

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

Nancy Lange	Chair
Daniel Lipschultz	Commissioner
Matthew Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

**In the Matter of Establishing Generic
Standards for Utility Tariffs for
Interconnection and Operation of
Distributed Generation Facilities under
Minnesota Laws 2001, Chapter 212**

Docket No. E-000/CI-16-521

March 16, 2017

**MnSEIA & MnSEIP's COMMENTS REGARDING COMMISSION CONVENING OF
INTERCONNECTION STANDARDS WORKING GROUP**

I. COMMENTS

a. MnSEIA & MnSEIP Generally Support The Joint Movants' Proposal.

The Joint Movants through Fresh Energy have spent a significant amount of time working with MnSEIA members, making them comfortable with the Small Generator Interconnection Procedures (SGIP). We also do not seek to opine as to what the utilities still disagree with regarding the SGIP process. While the utility viewpoints have been expressed through written commentary and a participant hearing, we do not wish to rely on past statements. All prior arguments in this proceeding were made before the Order Establishing a Work Group.¹ They may no longer apply, because the circumstances have changed and a lengthier work-group process has been established.

Instead, we would prefer to generally state our agreement with the Joint Movants' proposal and to make any refinements through the verbal working group process. Our additional commentary is related primarily to past experience in other dockets and processes, and we have sought to highlight issues that have happened since the initial comment period in this docket.

b. The Commission Should Implement A Strong Framework for Decision-Making Upfront and Should Immediately Outline the Full Scope of the Working Group at the First Meeting.

¹ ORDER ESTABLISHING WORKGROUP AND PROCESS TO UPDATE AND IMPROVE STATE INTERCONNECTION STANDARDS, PUC, Docket No. E-999/CI-01-1023; E-999/CI016-521, Doc. ID. 20171-128408-01 (Jan. 24, 2017).

To maximize this working group's potential, the Commission must lay the foundation in the first working group meeting. MnSEIA and its staff have participated in the Xcel Energy Solar Rewards Community Working Group for over three years, and have served in similar roles to the Participant and Observer roles that have been outlined in this Notice for Comment. In addition, MnSEIA has been the moderator of that working group for several months. It is with that background that we assert the need for 1) a strong framework for decision-making and 2) an upfront outline of the full scope of the working group.

One of the challenges that the SRC Working Group has faced is that there have been times where the group created near binding policy, and other times the group seemed merely educational. The group would get hung up for days on issues that ultimately the Commission needed to determine and would at times miss out on big issues it could deal with. After a year of waffling back and forth, the group developed a charter, which determined how decisions would be made and what types of decisions are advisory, what are binding, and what had to go up to the Commission.² Only after those determinations were made was the group able to start making real, collaborative progress on community solar. Developing a charter may work well for this working group as well.

Along those lines, it makes sense for the group to outline the decision-making process. Determining up front whether we need complete unanimity, unanimity amongst non-utility participants, unanimity amongst only utility participants, democratic voting, etc. is paramount. Moreover, if the group does work under some form of unanimity voting requirement, the Commission should consider how it will handle issues of permanent and unresolvable disagreement amongst the group. In our experience there are two approaches. Either 1) the working group should be silent on the issue, offering up no recommendation, or 2) both sides must be presented evenly for the Commission's consideration and ultimate determination.

Fleshing out the scope of the group is also important. This could be included in the group's constitution. Even though we've been discussing this issue since June of last year, there are likely going to be areas that some groups want to spend time on when others do not. Some of those issues may not be within the purview of this group, and should not be considered. Other issues may be within the purview of the working group but should be considered only after the more important items are handled. It may be wise for the group to develop a full list of topics it wants to cover and then prioritize the items based on some combination of the following:

- 1) Immediate need;
- 2) Collective group interest;
- 3) Ability of the group to address the issue; and
- 4) Expected contentiousness of the issue and length of time required to handle it.

