

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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In the Matter of Updating the Generic Standards for the Interconnection and Operation of Distributed Generation Facilities Established under Minn. Stat. § 216B.1611

COMMENTS of the MINNESOTA SOLAR ENERGY INDUSTRIES ASSOCIATION (MnSEIA)

August 25, 2021

Docket No. E999/CI-16-521

MnSEIA's COMMENTS

The Minnesota Solar Energy Industries Association (MnSEIA) is a 501(c)(6) nonprofit trade association that represents our state's solar businesses, with 130 member companies, which employ roughly 4,000 Minnesotans.

BACKGROUND

On April 19, 2019, the Minnesota Public Utilities Commission (Commission) approved the Minnesota Distributed Energy Resources Interconnection Process¹ (MN DIP) in an Order in this and related dockets.²

On July 22, 2020, the Commission posted a request for members of the Distributed Generation Workgroup (DGWG) to provide feedback on what topics require a review after one year of implementation.³

¹ See State of Minnesota, Distributed Energy Resources Interconnection Process (MN DIP) v.2.3, https://mn.gov/puc/assets/MN%20DIP_tcm14-431769.pdf

² See ORDER APPROVING TARIFFS WITH MODIFICATIONS AND REQUIRING COMPLIANCE FILINGS, In the Matter of Updating the Generic Standards for the Interconnection and Operation of Distributed Generation Facilities Established Under Minn. Stat. § 216B.1611, DOCKET NO. E-999/CI-16-521 (April 19, 2019).

³ NOTICE - OF WORKGROUP MEMBERS SOLICITATION AND COMMENT PERIOD, PUC, Docket No. E999/CI-16-521, Doc. Id. 20207-165174-01 (July 22, 2020).

On July 16, 2021, a final report from the DGWG subgroup on group System Impact Studies (sometimes called batch or cluster studies) was filed in Docket No. E999/CI-16-521.⁴

On May 11, 2021, DGWG subgroups' final reports and the MN DIP Review Slides for September 2020 – March 2021 were filed in Docket No. E999/CI-16-521.⁵

COMMENTS

The Minnesota Solar Energy Industries Association (MnSEIA) is a 501(c)(6) nonprofit trade association that represents Minnesota's solar businesses, with 130 member companies, which employ roughly 4,000 Minnesotans.

MnSEIA appreciates and recognizes the good faith effort put forth by all the participants, moderators, and organizers of the DGWG and its subgroups to improve the interconnection standards for distributed resources.

I. On the Reports of the DGWG Subgroups

Minnesota faces an urgent need for speedier and more efficient interconnection queue management. The most capacity-constrained feeders in the state will not be able to interconnect any new Distributed Energy Resources (DER) for several years—and in the worst cases, almost two decades. For example, in its most recent interconnection queue report, Xcel estimates that there are 17.3 years until a MN DIA could be signed for a new application on the MHW311 Feeder.⁶

The policies that have led to these extreme queues are applied to all feeders in Xcel territory, and without intervention, such queues will become the norm instead of the exception. This unreasonable outcome contravenes Minn. Stat. 216B.1611.

There are two primary bottlenecks here. First, the physical limits of distribution systems built to accommodate one-way flow of electricity—from the transmission substation down to the load customers—can only interconnect so much exporting DER before an upgrade is needed. Second,

⁴ See Cluster Study Subgroup Report, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521 Docket No. E999/CI-16-521, Doc. Id. 20217-176214-01 (July 16, 2021). Hereinafter “Cluster Study Subgroup Report.”

⁵ See OTHER--DGWG SUBGROUP FINAL REPORTS, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc. Id. 20215-174052-02 (May 11, 2021). Hereinafter “DGWG Subgroup Reports.”

⁶ See “Public Distributed Energy Resources (DER) Queue Report” (August 1, 2021), sheet “Application by Feeder,” column F, available at <https://mn.my.xcelenergy.com/s/renewable/developers/interconnection>. Hereinafter “August 2021 Queue Report.”

the processes governing the orderly interconnection of DER can place artificial, unnecessary restraints on the process. Both bottlenecks frustrate public policy goals.

The Distributed Generation Working Group (DGWG) and its subgroups have discussed plans in several areas, addressed below

A. Capacity Planning Limits

In an effort to enable its customers to interconnect DER and reduce load, Xcel has proposed to change its methodology for calculation of distribution system capacity available for distributed generation.⁷ The proposed change, suggested in a Queue subgroup meeting, would remove daytime minimum load (DML) from the equation—which is currently DML plus equipment rating—leaving only equipment rating.⁸ The subgroup does not support this proposal at this time,⁹ and neither should the Commission.

