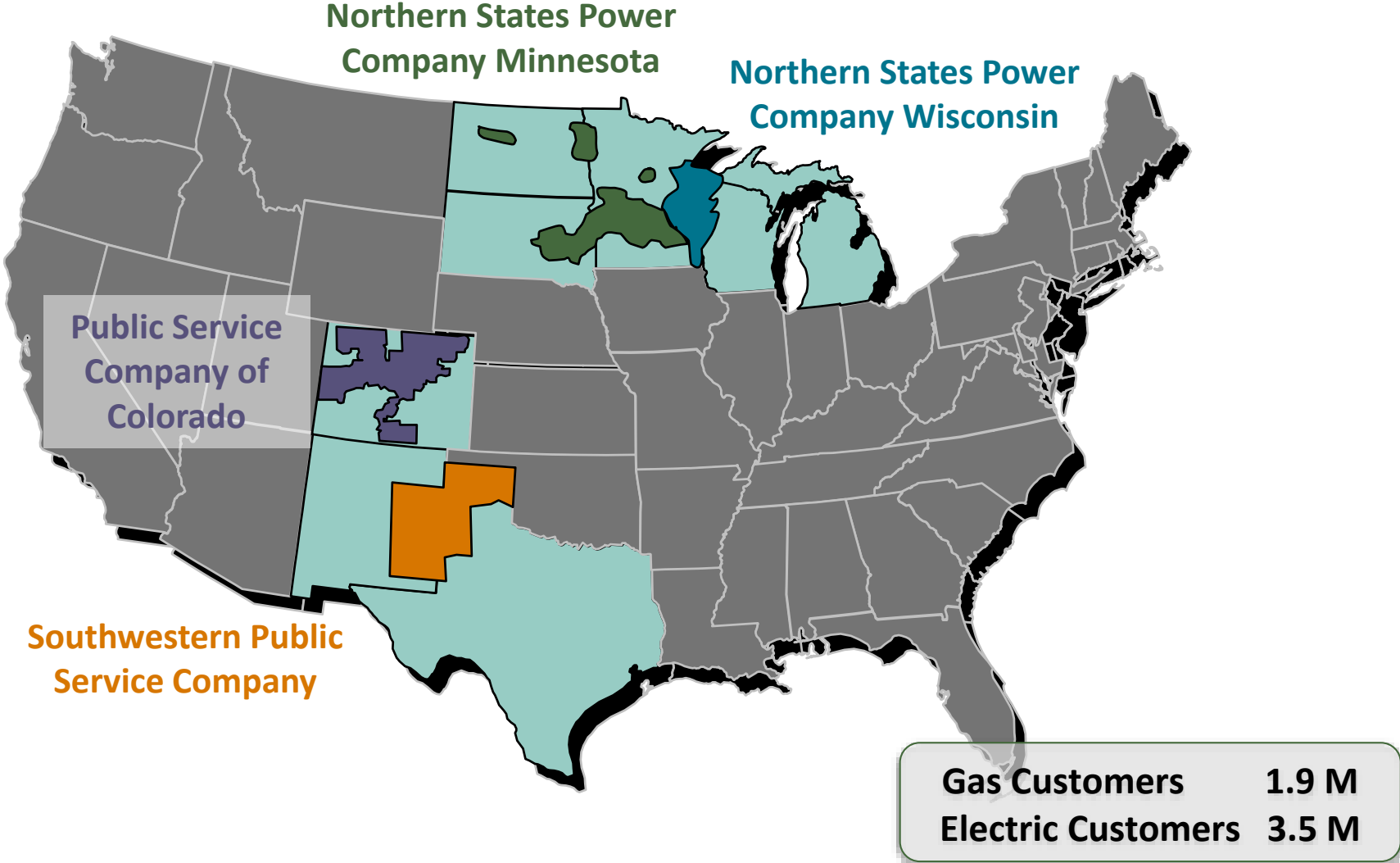




SOLAR*REWARDS COMMUNITY®

Holly Hinman
September 13, 2016



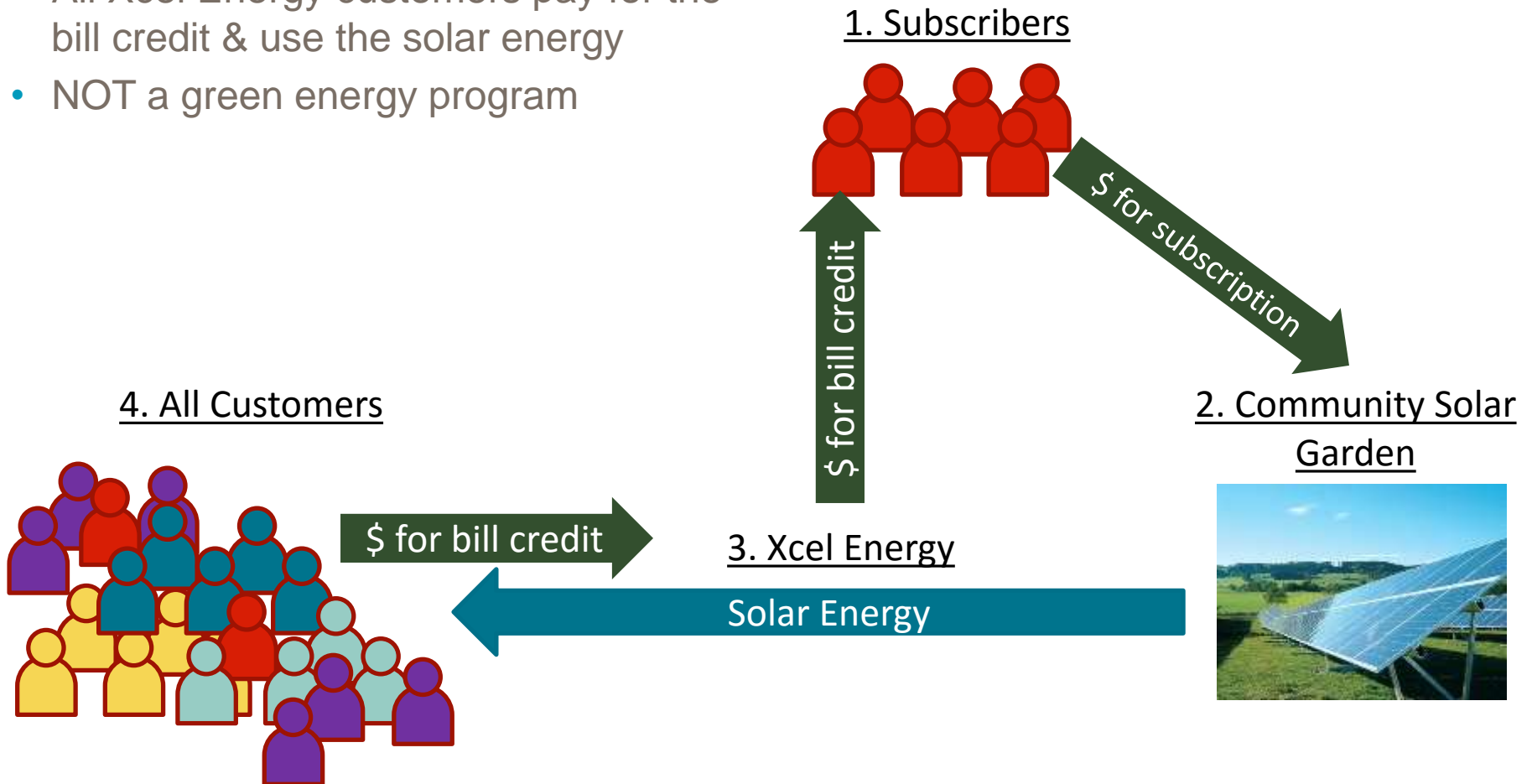


- Created by state Legislature
 - Many program features specified by law:
 - Same or adjacent county
 - Maximum 120% of annual usage
 - 200W minimum subscription
 - Up to 40% of a single garden
 - Payment for solar energy as monthly bill credit
 - **1 MW size limit**
 - **Bill credits at applicable retail rate (ARR) or Value of Solar (VOS)**
- Company filed our proposal with PUC in fall 2013

How Solar*Rewards Community Works



- Bill credit rate set by regulators
- All Xcel Energy customers pay for the bill credit & use the solar energy
- NOT a green energy program



Subscriber Bill Credits



Customer Class	Bill Credit Type	Bill Credit Rate per kWh (AC) for Energy Delivered to Company
Residential Service	Standard	\$0.12596
	Enhanced – Solar Gardens > 250 KW (AC)	\$0.14596
	Enhanced – Solar Gardens ≤ 250 KW (AC)	\$0.15596
Small General Service	Standard	\$0.12229
	Enhanced – Solar Gardens > 250 KW (AC)	\$0.14229
	Enhanced – Solar Gardens ≤ 250 KW (AC)	\$0.15229
General Service	Standard	\$0.09740
	Enhanced – Solar Gardens > 250 KW (AC)	\$0.11740
	Enhanced – Solar Gardens ≤ 250 KW (AC)	\$0.12740

Estimated \$17M increase in customer costs per 100 MW

Program Launch



- Bill Credit Rate established
- Program Opened in December 2014
- Large volume of co-located project applications
 - More than 400 MW received in first 10 minutes
 - Concentration in exurban/rural service territory
- June 2015: Company files Settlement Agreement with some developers