² See ATTACHMENT A; See also STAKEHOLDER MEETING MINUTES, XCEL ENERGY, Docket No. E002/M-13-867, Doc. Id. 20161-117577-01 at ATTACHMENT A pp. 8 (Jan 22, 2016).

These rules should be articulated and fleshed out at the first meeting.

c. Based On Prior Dockets There Are Several Lessons Learned About The Interconnection Process That Can Be Improved Upon.

i. Standardized costs would help consumers, solar industry professionals and utilities.

In PUC Docket 16-240 Keith Weber filed several initial disputes. Some concerns were over interconnection issues.³ While Keith ultimately dropped the issue, it highlighted the need for standardized pricing – or at least a cost ceiling - when it comes to interconnection equipment and services.⁴ Things like meters, turtles, engineering costs, staking, etc. should have either individual price caps formally outlined in the new interconnection standards or an aggregated cap on how much a system could conceivably cost to interconnect.

The issue for installers is when they walk into a customer’s house and pitch them a new array over the dining room table, the installer is currently forced to use estimates that have, at times, been wildly off because of a utility’s equipment request. This is not to deny that utilities need some leeway when interconnecting systems. Each system and each utility is unique. But it should be possible for there to be some reasonable range that the customer and the installer can rely on prior to signing the interconnection agreements.

This requirement would also ensure that utilities are doing their due diligence on procuring equipment. In Keith Weber’s case his meter was substantially more expensive than other meters available at that time, and significantly more expensive than a meter that the utility wanted to replace his with the following year.⁵ Having a cap on equipment pricing ensures that customers are being treated fairly across the state.

The likely counter-point to this position is that costs may change, which is a fair concern. If a price for a piece of equipment exceeds the listed price in the interconnection standards, then the utility should alert the customer in writing to this industry wide price increase and allow the customer or their installer the opportunity to procure the equipment on their own instead of using the utility pricing.

³ See INITIAL FILING – COMPLAINT, KEITH WEBER, Docket No. E-121/CG-16-240, Doc. ID. 20163-119321-01 at 15-20 (Mar. 22, 2016).

⁴ JOINT STIPULATION FOR DISMISSAL OF CERTAIN CLAIMS AND REQUEST FOR EXTENSION, MEEKER COOPERATIVE LIGHT AND POWER ASSOCIATION, Docket No. E-121/CG-16-240, Doc. ID. 20165-121637-01 (May 25, 2016).

⁵ See INITIAL FILING – COMPLAINT, KEITH WEBER, Docket No. E-121/CG-16-240, Doc. ID. 20163-119321-01 at 19 (Mar. 22, 2016).

ii. Any mediation standard should be limited in length and any intermediary arbitrator between the customer and the commission should have a high degree of Commission deference.

One of the take-aways from the Community Solar Garden interconnection disputes is that an independent evaluator, mediator, party, etc. should have a significant degree of deference. If the Commission is going to evaluate every dispute *de novo*, then there is little need for a full 90 day mediation period as the Interconnection Standard currently require.⁶ While mediation and other dispute resolution is useful, a three month period far exceeds its usefulness and it becomes an impediment to dispute resolution. This was also an issue highlighted in the Keith Weber case where the interconnection cost expenses were less than a 90 day mediation period would have been to participate in.

Additionally, the Commission should spell out whether the Consumer Affairs Office (CAO) or a similar body could qualify a QF for Commission oversight as if they had participated in the current 90 mediation requirement in the Interconnection Standards. It is currently unclear whether a QF that files a claim with CAO 1) meets the requirements of the current Interconnection Standards, and 2) can file a dispute with the Commission if CAO fails to resolve the dispute after 90 days.

This is important information for a customer to know, because it would help them understand how long of a process pursuing a dispute can be and whether they should engage in the CAO process at all. We would encourage CAO to count towards whatever mediation requirement is ultimately allowed, and we would also encourage the Commission to make that known in the revised version of the interconnection standards.