The report summarizes the subgroup's concerns,¹⁰ which include the broad observation that this change would reduce available DER-hosting capacity by almost 13%.¹¹ The subgroup also pointed out that Xcel's proposal would lead the utility to ignore the likely load growth from growing electrification that may also grow DML, which would further reduce available DER-hosting capacity relative to the current approach.¹² This change to planning limits would be discordant with Hosting Capacity Analysis, which could increase confusion and dissatisfaction with the hosting capacity and interconnection processes.¹³ Also, because DML is a criterion for initial and supplemental screens within MN DIP, then this proposed change would also likely implicate (ill-advised) changes to MN DIP. While the last reason should be dispositive in deferring this change until further vetting by the DGWG as a whole, the foregoing reasons are all persuasive recommendations to not adopt this change in methodology.

B. Feeder Capacity Reservations

Xcel also proposed to the Queue subgroup that a capacity reservation of 25% of the capacity on each feeder be reserved for customer-sited projects.¹⁴ The stated reasons for this proposal include equitable access to feeders for small, customer-sited DER that risks being crowded out by community solar gardens (CSGs). The subgroup did not reach consensus on this proposal, and

⁷ See DGWG Subgroup Reports at 45.

⁸ *Ibid.*

⁹ *Ibid.*

¹⁰ *Id.* at 45-46.

¹¹ *Id.* at 45.

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ *Id.* at 46.

recommends no further action be taken until further DGWG discussion has taken place. MnSEIA recommends the same.

C. Cost Sharing Mechanisms

One of the largest barriers to orderly and efficient interconnection of DER is the way in which the cost of system upgrades falls to the marginal, “cost-causer,” whose DER pushes the system over a quantum limit and thus triggers a large upgrade cost. The size of the marginal DER may or may not be proportional to the size of the upgrade. In one recent example, a DER customer, Dorothea Hrossowyc faced a \$9,000 upgrade for a small residential system, which could nearly double the all-in cost of the DER.¹⁵ Areas like Ms. Hrossowyc’s have become completely prohibitive to further DER integration—not because the theoretical limits of a well-designed distribution system have been reached, but because the next DER customer at each feeder line faces prohibitive upgrade costs.

This system is not efficient, and it is not equitable. Presumably, earlier DER customers did not face prohibitive upgrade costs, because, *ipso facto*, those customers successfully interconnected DER. Furthermore, Ms. Hrossowyc’s testimony suggests that the upgrade that she would pay for might be able to accommodate the next DER customer(s) on the line. Continued reliance on the goodwill of the “cost-causer” to purchase system upgrades, which will be owned and operated by the utility, will lead to more areas like Northfield where large numbers of customers would want to interconnect but cannot.

The cost sharing mechanisms presented by the Interstate Renewable Energy Council (IREC) and Fresh Energy show a great deal of promise, especially as an alternative to a capacity reservation scheme. MnSEIA enthusiastically supports these proposals in principle, and eagerly awaits more details.

The option to base the required pooled upgrade costs on a given year’s costs, followed by a true-up, which should be audited by an independent body, should be the most practical and fair method. The developers and installers that will share the socialized costs should understand that costs will likely escalate year-on-year, and so require a year-end true-up mechanism. MnSEIA is not opposed to a predetermined escalator, whether it is based on inflation or a reasonable estimation of market growth and equipment costs.

As promising as this cost-sharing plan appears to be, upgrades for behind-the-meter DER would be more properly accounted for in Integrated Distribution Planning, and should accordingly be incorporated into the utility’s cost recovery mechanisms. Such a policy should align incentives, and would alleviate the friction between the utility and DER customers. Such a policy would also

¹⁵ See PUBLIC COMMENT--D HOLDEN, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc. Id. 20218-176880-01 (August 6, 2021).

recognize the long-term need to invest in the dynamic, two-way grid that will support the DER needed to meet the state’s clean energy goals.

D. Cluster Studies

In theory, Cluster Studies, particularly in the context of CSGs, are a good way to cut interconnection times, and locally socialize the costs of upgrades that add capacity.

As relayed in the cluster studies subgroup,¹⁶ MnSEIA members have expressed concern to MnSEIA staff and other members of the subgroup regarding Xcel’s administration of cluster studies generally, and the proposed pilot in particular. A voluntary pilot project, if undertaken with care and skill, could ultimately win the trust of developers. However, a pilot of non-constrained feeders, while *possibly* a useful learning exercise, may not teach those involved enough about how these studies will work on capacity-constrained feeders, where the benefits of socializing large substation upgrades are the most likely to offer substantial benefits.

The Cluster Study Subgroup did not reach consensus on a broad range of topics discussed.¹⁷ The group did agree, however, that Xcel’s proposed pilot can proceed on a voluntary basis without any needed changes to the MN DIP, and that the best venue for further discussion would be in the S*RC working group.¹⁸ At the conclusion of the pilot, the S*RC working group agreed to report to the Commission on lessons learned.

