

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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| 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

April 19, 2018

**MnSEIA REPLY COMMENTS REGARDING DRAFT INTERCONNECTION
STANDARDS**

A. RESPONSE TO ENERGY FREEDOM COALITION OF AMERICA

MnSEIA agrees generally with the Energy Freedom Coalition of America’s (EFCA) stated positions. Specifically, we support the use of a “Maximum Export Capacity.”¹ We also believe that “at a minimum, the maximum export capacity should guide which interconnection process the DER is subject to.”² With current technology capable of regulating exports, the need for determining facility size using full system capacity is unnecessary and detrimental to Qualifying Facilities (QF)/Distributed Energy Resources (DER) deployment.

Storage also factors into this discussion. Because the ability to store energy and then disperse it at an appropriate rate is something a storage system is capable of, the interconnection application for a storage project should be the Maximum Export Capacity that the storage system is set at. This is especially true if the storage is not paired with any additional generation. These types of systems and those that do not export generally, should be permitted under the fast tracking process, assuming they are the appropriate size and configuration for fast-tracking.

B. RESPONSE TO WIND ON THE WIRES

MnSEIA also agrees with Wind on the Wires that the Commission should consider expanding the Interconnection Standards to all QF facilities seeking interconnection to an Investor Owned Utility, regardless of size.³ While it is true that Minn. Stat. § 216B.1611 has a

¹ COMMENTS, THE ENERGY FREEDOM COALITION OF AMERICA, Docket No. E999/CI-16-521, Doc. Id. 20183-141517-01 at 2 (Mar. 29, 2018).

² *Id.*

³ COMMENTS – INITIAL COMMENTS, WIND ON THE WIRES, Docket No. E999/CI-16-521, Doc. Id. 20183-141517-01 at 7-9 (Mar. 29, 2018).

requirement for the Commission to develop rules for systems that are 10MW and under, nothing precludes the Commission from expanding this to systems that are greater than 10MW for all utilities under its jurisdiction.⁴

PURPA allows for the interconnection of QFs up to 80MW in size, but our understanding is that each Minnesota utility has a FERC waiver that restricts the maximum allowable capacity to 20MW. Because a 20MW facility is not all that much different from a 10MW facility, it seems unusual and unnecessary to have different standards for these types of systems. Streamlined standards encourage the deployment of QFs, which is the goal of Minn. Stat. § 216B.164.⁵ The overlap of these two statutes and their legislative intentions suggest that standards for larger systems are something that the Commission should at least consider implementing.

If the Commission does not choose to expand the Interconnection Standards for systems from 10MW to 20MW installed in IOU service territory, then perhaps it should develop similar standards for those systems. Allowing the utilities to dictate the interconnection procedure for these projects creates a “black-box” of interconnection information and makes these projects challenging to finance. For those reasons, MnSEIA supports Wind on the Wires and requests the Commission determine a pathway forward for establishing standards for projects greater than 10MW.

C. RESPONSE TO THE JOINT MOVANTS

MnSEIA also generally agrees with the points outlined by the Joint Movants. Specifically, we support the Joint Movants approach to reporting requirements.⁶ Having access to the Fast Track and Supplemental Review screen results is important to ensure that the screens are being applied correctly and to better understand areas developers are having difficulties. This would allow the developer community to work collaboratively to better their application processes through discussions, educational courses, etc. It would also ensure that if a repeated issue arises, then the industry has the ability to weigh in and highlight to the utility or the Commission the challenge.

Furthermore, we agree with the Joint Movant’s request that “the Commission should also require reporting of the utilities’ success in keeping final upgrade costs within +/- 20% of the utility’s initial estimate given with the Facilities Study.”⁷ This requirement would allow the Commission to track the efficacy of these estimates, and should provide additional assurances to

⁴ Minn. Stat. § 216B.1611, subd. 2(a).

⁵ See Minn. Stat. § 216B.164, subd. 1.

⁶ See COMMENTS, INTERSTATE RENEWABLE ENERGY COUNCIL, INC., Docket No. E999/CI-16-521, Doc. Id. 20183-141524-01 at 13-16 (Mar. 29, 2018).

⁷ *Id.* at 15.

the developer community that they can rely upon the estimates they are provided. This will add more certainty to the process and make developing projects easier.

Lastly, we want to emphasize our general agreement with the Joint Movants that the goal of the simplified process is to keep applications both simple and fast.⁸ This is very important in the market we are in today, where many service territories have few DER projects. One of the benefits of the prior Interconnection Standards is that they were fairly simple to understand and implement. Our hope is that this new process will be similarly easy to use for both the utilities and the solar installers. One way to ensure that this happens is to make sure projects similar to those that were previously breezing through the application queue still make it through quickly and easily.