If the Commission seeks to go with a more arbitration-like setting for dispute resolution, then the Commissioners should state a degree of deference that the arbiter has. For example, if the Commission reviews the arbitrator with a substantial evidence test, and that information is known prior to the arbitration, then it would encourage parties to end the dispute prior to reaching the Commission. If the Commission will review everything *de novo*, as it has so far with Community Solar Garden disputes, then it encourages the losing party to appeal to the Commission.

The Community Solar Gardens docket has illustrated how challenging a lengthy dispute resolution process can be on solar developers. Most of our members that have gone through the independent engineer process have eventually had to go before the Commission. A similar amount went to the Commission on colocation disputes. This is because the Commission has preferred to maintain a *de novo* review process.

A lengthy dispute resolution process, however, has a deleterious and disproportionate impact on the QFs. A utility, especially an Investor Owned Utility, is a large monopoly company with a much higher access to attorneys, capital, and other resources. Whereas, a QF is often a farmer, or

⁶ ORDER ESTABLISHING STANDARDS, PUC, Docket No. E-999/CI-01-1023, Doc. ID. 354945 at ATTACHMENT 1 pp. 3 (Sep. 28, 2004).

a small business that will struggle to afford a long, drawn-out process. Moreover, on some issues, the QF may be losing out on financing their installed system. If a QF installs a system, and the utility refuses to interconnect the system, then the customer has likely incurred a large cost and is missing out on monthly revenue from excess energy sales and savings from energy production. Each month without a remedy further exacerbates this problem.

We understand that the Commission cannot always be the most expedient venue. Simple upfront steps, however, could reduce the average QF/utility dispute timeline. If the Commission is going to be the venue where QF complainants go, it should encourage complainants by developing the simplest, briefest – and therefore cheapest - system for dispute resolution possible. This starts by establishing a brief mediation period, or a strong standard of review in arbitration-like settings.

d. During The Second Phase Of This Process Where The Group Will Work On Technical Standards We Would Prefer To See Discussion On Emerging Technology And Telemetry, But We Would Prefer The Disconnect Switches Are Discussed In The First Portion Of The Process.

We believe that this working group has a great opportunity to start developing the grid of the future. While solar, wind and other QF generators will continue to populate utility service territories with more distributed generation, emerging technologies, like smart inverters and energy storage, will also be present. The technical standards portion of this process should look at all the realistic, forward-thinking technologies regarding interconnecting QFs to the grid. We should evaluate what processes, techniques and infrastructure are necessary to encourage emerging technologies.

We also think that based on our past experience with Community Solar that having a focus on telemetry might be a worthwhile idea for this working group. When telemetry originally appeared on community solar developers' cost summaries, the developers were challenged to make it work. The costs were surprisingly high and the lead times for the components were 12-15 months.⁷ To Xcel Energy's credit, they worked with developers to find common sense solutions that reduced both the cost and the lead times for the components. We feel that it makes sense for the Commission to include telemetry into the discussion for future interconnection technical standards, so that the Xcel CSG experience can be shared with other utilities.

The one technical item that we believe should be addressed in the initial interconnection standards working group topics is that of disconnect switches. As our prior comments alluded to, we believe that these are unnecessary components.⁸ So they do not need any technical standards to be associated with them. They should not be included in any part of the interconnection standards.

⁷ See COMPLIANCE FILING – STAKEHOLDER MEETING MINUTES, XCEL ENERGY, Docket No. E002/M-13-867 at ATTACHMENT A pp. 2 (Oct. 22, 2015).

⁸ See COMMENTS, MNSEIA & MNSEIP, Docket No. E-000/CI-16-521, Doc. ID. 20168-124296-01 at 8 (Aug. 19, 2016).