In its most recent S*RC Compliance Filing, Xcel notes that, “*After discussions with the selected developers, only one opted to join the pilot.*”¹⁹ It is unlikely that a pilot project featuring only one developer will provide many lessons, but perhaps the evident failure to attract volunteers will result in further iterative development of workable cluster study pilot proposals.

E. Other Queue Management Proposals: “on hold”

The most controversial aspect to MN DIP implementation has been the utilization of the “on hold” status by Xcel. Xcel has justified the practice by its interpretation of the serial review requirement of MN DIP § 1.8.3, and has only implemented it since the transition to MN DIP.²⁰ The status, which is nonetheless not enumerated anywhere in MN DIP, does not have a defined time limit. In practice, the status significantly lengthens interconnection timelines, obscures

¹⁶ See Cluster Study Subgroup Report, at 4-6.

¹⁷ *Ibid.*

¹⁸ *Id.* at 6.

¹⁹ See Northern States Power Company d/b/a Xcel Energy, Quarterly Compliance Report, IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF ITS PROPOSED COMMUNITY SOLAR GARDENS PROGRAM, DOCKET NO. E002/M-13-867, Doc. Id. 20217-176438-01 (July 23, 2021), at 7. (Emphasis added.) *Hereinafter* “CSG Q2 Compliance Report.”

²⁰ See DGWG Subgroup reports, at 41.

Xcel's actual compliance with the MN DIP tariff, and obstructs—rather than promotes—the use of distributed resources in contravention of statute.

Those lengthened timelines were the subject of numerous complaints or potential complaints to the Consumer Affairs Office by developers and installers during the second half of 2019 (the first six months of MN DIP implementation) and 2020.²¹

Xcel's most recent Public Distributed Energy Resources (DER) Queue Report lists 316 *applications* “on hold.”²² The collective MN DIP timelines to achieve each of these interconnections—what Xcel terms “Days until MNDIA for new applicant on this Feeder”²³—at 300 days per application “on hold” is 94,800 days, or 259 years and 265 days. The industry should not need to wait centuries to interconnect DER. The resources “on hold” add up to over 269,720 kW_{AC} of solar photovoltaics.²⁴ Those missing kilowatts, if they were allowed to proceed, would support 750-900 good-paying clean energy jobs. This dispute is not merely academic, but has tremendous consequences for Minnesota's clean energy economy.

The dispute about the “on hold” status arises from Xcel's *singular interpretation*²⁵ of MN DIP § 1.8.3, which states:

The Area EPS Operator shall maintain a single, administrative queue and may manage the queue by geographical region (i.e. feeder, substation, etc.) This administrative queue shall be used to address Interconnection Customer inquiries about the queue process. If the Area EPS Operator and the Interconnection Customer(s) agree, Interconnection Applications may be studied in clusters for the purpose of the system impact study; otherwise, they will be studied serially.

Xcel has interpreted the serial study mandate to read that each study of each application be completed before the next one begins.²⁶ This practice diverged significantly from pre-MN DIP review, where studies had been conducted in parallel.²⁷

The utility began to change its practice once again in the fall of 2020, when, it “instituted a new process that took Applications for projects 40kW or less ‘off hold’ and screened those

²¹ See generally Comments of the Minnesota Solar Energy Industries Association, In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs Originally Established in Docket No. E,G-02/CI-02-2034 & Investigation and Audit of Service Quality Reporting-Fraudwise Report, Docket Nos. E,G002/CI-02-2034 and E,G002/M-12-383, Doc. Id. 20207-164547-01 (July 1, 2020).

²² See August Queue Report, column E.

²³ *Id.*, column F.

²⁴ *Id.* filtered by “Application Status,” sum of column E.

²⁵ Xcel is the only utility that interprets MN DIP in this manner.

²⁶ See DGWG Subgroup reports at 41.

²⁷ *Ibid.*

Applications in parallel with ahead-in-queue Applications, except for those on heavily penetrated feeders or substation transformers where active plus queued distributed generation (DG) exceeded the feeder equipment or substation transformer capacity.”²⁸ Later in the Fall, Xcel continued this shift away from strict serial review to include all Fast Track projects, save for those queues with “known capacity constraints.”²⁹ The latter qualifier represents a further definitional shift from “heavily penetrated” feeders, which includes DML.³⁰ This definitional shift mirrors also Xcel’s proposal to change Capacity Planning Limits.