PARTIAL SETTLEMENT AGREEMENT

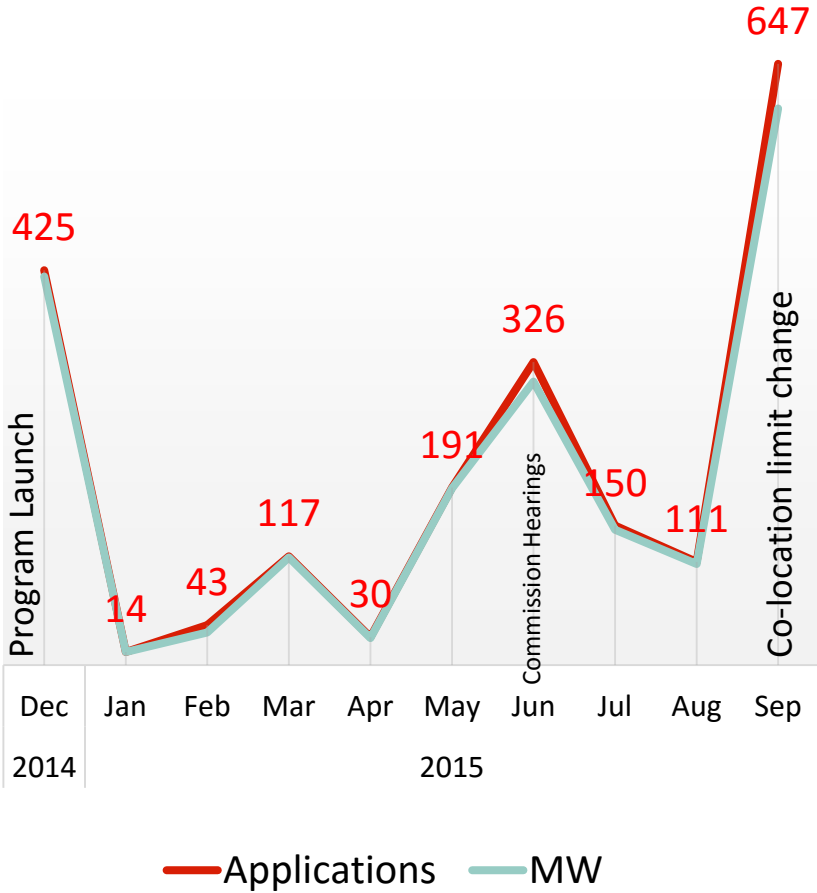


- Key terms:
 - Projects limited to 5 MW on a co-located basis (including those in queue and received through September 2015)
 - All projects proposed thereafter limited to 1 MW
 - Projects which require a substation outage on our distribution system are ineligible
 - Technical disputes to be referred to an Independent Engineer appointed by Department of Commerce
 - 50-day interconnection scoping study

APPLICATIONS AT A GLANCE



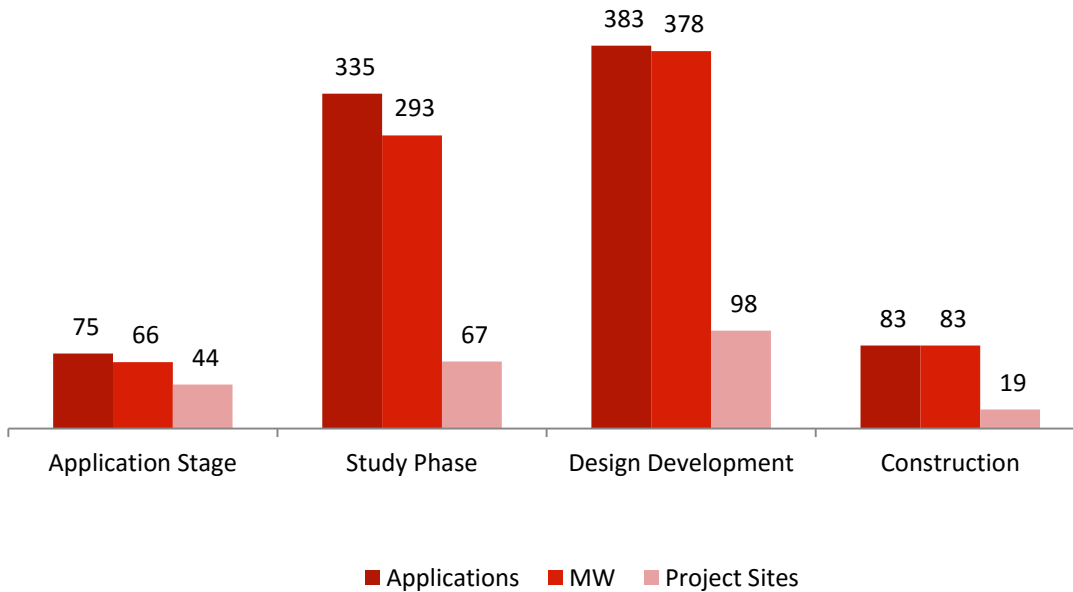
2015 Application Cadence



PROGRAM STATUS



- 40 new applications in 2016
- 228 active project sites in the pipeline (more than 800 MW)
- 4 projects in-service



CURRENT TEAM FOCUS



- Push for progress; anticipate & remove barriers
- Frequent, open communications
- Improved web portal
- Bi-monthly workgroup meetings
- On pace for one of largest programs in country

WHAT'S NEXT



- PUC grandfathered in existing projects at current rates
- PUC Order: new projects to receive Value of Solar rate beginning in 2017
- Company exploring low income customer options



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