

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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**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 29, 2018

MnSEIA COMMENTS REGARDING DRAFT INTERCONNECTION STANDARDS

I. COMMENTS

MnSEIA generally supports the Minnesota Public Utilities Commission Staff's draft Interconnection Standards. We appreciate the effort and work staff has put into this process, and the results have been a win-win for the developer community and the utility world. With that in mind, we highlight the minor areas where we believe there is still room for improvement.

A. The Timeline Has Gotten Longer For Simplified Projects

MnSEIA's general concern on this process is that the timeline has increased from the current standards for projects that would qualify for simplified timelines. The simplified process as outlined in the draft process allows 10 business days to evaluate for completeness, 15 days to run screens, and 5 days to notify the customer of approval. This is a total of 30 business days, for something that currently takes about half the time.

We contend that the evaluation for completeness portion of the standards should be allowed only 5 days and the screens should be completed in 7 days or less. This would significantly improve the process over how it currently stands and better align the future simplified process with current interconnection standards practices.

Another change that could help expedite the process is that the Uniform Statewide Contract could be added to existing points in the process instead of having its own checkpoint. There is no need to shuttle this document around on its own when it could be combined with other process activities.

Furthermore, some information on the Uniform Statewide Contract is not necessary if the project would qualify for the simplified process or the information on the contract renders other requirements redundant. This relates primarily to insurance requirements. Since the statewide contract requires insurance, there is no need for other superfluous insurance provisions. The

requirement to provide insurance certificates and endorsement with the interconnection application should be removed for customers that use and fill out the contract so long as their systems qualify for the simplified process. This will save administrative time and customer headache.

Lastly, the process seems to be missing a point for the certificate of completion's return to the customer. Presumably this was a minor oversight. We suggest adding that in at the end of the process and combining that date with the return of the utility signed Uniform Statewide Contract. This would ensure that the return of the contract and the certificate of completion mark the end of the process, which will make it easier for consumers to understand and easier for solar installers to conclude their work on an individual project.

B. Reporting Requirements

Reporting requirements are an interesting function of the Interconnection Standards as their origin comes not from the standards itself or from the portion of the statute that enables the formation of the standards. Instead, Minn. Stat. § 216B.1611, subd. 4 is guiding force on reporting issues. Unlike the requirements around the standards the reporting requirements are required of each cooperative, municipal and Investor Owned Utility.

MnSEIA suggests that this issue be addressed more heavily in the DG Advisory group, formulated from docket 17-284. Getting all of the correct reporting information without requiring the utilities to file unnecessary and onerous information is a bit of trial and error. This would allow the discussion on reporting requirements to further progress and evolve over time as more information becomes necessary and as queues start growing around the state. It would also allow for developers to manipulate the process without having to reconvene the Interconnection Standards working group; the standing DG Advisory group is a better fit for handling the nuances of this issue on a go-forward basis.

C. Modification to the Standards, Interconnection Agreement Itself or State-wide Contract

An area MnSEIA would like to see further fleshed out is on modifications to the interconnection standards themselves, the statewide contract or the interconnection agreement by the utility. To be clear, we are not challenging anything currently outlined in Section 1.6. This is an issue about utilities changing the standards themselves or adding additional appendices or attachments that have not yet been approved by the Commission. A process should be in place for re-evaluation of the standard's "living document" aspect.

The purpose of the Interconnection Standards enabling statute is to:

Subdivision 1. Purpose.

The purpose of this section is to:

- (1) establish the terms and conditions that govern the interconnection and parallel operation of on-site distributed generation;
- (2) provide cost savings and reliability benefits to customers;

- (3) establish technical requirements that will promote the safe and reliable parallel operation of on-site distributed generation resources;
- (4) enhance both the reliability of electric service and economic efficiency in the production and consumption of electricity; and
- (5) promote the use of distributed resources in order to provide electric system benefits during periods of capacity constraints.¹

There are also other relevant portions of the statute that provide further guidance on consistency across service territories. For example, the statute also articulates that:

At a minimum, these tariff standards must:

- (5) establish (i) a standard interconnection agreement that sets forth the contractual conditions under which a company and a customer agree that one or more facilities may be interconnected with the company's utility system, and (ii) a standard application for interconnection and parallel operation with the utility system.²

The statute clearly articulates a strong need to balance utility needs for safety and reliability with developer expectations. The statute contemplates a standardized document that developers can rely upon.

A similar requirements is found in Minn. Stat. § 216B.164, subd. 6, which states:

- (c) The uniform statewide form of contract shall be applied to all new and existing interconnections established between a utility and a net metered or qualifying facility having less than 40-kilowatt capacity, except that existing contracts may remain in force until terminated by mutual agreement between both parties.³

Minn. Stat. § 216B.164, subd. 6 is the portion of the statute that governs the “statewide contract,” which is designed to be consistent across all Investor Owned Utilities, if not the state. The rules that stem from this section require:

7835.9920 NONSTANDARD PROVISIONS.

A utility intending to implement provisions other than those included in the uniform statewide form of contract must file a request for authorization with the commission. The filing must conform with chapter 7829 and must identify all provisions the utility intends to use in the contract with a qualifying facility.⁴

¹ Minn. Stat. § 216B.1611, subd. 1.

² *Id.* at subd. 2 (a)(5).

³ Minn. Stat. § 216B.164, subd. 6.

⁴ Minn. Rule 7835.9920.

The Legislature and the Commission have put a large emphasis on continuity among the standards and the statewide contract. Deviations from the approved standards or contract should be reviewed by the Commission prior to their application.

The intention of this section is not to cast aspersions on Xcel, but to use a recent example of deviation from these statutes and rules to highlight the need for greater transparency into changing these documents. As has been noted in this process, Xcel Energy has developed their own Energy Storage application forms for storage projects, but to our knowledge these new “Exhibits” (Exhibit D and Exhibit E) have not been PUC approved. MnSEIA contends that Exhibit D and Exhibit E are illegal amendments to the statewide contract, were implemented without proper notice, are unjustified, and are currently unnecessary to process applications even under the pre-existing interconnection standards. However, due to the administrative complexity around disputing these new Exhibits, MnSEIA has accepted that the most prudent avenue for altering the Exhibits is our continued participation in the Interconnection Standards Process and not further Commission action. Moreover, we respect that Xcel felt it needed to get something into place to ensure storage systems were processed in a timely fashion even though we disagree.

We highlight this issue, because we seek to have additional emphasis placed in the new standards that modifications - like Xcel’s Exhibits - may be implemented but require a simultaneous filing with the Commission for approval. This would allow the utility to accept applications for new technologies or for unforeseen cases without having to pause for PUC approval, but would ensure that regulatory oversight is pending. It would also ensure there is publicly available notice to the solar industry and its customers, which will help mitigate confusion.

The current situation with storage projects in Xcel’s service territory has left many installers and developers unclear on how to proceed and whether there is any opportunity to weigh in on unapproved standards that are currently being applied to them. Situations like this may arise in the future and there should be a strategy for how to effectively deal with them in advance.

Moreover, the ability to initiate a re-review of the standards should be available for the developer community. While the standards generally seem well drafted, prudent and sufficient, our members tend to pay the most attention to instances of when things go wrong. Having an opportunity to engage with the standards will yield substantially more information than the comment process we are currently engaged in. Assuming we will get everything right at the outset is an unrealistic expectation from this process and having a pathway for adjustment is necessary.

In its order, the Commission should outline a process, if not in the standards themselves, for recalling the work group and settling issues that arise from the application of the new standards.

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Respectfully submitted,

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