Further discussions within the subgroup led Xcel to propose three options to reduce time spent “on hold”:

- a. SIS begins when the ahead-in-queue begins a facilities study - estimated to reduce “on hold” time by 64 business days per project ahead in queue
- b. SIS begins when the ahead-in-queue receives a complete facilities study - estimated to reduce “on hold” time by 50 business days per project ahead in queue
- c. SIS begins when the ahead-in-queue receives an IA - estimated to reduce “on hold” time by 30 business days per project ahead in queue
 - i. Xcel also proposed to shorten the period of time for customers to sign the IA from 30 business days to 15 business days.³¹

All of these proposals carry with them some risk of restudy if projects ahead in queue were to drop out.³² However, non-Xcel stakeholders expressed willingness to take on that risk; moreover, Xcel proposed requiring deposits in order to mitigate said risk.³³

Developer stakeholders prefer option a), which most aggressively reduces “on hold” time.³⁴ While elimination of the “on hold” status *entirely* would be the optimal outcome—one which other utilities achieve without needing to invent it in the first place—the most significant reductions possible of “on hold” time hew most toward the public policy goals of § Minn. Stat. 216B.1611, and should be adopted in the interim.

²⁸ *Ibid.*.

²⁹ *Ibid.*

³⁰ *Ibid.*

³¹ *Id.* at 43.

³² *Id.* at 43-44.

³³ *Ibid.*

³⁴ *Ibid.*

Further proposals to reduce and eliminate the “on hold” status would be welcomed by the industry. It is abundantly clear that Xcel’s interpretation of MN DIP (which the utility helped create!) is an outlier, and that it frustrates the deployment of clean energy in the state.

The best solution, however, is not procedural. Instead, Xcel could eliminate its need for the “on hold” status entirely by hiring (and retaining) appropriate levels of engineering staff that would allow it to meet and exceed MN DIP timelines.

II. DER Dispute Resolution Processes

Speedy and just resolution of disputes arising from interconnection processes is not only a worthy goal unto itself, but is a crucial component of a functioning interconnection process as a whole. Without an enforcement mechanism and an enforcing body, the MN DIP—improved or not by the proposals discussed above—will not advance the public policy goals set forth in Minn. Stat. 216B.1611.

The interconnection process, and any disputes arising from it, feature a stark asymmetry. A monopoly utility has little financial incentive to interconnect distributed generation. In fact, to the extent that DG assets decrease sales of electricity, the utility is financially *disincentivized* to interconnect DG quickly and efficiently.³⁵ By contrast, the financial livelihoods of DG installers depend upon the efficient execution of reasonable interconnection timelines. This asymmetry underpins the frustration felt by MnSEIA members over the last two years, since the “bungled roll out”³⁶ of the MN DIP at Xcel in the summer of 2019, leading to the QSP complaints.

Those QSP Complaints ultimately led to an Order that included a directive to Xcel to develop an alternative dispute mechanism for DER related issues:

Xcel shall work with stakeholders to develop, outside the QSP customer complaint metrics, a different mechanism or tariff to resolve solar installation issues before they become QSP complaints, that provides clear transparency to the installers and customers for the tracking and holding accountable of Xcel Energy’s compliance with the MN DIP timelines. By June 1, 2021, or another date agreed upon with the Executive Secretary, Xcel shall propose such a tariff or mechanism.³⁷

³⁵ See also Comments of the Institute for Local Self Reliance, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc Id. 20218-177233-01 (August 18, 2021).

³⁶ See Comments of the Minnesota Department of Commerce, Division of Energy Resources, In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs Originally Established in Docket No. E,G-02/CI-02-2034 & Investigation and Audit of Service Quality Reporting-Fraudwise Report, Docket Nos. E,G002/CI-02-2034 and E,G002/M-12-383, Doc. Id. 20207-164613-02 (July 2, 2020), at 7.

³⁷ See ORDER ACCEPTING FILING AND DENYING REQUEST TO EXCLUDE COMPLAINTS, In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Amendments to its Natural

Or, as Xcel characterizes this point of the QSP Order:

The Company argued that the QSP tariff was not intended to cover interconnection issues and that it would like to have an opportunity to resolve MN DIP-related issues before they are considered QSP Customer Complaints. The Commission, however, determined that these MN DIP-related complaints should be calculated towards the QSP Customer Complaints metric, but also directed us to work with stakeholders to create an alternative mechanism to resolve similar issues so that they would not become QSP Customer Complaints in the future.³⁸

As MnSEIA understands the Commission's intent of this point of the QSP Order, the goal is two-fold: first, to divert from and resolve disputes before the QSP complaint process so as to ease administrative burdens on all parties; and, second, to more closely monitor—and thereby affect—Xcel's compliance with MN DIP timelines.