D. UTILITY GENERAL REDLINE CHANGE REQUESTS

MnSEIA would also like to speak broadly about some of the utility change requests made in redlines. It should be noted that the amount of redlining in this comment period is voluminous and MnSEIA's silence on an issue is not indicative of support for or against any provision in the utilities' redlines.

a. Xcel Energy's Redlines

To begin, we agree with Xcel's language around seeking an amendment to the Interconnection Agreement, but think the word "jointly" should be added to the language in 1.1.6, so that it reads "The Area EPS Operator and Interconnection Customer may *jointly* seek Commission approval of an amendment to the Interconnection Agreement for use between them for a specific Interconnection Application in the following ways:"⁹ We believe this is Xcel's intent already, but this clearly states that both parties must agree to this process before it can begin.

Xcel recently proposed retaining the standards' approach of 3 payment installments. MnSEIA supports this approach. It has been easily utilized in the past and installers have had no challenges with it. This alteration is appropriate.¹⁰

MnSEIA, however, does not support the continued application of a 24-month clock on projects.¹¹ Historically, MnSEIA has been supportive of the 24-month clock, as it prevented queue manipulation under the prior standards. The new DIP has sufficient protections for developers that are lower in the queue, so this requirement is no longer necessary. Some projects

⁸ *Id.* at 3-8.

⁹ COMMENTS, XCEL ENERGY, Docket No. E999/CI-16-521, Doc. Id.20183-141524-01 at ATTACHMENT B – PAGE 5 (Mar. 29, 2018).

¹⁰ *Id.* at ATTACHMENT B – PAGE 28.

¹¹ *See Id.* at ATTACHMENT B – PAGE 7.

may take longer than 24 months for a wide-variety of legitimate reasons, and preemptively removing them from the queue or assessing them day-for-day late fees, is unneeded with this new interconnection schema.

We also prefer the staff's recommended Facilities Study Agreement over Xcel's revised version.¹² We feel the original approach is more requirement neutral between the utility and DER customer.

b. Otter Tail's Redlines

We do not agree with Otter Tail's striking of 1.10.3 as this obligation seems fairly elementary and the ability to offer compensation for grid services is a utility elective.¹³ We see no reason or justification for this alteration.

We partially agree with Otter Tail's request to add a 3.3.6 to the MN DER Interconnection Agreement (IA).¹⁴ MnSEIA is supportive of allowing the utility to terminate the agreement if the DER has not operated for twelve consecutive months, so long as the reason for the twelve month outage is not utility caused. Furthermore, MnSEIA does not support the notion that disconnection of their retail electrical service at the same premise is sufficient for termination. If the DER decides to become a QF, sending its energy to the utility, that is the DER's choice and right under PURPA and Minn. Stat. § 216B.164.

We do not agree with Otter Tail's desire to have the 5.2.1. Repayment Section be "directly assigned to the Interconnection Customer" as is written in their MN DER IA.¹⁵ The prior language is sufficient and protects both the DER and the utility fairly.

c. Dakota's Redlines

MnSEIA takes issue with Dakota's request to reduce the fast track eligibility from 2MW to 1MW for systems regardless of location, and from 3MW to 2MW for certified, inverter-based DER on a mainline and 2.5 Electrical Circuit Miles from a substation.¹⁶ Dakota contends these numbers will provide false information, but they seem to work sufficiently for the other utilities. The ability to slide projects through on a faster basis outweighs the minor inaccuracies that may

¹² See ATTACHMENT B – PAGE 78.

¹³ COMMENTS, OTTER TAIL POWER COMPANY, Docket No. E999/CI-16-521, Doc. Id. 20183-141523-01 at ATTACHMENT A – Page 5 (Mar. 29, 2018).

¹⁴ *Id.* at MN DIA at 3.3.6. – Page 8.

¹⁵ *Id.* at MN DIA at 5.2.1. – Page 12.

¹⁶ COMMENTS, DAKOTA ELECTRIC ASSOCIATION, Docket No. E999/CI-16-521, Doc. Id. 20183-141519-01 at ATTACHMENT A – PAGE 13 (Mar. 29, 2018).

result. This general process is a balancing act of interests, but in this case the DERs are better served with the staff recommended sizes.

d. General Utility Redlines

MnSEIA is supportive of the frequent note that “Distributed Energy Resource” should be changed to DER.

However, the utilities also generally take issue with the certification requirements. MnSEIA supports staff’s initial recommendation and would prefer the language the utilities are seeking to have removed from Attachments 2 & 5 remains.

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Respectfully submitted,

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