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Respectfully submitted,

David Shaffer, Esq.
Development Director and General Counsel
Minnesota Solar Energy Industries Association (MnSEIA)
Email: dshaffer@mnseia.org
Phone: 612.849.0231

Elizabeth Lucente, Esq.
Staff Attorney
Minnesota Solar Energy Industries Project (MnSEIP)
Email: liz.lucente@gmail.com
Phone: 763-367-0243

ATTACHMENT A

*Solar*Rewards Community (S*RC) Implementation Workgroup Charter*

The Working Group began by Commission request to continue collaboration among solar-garden developers, the Department, the OAG, and other interested parties to address issues including:

1. Ensure the smooth implementation of Xcel's solar-garden program;
2. Clarify and streamline the application process, interconnection, and bill crediting;
3. Discuss uniform subscriber disclosure forms;
4. Clarify what information a solar-garden developer must make available on its Web site;
5. Discuss limitations on promotional activities and materials;
6. Discuss uniform standards for solar-garden production estimates; and
7. Develop and implement best practices for solar gardens in Minnesota.

The S*RC Working Group has been instrumental in laying the groundwork for project implementation by collaborating with Xcel Energy, Garden Developers and other Interested Parties. Since its inception in September of 2014, the Working Group has been instrumental in helping to define issues, update process, provide insight into project details and progress toward the successful launch of the S*RC program. The issues have now begun to transform to those focusing on specific project implementation. Collaboration remains crucial to successful project implementation along with those issues first identified in 2014.

The S*RC Implementation Workgroup is, and has always been, an advisory body with the task of making thoughtful collaborative recommendations to Xcel Energy to consider in the implementation and design of their Solar*Rewards Community Program; provided however that the workgroup must approve FAQ changes and Salesforce revisions, prior to Xcel Energy implementing changes. These Collaborative recommendations are not binding on Xcel Energy, but may help guide the Company to be more responsive to Applicants, Developers, Subscribers, Interested Parties and the Public who are the intended beneficiaries of the Solar*Rewards Community Program.

As we move forward in this important Collaborative discussion, this following Charter for the S*RC Implementation Workgroup has been adjusted to reflect the transformation of this workgroup.

Purpose: The Solar*Rewards Community Implementation Workgroup is an advisory body with the task of advising Xcel Energy on the implementation and operations of their program, Solar*Rewards Community. The Working Group is independent and makes non-binding recommendations to Xcel Energy regarding application system enhancements, program process and procedures, and other matters. When a formal recommendation is desired, the group can call for a vote, with recommendations requiring a simple 2/3 majority vote (excluding Xcel Energy) of the Working Group.

Working Group Meetings: Working group meetings are a way in which developers and other interested parties can: (1) present ideas and issues for improvement of the program (2) receive information or training regarding technical requirements or program processes, and (3) provide input on software tools and FAQ documents. Meeting agendas are structured to allow discussion time for developers and other interested parties to weigh in on program issues and develop recommendations to Xcel Energy. Working Group meetings also include pertinent training and ongoing outreach by Xcel Energy regarding program process. Workgroup meetings will take place on a monthly basis.

Voting: Garden Developers are eligible to vote to measure or demonstrate consensus on Working Group matters such as program preferences, process changes and software (application) details. Voting will preferably occur orally during Working Group meetings; however, at the Workgroup's discretion online voting will be provided. As an advisory group, voting is used to determine majority and provide Xcel Energy direction. Xcel Energy reserves the right to review decisions based on their merit. Please refer to our separate voting structure details on voting eligibility and details.

Subcommittees: The Working Group may form subcommittees, working groups or ad hoc tasks for parties to review and detail. These subcommittees will meet outside the monthly format and will report back to the full Working Group.

Group Leadership: The Workgroup will have a moderator to help actively move discussion forward and is co-led by MNSEIA and an Xcel Energy representative. Additionally, meeting minutes, adopted votes and other specific actions by the Workgroup will be filed with the Minnesota Public Utilities Commission.