MnSEIA shares these goals in the broad sense. Filing a complaint with the Consumer Affairs Office (CAO) is, as we have discussed at length in prior filings,³⁹ a near-last-resort appeal to a third party for resolution, which adds burdensome work outside the scope of any solar installer's business model. As to the second goal, some MnSEIA member companies argue that Xcel's compliance with MN DIP timelines is the most meaningful in this proceeding.

To that end, any alternative dispute resolution process should 1) ease the administrative burden of the potential *complainant* as it does that of the utility and the CAO by way of the diversion itself, and 2) not contribute to the lengthening of timelines broadly, whether or not those are captured in the MN DIP process.

Lastly, any new, alternative dispute resolution process should not materially weaken the existing enforcement mechanisms that protect interconnection customers, or otherwise exacerbate the asymmetry in power between DG and the monopoly utility. It would be a perverse outcome indeed, if this proceeding—essentially, an ongoing enforcement action by the Commission—led to *less* effective oversight of the utility found to be in violation of its Quality of Service Plan.

Gas and Electric Service Quality Tariffs, Docket No. E,G-002/M-12-383, Doc. Id. 20212-171113-02 (February 18, 2021), at 7-8. *Hereinafter* “QSP Order.”

³⁸ See Xcel Energy, COMPLIANCE FILING--DER DISPUTE PROCESS, In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs, Docket No. E,G-002/M-12-383, Doc. Id. 20216-174694-01 (June 1, 2021), at 4. *Hereinafter* “Xcel QSP Compliance Filing.”

³⁹ See Comments of the Minnesota Solar Energy Industries Association, In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs Originally Established in Docket No. E,G-02/CI-02-2034 & Investigation and Audit of Service Quality Reporting-Fraudwise Report, Docket Nos. E,G002/CI-02-2034 and E,G002/M-12-383, Doc. Id. 20207-164547-01 (July 1, 2020).

A. Xcel's ongoing compliance metrics

Before examining the specifics of Xcel's alternative dispute resolution proposal, it is useful to review the other aspects of Xcel's Compliance filing—its compliance with MN DIP timelines.

The data presented recently in Xcel's QSP Compliance filing and in the 2nd Quarter Interconnection Report show significant improvement in a number of areas when compared to previous years.

The improvement is most apparent in the metrics for Completeness Review and Initial Engineering Review.⁴⁰ These figures suggest an improvement in staffing levels pertaining to intake. However, System Impact Studies (SIS) and Facilities Studies lag behind 2020 figures,⁴¹ which suggests a compelling need for the utility to invest in significantly more *internal* staff to meet these studies. MnSEIA and others have observed—anecdotally—that there is a high turnover in engineering staff within Xcel, and we suggest that this staffing churn and reliance on subcontractors may be causally related to the ongoing challenges in meeting SIS and Facilities Studies timelines, as well as ancillary services like witness tests.⁴²

Indeed, Xcel acknowledges this sentiment within the most recent Quarterly Compliance Report:

The Company can attribute an increase in median days from Q1 2021 to Q2 2021 to engineering turnover and project complexity for more congested areas that requires additional analysis, as we typically required the full timeframe to complete the study. The Company continues to supplement in-house staff with external resources and is also in the process of hiring additional resources.⁴³

MnSEIA appreciates Xcel's efforts to add program staff in 2020 and 2021.⁴⁴ From what was stated in the third stakeholder meeting, Xcel hired more staff in 2021 based on the results of a developer survey asking to predict the volume of projects expected in 2021, but so far interconnection applications have exceeded that prediction.⁴⁵ Such a survey depends upon developer and installer participation and accuracy, and does not account for new entrants into the

⁴⁰ See Xcel Compliance filing, Attachment A, 12-383 (June 1, 2021), at 32-33.

⁴¹ CITE

⁴² A recent MnSEIA member experience relayed to staff illustrates the problem with Xcel's reliance on "external resources" or subcontractors. On this example project, unreliable Xcel subcontractors have caused over three months of delays to the project's commissioning, resulting in tens of thousands of dollars in unexpected and unnecessary direct costs to the MnSEIA member and their customer, in addition to significant lost energy production. This is unfortunately an increasingly common occurrence.

⁴³ See Northern States Power Company d/b/a Xcel Energy, Quarterly Compliance Report, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc. Id. 20218-177166-02 (August 16, 2021), at 8-9, *emphasis added*.

⁴⁴ See Xcel QSP Compliance Filing, at 10.

⁴⁵ The third of three stakeholder meetings was held May 26th, 2021.

market. By contrast, other market indicators, such as the information collected by the Commission,⁴⁶ show a dramatic increase in interconnections, particularly residential, in 2020, which could have reasonably been taken as evidence to expect a large volume of interconnection applications in 2021.

