

A. Average Retail Cooperative Energy Rate (ARCER)

1. Criteria

The ARCER rate is available to member-owned QF with capacity of less than 40 kW which chooses not to offer electric power for sale on either a Time-of-Day Purchase Rate or Roll-Over Credit Purchase Rate.

2. Method of Billing

The Cooperative shall bill the QF for the excess of energy supplied by the Cooperative above energy supplied by the QF during each billing period according to the Cooperative's applicable rate schedule.

The Grid Access Settlement may be applicable as referenced in III.

3. Additional Calculation for Billing

When energy generated by the QF exceeds that supplied by the Cooperative to the member for the same account during the same billing period, the Cooperative shall compensate the QF for the excess energy at the ARCER.

Compensation to QF:

- | | |
|------------------------------|---------------|
| a. General Service | \$0.11606/kWh |
| b. Commercial and Industrial | \$0.06980/kWh |



B. Time-of-Day Purchase Rate (Small Power Production less than or equal to 100 kW)

1. Criteria

Time-of-Day Purchase Rate is required for QF with capacity of 40 kW or more and less than or equal to 100 kW, and the rate is optional for QF with capacity less than 40 kW. The Time-of-Day Purchase Rate is also optional for QF with capacity greater than 100 kW if the QF provides firm power and can be detailed as required in a Negotiated Rate application.

2. Method of Billing

The QF must be billed for all energy and capacity it consumes during each billing period according to the Cooperative's rate schedule.

The Grid Access Settlement may be applicable as referenced in III.

3. Compensation to QF

a. Energy Compensation \$0.0197/kWh

The Cooperative shall purchase energy which is made available to it by the QF.

b. Capacity Compensation Not applicable for a QF less than or equal to 100 kW



C. Roll-Over Credit Purchase Rate

1. Criteria

The Roll-Over Credit Purchase Rate is available to member-owned QF with capacity of less than 40 kW which chooses not to offer electric power for sale on either a ARCER, or Time-of-Day Purchase Rate.

2. Method of Billing

The Cooperative shall bill the QF for the excess of energy supplied by the Cooperative above energy supplied by the QF during each billing period according to the Cooperative's rate schedule.

The Grid Access Settlement may be applicable as referenced in III.

3. Additional Calculation for Billing

When the energy generated by the QF exceeds that supplied by the Cooperative during a billing period, the Cooperative shall apply the excess kWh as a credit to the next billing period kWh usage. Excess kWh that are not offset in the next billing period shall continue to be rolled over to the next consecutive billing period. Any excess kWh rolled over that are remaining at the end of each calendar year shall expire with no additional compensation.

a. Compensation Energy Rate kWh Quantities Only

Excess kWh quantities roll over each billing period.
Excess kWh expires at calendar year-end.

D. Negotiated Rate

1. Criteria

A QF with capacity greater than 100 kW must negotiate a contract with the Cooperative setting the applicable rates for payment to the member of avoided energy and capacity costs.

2. Compensation to QF

- A. Energy Compensation Negotiated
- B. Capacity Compensation Negotiated



V. Billing and Terms of Payment

Billing and terms of payment will be executed as required by the Cooperative's applicable rate schedule and the terms as selected in the Cogeneration and Small Power Production Facilities Agreement, along with applicable taxes.

Effective: 02/15/2024 Supersedes: Rider-S dated 05/01/2023

Approved: 02/14/2024 *Michael J. Tieva*
Michael Tieva, Secretary





r/minnesota • 2 mo. ago
FubarSnafu21



Shakopee Utilities charging new monthly fees for residential solar

Discussion

I just received this in the mail. Based on how I read this my 8kw system will cost \$12/month (4x3kw over 5). This is a ridiculous cost increase and greatly changes the calculation for recovering the cost of the system. Anyone have suggestions to fight this?

Re: Solar Grid Access Charge

Hello DER Customer,

To establish fairness among rate payers, SPU is making a change to our DER (solar net metering) customer billing. Effective with the January 2025 billing statement a Solar Grid Access Charge will be added to your utility billing account.

This charge is to provide an equitable solution to recover fixed system costs that are collected through usage rates. Due to decreased - or possibly eliminated - usage resulting from a DER system, as well as increased administrative expenses associated with DER accounts, net metering customers are now required to pay a similar amount toward these fixed costs as are non-DER customers.

The Solar Grid Access Charge will only be added to net metering accounts with a DER nameplate capacity greater than 5kW ac. The charge is based on \$4.00/per kW in excess of 5kW ac and will be calculated on your system size. (Example: A system size of 5.46 kW will result in an access charge of \$1.84/month.*)

SPU is implementing this fee following a formal electric rate study conducted by Dave Berg Consulting LLC. The fee was recommended as an outcome of this study and is substantiated by Minnesota State Statute 261B.164 that authorizes municipal utilities such as Shakopee Public Utilities to charge a cost recovery fee on Distributed Energy Resources (DER) generation facilities, like a solar photovoltaic array, that are interconnected with SPU's electric distribution grid.

*To allow time to adjust to this new charge, SPU is phasing in the fee for existing DER customers affected. In 2025, the fee will be based on \$2.00/kW in excess of 5Kw ac. (New DER customers connecting in 2025 will pay a fee based on \$4.00/kW in excess of 5kW.) Beginning in 2026, the full fee will take effect for all applicable DER accounts.

In adopting this fee SPU is not intending to discourage DER development but rather is seeking a fair and equitable way to recover system costs. Please contact SPU at 952-445-1988 should you have any questions regarding this information and how it may affect your utility bill.

Sincerely,

Greg Drent, General Manager