



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Foster Transburg, Public Services Director

SUBJECT: Resolution R2026-007: Approve the 2026 Cogeneration and Small Power Production Tariff

DATE: For the City Council Meeting of Monday, January 26th, 2026

PURPOSE

Consider approval of the 2026 Cogeneration and Small Power Production Tariff and Resolution R2026-008.

SUMMARY

Annually, the City of Le Sueur must update Schedules 1, 2, and 3 of our Electric Utility cogeneration and small power production tariff for qualifying interconnecting facilities; these apply to customers who produce their own electricity from solar installations. The attached documents are those for 2026.

ACTION REQUESTED

Staff recommends approval of Resolution R2026-007, approving the updated cogeneration and small power production tariff.

Alternate Actions:

- No action / Denial: Updates to tariff will not be approved unless otherwise advised by City Council.
- Modification of Recommendation: This is always an option for City Council.

2026

COGENERATION AND SMALL POWER PRODUCTION TARIFF

TARIFF

Pursuant to its Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities, City of Le Sueur Electric (“Utility”) establishes and/or updates its Cogeneration and Small Power Production Tariff (“Tariff”) for billing and sales transactions following the date of Tariff approval as follows.

The Tariff shall consist of the following three schedules.

SCHEDULE 1.

Calculation of average retail utility energy rates for each utility customer class.

SCHEDULE 2.

Rates at which Utility purchases energy and capacity from the wholesale supplier from which purchases may first be avoided.

SCHEDULE 3.

Utility's adopted interconnection process, or “distributed generation tariff” adopted in compliance with Minnesota Statutes Section 216B.1611, subd. 3(2), including standard contract forms to be used with customers interconnecting qualifying facilities as well as general technical interconnection and interoperability requirements.

SCHEDULE 1- AVERAGE RETAIL UTILITY ENERGY RATES

Average Retail Utility Energy Rates: Available to any Qualifying Facility of less than 40 kW capacity that does not select either Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

Utility shall bill Qualifying Facilities for any excess of energy supplied by Utility above energy supplied by the Qualifying Facility during each billing period according to Utility's applicable rate schedule. Utility shall pay the customer for the energy generated by the Qualifying Facility that exceeds that supplied by Utility during a billing period at the "average retail utility energy rate." "Average retail utility energy rate" means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. Data from the most recent 12-month period available shall be used in the computation.

"Average retail utility energy rates" are as follows:

RESIDENTIAL

AVERAGE RETAIL ENERGY RATE (Jun-Sep)	\$0.135
AVERAGE RETAIL ENERGY RATE (Oct-May)	\$0.122

GENERAL COMMERCIAL

AVERAGE RETAIL ENERGY RATE (Jun-Sep)	\$0.137
AVERAGE RETAIL ENERGY RATE (Oct-May)	\$0.124

LARGE GENERAL

AVERAGE RETAIL ENERGY RATE (all months)	\$0.064
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SMALL INDUSTRIAL

AVERAGE RETAIL ENERGY RATE (all months)	\$0.064
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LARGE INDUSTRIAL

AVERAGE RETAIL ENERGY RATE On-peak	\$0.069
AVERAGE RETAIL ENERGY RATE Weekend/Holiday On-peak	\$0.064
AVERAGE RETAIL ENERGY RATE Off-peak	\$0.047

SMALL RURAL

AVERAGE RETAIL ENERGY RATE (Jun-Sep)	\$0.157
AVERAGE RETAIL ENERGY RATE (Oct-May)	\$0.144

LARGE RURAL

AVERAGE RETAIL ENERGY RATE (all months)	\$0.060
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SCHEDULE 2- WHOLESALE SUPPLY RATES

Wholesale Supply Rates: A “non-generating utility” must list the rates at which it purchases energy and capacity. If the utility has more than one wholesale supplier, the rates listed are of that supplier from which purchases may first be avoided.

Utility purchases energy and capacity from Minnesota Municipal Power Agency. In 2025, the average energy rate paid by Utility was \$0.06634 per kilowatt-hour. The average capacity rate paid by Utility was \$0.02078 per kilowatt-hour.

These rates are used to calculate Utility’s “avoided costs” for purposes of calculating compensation to customers whose Qualifying Facilities are not eligible for compensation at Utility’s average retail utility energy rate or who elect compensation at another rate.

SCHEDULE 3- INTERCONNECTION PROCESS

Interconnection Process: In order to provide for coordinated interconnection of customer-owned distributed energy resources and comply with Minnesota Statutes Section 216B.1611, subd. 3(2), Utility has adopted the “Minnesota Municipal Interconnection Process (M-MIP) 2022” as recognized by the Minnesota Municipal Utilities Association Board of Directors at its February 9, 2022, meeting and made publicly available at mmua.org.

General technical requirements may be found in the [Minnesota Technical Interconnection and Interoperability Requirements \(TIIR\)](#) as adopted by the Minnesota Public Utilities Commission on January 22, 2020 as part of DOCKET NO. E-999/CI-16-521.

For utility-specific safety standards, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus, please contact Utility for its Technical Specifications Manual (TSM).

CITY OF LE SUEUR, MINNESOTA
CITY COUNCIL RESOLUTION **R2026-007**

APPROVING THE UPDATED COGENERATION AND SMALL POWER PRODUCTION
TARIFF FOR THE CITY OF LE SUEUR ELECTRIC UTILITY

WHEREAS, the Rules Governing Cogeneration and Small Power Production Facilities with the City of Le Sueur Electric Utility and Minnesota Statutes Section 216B.164 require the utility to file a Cogeneration and Small Power Production Tariff with The City of Le Sueur annually; and

WHEREAS, the statute and rules cited above require the information contained in schedules 1, 2 and 3 described within; and

WHEREAS, these filings shall be maintained at the City of Le Sueur Electric Utility office and shall be made available for public inspection during normal business hours.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

1. The City of Le Sueur approves the Cogeneration and Small Power Production Tariff for transactions following the date of adoption stated below.

PASSED by the City Council of the City of Le Sueur on this 26th day of January 2026.

ATTEST

Shawn Kirby, Mayor

Lindsey Dhaene, City Clerk

VOTE: ___ HUNTINGTON ___ KIRBY ___ SCHLUETER
___ SULLIVAN ___ NELSON ___ SMITH ___ WILLIAMS