In fact, Xcel received 1,404 interconnection applications *just in the first half of this year*.⁴⁷ The increasing pace of interconnection applications suggests a continuing and escalating need for utility resources dedicated to improving responsiveness, accuracy, and other MN DIP compliance.

MnSEIA suggested that Xcel dedicate resources to hiring more program and engineering staff to process existing and reasonably anticipated interconnection applications in our initial Comments in the E,G-002/M-12-383 Quality of Service Plan docket,⁴⁸ and we continue to urge Xcel to do so today. More than any change to MN DIP, Xcel can improve interconnection customer satisfaction by staffing to meet demand.

B. MnSEIA's concerns with Xcel's proposal for an alternative DER Dispute Resolution Process

There are two primary issues with Xcel's proposal. First, that lack of third party oversight during the dispute resolution process may lead to abuse of the process—that is, the proposal leaves the fox guarding the henhouse. Second, the proposed changes will lengthen timelines by adding extra hurdles for installers (and the interconnection customers they represent) to jump before being heard by the CAO, a neutral arbitrator.

MnSEIA staff was not made aware of, or invited to the stakeholder meetings until a member company included MnSEIA staff on an email to Xcel and other stakeholders following the second meeting on May 12, 2021. MnSEIA staff were consequently, at our request, invited to and able to attend the final workshop on May 26th, 2021. This oversight impeded MnSEIA's ability to shape stakeholder discussions in a meaningful way.

⁴⁶ See Distributed Energy Resources in Minnesota (2020 data), Minnesota Public Utilities Commission, at https://mn.gov/puc/assets/MN%20PUC%20DER%20in%20Minnesota%20graphics%20%28updated%206-8-2021%29_tcm14-484504.pdf

⁴⁷ See Northern States Power Company d/b/a Xcel Energy, Quarterly Compliance Report, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc. Id. 20218-177166-02 (August 16, 2021), at 1. *Hereinafter* "Xcel Interconnection Q2 Compliance Report."

⁴⁸ See MINNESOTA SOLAR ENERGY INDUSTRIES ASSOCIATION'S (MnSEIA) COMMENTS, In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs Originally Established in Docket No. E, G-02/CI-02-2034 & Investigation and Audit of Service Quality Reporting-Fraud wise Report, Docket No. E,G002/M-12-383, Doc. Id. 20207-164547-01 (July 1, 2020), at 3 and 14-15.

1. Xcel’s proposal defers CAO oversight to a degree that undermines confidence in the dispute resolution

Xcel has presented two tracks: an “Expedited MN DIP Process – Non-Technical Issues” track, and an “Interconnection Dispute Process – Technical” track. The new, first track⁴⁹ is meant to be shortened compared to the MN DIP dispute resolution process,⁵⁰ but compatible with it. In the second track, Xcel proposes that for technical issues the timeline outlined in MN DIP 5.3—upwards of 30 business days, or 6 full weeks without a holiday—be followed to its conclusion before a complaint can be submitted to the CAO.⁵¹

This proposal puts oversight at too far of a remove.

Xcel’s proposal to defer any complaints counted against the QSP until the dispute resolution process is completed without a satisfactory conclusion also represents a significant departure from MN DIP.

The role of the informal CAO complaint mechanism is meant to be supplemental to disputes within MN DIP: “The Interconnection Customer may utilize the Commission’s Consumer Affairs Office’s complaint/inquiry form and Informal Complaint dispute resolution process *to assist with the written Notice of Dispute*.”⁵² That is, the current iteration of MN DIP § 5.3 includes within it the possibility of a CAO complaint throughout. Xcel’s proposal would defer that oversight for “Technical Issues” for at least 6 weeks.

Feedback from MnSEIA members and other stakeholders during the three meetings, according to discussion summaries provided by the utility, indicates a desire for *more* transparency and oversight from the CAO, not *less*.⁵³ Xcel proposes in the slide deck attached to its compliance filing to report monthly to the CAO in the short term, and report in real time to the CAO in the long-term. Xcel also proposes in the body of its proposal to “provide a summary to the CAO on a monthly basis to be transparent on issues that have been raised and on issues that remain unresolved.”⁵⁴ While we approve of the proposal for monthly reports, we see no reason to defer CAO oversight of ongoing disputes.

We realize, also, that increased oversight from the CAO and the diversionary dispute resolution process envisioned by the QSP Order may seem initially to be at odds.

In an effort to balance and satisfy both of those interests, MnSEIA offers the counter-proposal, in four parts:

⁴⁹ See Xcel QSP Compliance Filing, at 10.

⁵⁰ See MN DIP 5.3.

⁵¹ See Xcel QSP Compliance Filing, at 11.

⁵² See MN DIP 5.3.3, emphasis added.

⁵³ See Xcel QSP Compliance filing, Attachment A, at 27, 43, and 64.

⁵⁴ See Xcel QSP Compliance Filing, at 9.

- 1) all submissions of the “Pre-Dispute Form” or “Request for Issue Resolution”⁵⁵ that Xcel proposes should mark the beginning of either dispute resolution track also be copied to the CAO;
- 2) the CAO may intervene at any time in either track;
- 3) that the “Interconnection Dispute Process – Technical” track not preclude the non-utility party from filing an informal complaint with the CAO at any time; and,
- 4) in keeping with the spirit of the Order, the shorter “Expedited MN DIP Process – Non-Technical Issues” track may preclude CAO complaints until its conclusion.

Lastly, it should be clarified that Xcel does not propose to alter MN DIP § 5.3.8, which allows for a formal Complaint process before the Commission in keeping with Minn. Stat. § 216B.164, Subd. 5., and which is distinct from the informal CAO complaints that count toward the QSP metric.

The first prong of MnSEIA’s counter-proposal should be easy for Xcel to satisfy with the same automated software that will send an email to Xcel program staff. This prong and the second prong will also assure interconnection customers of third-party oversight, and will act as a disincentive to abuse—and dissuade any impressions that abuse might be ongoing.

The different treatment of the two dispute tracks in prongs three and four, as to when an informal complaint may be filed with the CAO and counted toward the QSP, reflects the Commission’s intent to ease the administrative burden on all parties, and offers the utility some protection from what it sees as potential abuse of the QSP mechanism. The differing access to the relief of the CAO complaint also reflects the differing magnitude of the disputes contemplated by the two tracks.

Nonetheless, this entire approach frustrates what should be a central feature of a CAO complaint: that it is just that, a *complaint*. Some complaints do not need immediate resolution, but are just indicators of poor customer service. Certainly the rest of the QSP tariff implies such a reading: for example, one metric requires that 80% or more of telephone calls are answered within 20 seconds.⁵⁶ There is no good public policy reason that the customer service for DER customers should be placed on a lower tier.

⁵⁵ *Id.* at 39.

⁵⁶ See Xcel QSP Compliance filing, Attachment A, at 6.

2. The timelines of a successful DER Dispute Resolution Process should not present a barrier to entry

Given that many of the 2019 complaints at issue in the QSP docket were about missed MN DIP milestones,⁵⁷ and that much of the recorded feedback (and, moreover, Xcel’s presentation) in the stakeholder meetings simply urged Xcel to meet its mandated MN DIP timelines, the resulting proposal should—at the least—not extend timelines.

The utility indeed anticipates that some of the disputes to be resolved by this process would be timeline-related. Xcel’s proposed “Request for Issue Resolution” includes 5 categories of issues: Application Portal; Timeline; Communication; Subscriber/MOR (Community Solar Gardens only); and, Other.

This “Expedited MN DIP Process” may not represent any expedition at all, but rather an absurd, kafkaesque system where the solution exacerbates the problem.

For example, a *timeline-related* dispute appears to require an *additional 10 business days* to go through the “Expedited MN DIP Process – Non-Technical Issues” to resolve the issue. That is, an interconnection customer that wants to lodge a complaint about the utility taking too long to meet its obligations must subject themselves to an additional 2 weeks of dispute resolution timeline for that complaint to be heard by anyone other than the utility.

Many of the other complaints counted against the 2019 QSP metric were related to communications.⁵⁸ Xcel stated in the third stakeholder meeting that the same staff will answer both day-to-day emails and respond to these “Request for Issue Resolution” forms, which will be pushed to a higher priority. This proposed system will incentivize installers to fill out a “Request for Issue Resolution” form in order to garner a response, thus deprioritizing other day-to-day communications and placing them at risk of becoming future communications issues. The systemic result might easily become a further slowdown in the already slow interconnection process.

Or, as Xcel summarized some of the feedback from one of the workshops: “[there is] Concern that if emails and phone calls today cannot be provided timely [responses] that the Company cannot commit to meeting the expedited review timelines.”⁵⁹

⁵⁷ See All Energy Solar, COMMENTS--ALL ENERGY SOLAR REPLY COMMENTS, DOCKET 12-383, In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Amendments to its Natural Gas and Electric Service Quality Tariffs Originally Established in Docket No. E, G-02/CI-02-2034 & Investigation and Audit of Service Quality Reporting-Fraud wise Report, Docket No.E,G002/M-12-383, Doc. Id. 20208-165731-01 (August 10, 2020), at 9-10.

⁵⁸ *Ibid.*

⁵⁹ See Xcel QSP Compliance filing, Attachment A, at 64.

One possible improvement in light of these criticisms is to further shorten the proposed timelines of the Expedited MN DIP Process, which would 1) minimize the downside risk of lengthening timeline-related problems, 2) require Xcel to resolve issues in a truly timely manner, and 3) incent Xcel to devote the necessary resources to meet the scope of the problem.

3. Further and alternative suggestions for improvement

The holistic solution—as stakeholders urged Xcel during the workgroups, as MnSEIA has urged in the QSP docket, and as Xcel has acknowledged in both proceedings—is an appropriate investment in staff to handle the current and future volume of interconnection applications. With that appropriate investment in staff, many of the underlying timeline and communications issues will fade away, and any version of the Expedited MN DIP Process will itself have the resources to resolve issues in a timely manner.

Alternatively, a much simpler and more informal dispute resolution process, as one stakeholder suggested during the third workshop, would be to hold monthly stakeholder calls:

What about a monthly call that Xcel hosts to go over the issues that installers are facing. You could issue a survey prior to the meeting and review the pain points of installers, then come to the monthly call with the steps you're taking to address the overarching issue. As monthly calls continue, you could keep track of what was said in the previous call and the actual actions you've taken since then and make sure developers feel it is resolved and if not, discuss it further. A report of these meetings, discussions, and resolutions to be provided to the Commission.⁶⁰

This mechanism would satisfy the QSP Order for an alternative dispute resolution mechanism. Compared to the risks outlined above, which seem inherent to Xcel's proposal and versions of it—including MnSEIA's revisions as above—this proposal offers a chance for collegial, iterative improvement, transparency, and third party oversight. It would further incentivize Xcel to improve its processes outside the scope of QSP-eligible or other complaints, precisely because installers and interconnection customers would still be able to exercise the rights that all other Xcel customers have regarding their quality of service.

⁶⁰ *Id.* at 69.

III. Other Issues: The Distributed Generation Tariff Need Not Wait

When the Commission authorized review of the Interconnection Standards at the beginning of this docket in 2017, the review and update of those standards was to proceed in two phases.⁶¹ A third phase of the review was added in March, 2019, to review the rates contained in Attachment 6 of the 2004 Interconnection Standards, also known as the Distributed Generation Tariff or DG Tariff.⁶²

A Notice of Comment Period was issued on the topic of Attachment 6 on August 28, 2020, with initial comments due September 30, 2020, and reply comments due October 28, 2020.⁶³

A notice of Extended Comment Period was issued September 29, 2020, with initial comments due October 30, 2020 and reply comments due November 30, 2020.⁶⁴

A second Notice of Extended Comment Period was issued November 13, 2020, with objections to the extension due November 23, 2020, initial comments due April 30, 2021, and reply comments due May 20, 2021.⁶⁵

MnSEIA, Vote Solar, Fresh Energy, and the Environmental Law and Policy Center (ELPC) (the Joint Commenters) collectively filed initial comments on October 30, 2020.⁶⁶ Other parties filed comments on or about the same date. ELPC and MnSEIA filed objections to the second extension on November 23, 2020.⁶⁷ Multiple parties, including the Joint Commenters, filed Reply Comments on May 20, 2021.

⁶¹ See ORDER ESTABLISHING WORKGROUP AND PROCESS TO UPDATE AND IMPROVE STATE INTERCONNECTION STANDARDS, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc. Id. 20171-128408-01 (January 24, 2017).

⁶² See ORDER AUTHORIZING FURTHER PROCEEDINGS, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc. Id. 20193-151216-01 (March 19, 2019).

⁶³ See NOTICE OF COMMENT PERIOD, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc. Id. 20208-166241-02 (August 28, 2020).

⁶⁴ See NOTICE OF EXTENSION VARIANCE, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc. Id. 20209-166904-01 (September 29, 2020).

⁶⁵ See NOTICE OF EXTENDED COMMENT PERIOD, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc. Id. 202011-168295-02 (November 13, 2020).

⁶⁶ See MNSEIA, ELPC, FRESH ENERGY AND VOTE SOLAR, COMMENTS, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc. Id. 202010-167827-01 (October 30, 2020).

⁶⁷ See ENVIRONMENTAL LAW AND POLICY CENTER AND MINNESOTA SOLAR ENERGY INDUSTRIES ASSOCIATION, OTHER--OPPOSITION TO SIX-MONTH EXTENSION OF THE JOINT COMMENTERS, In the Matter of Updating Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under Minn. Stat. §216B.1611, Docket No. E999/CI-16-521, Doc. Id. 202011-168529-01 (November 23, 2020).

Resolution of the question of review of the DG Tariff has been deferred at length—arguably since the original promulgation of Attachment 6—but it need not wait until the review of the DGWG reports concludes. The Commission should proceed with review of Attachment 6 independent of this proceeding.

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