

**STATE OF MINNESOTA  
PUBLIC UTILITIES COMMISSION**

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Valerie Means	Commissioner
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John A. Tuma	Commissioner

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. E999/CI-16-521

September 28, 2021

**OBJECTION OF MINNESOTA SOLAR ENERGY INDUSTRIES ASSOCIATION,  
FRESH ENERGY & INTERSTATE RENEWABLE ENERGY COUNCIL TO  
IMPLEMENTATION OF XCEL'S DER TECHNICAL PLANNING LIMIT BEFORE  
COMMISSION REVIEW**

The Minnesota Solar Energy Industries Association, Fresh Energy & the Interstate Renewable Energy Council, Inc. (collectively “Joint Commenters”) hereby notify Xcel Energy, the Minnesota Public Utilities Commission (“Commission”), and parties to this docket of a formal objection to implementation of the distributed energy resource technical planning limit Xcel Energy announced in its August 25, 2021 comments in this docket. Xcel proposes a significant policy change and amendment to the Minnesota Distributed Energy Resources Interconnection Process (“MN DIP”), while planning to implement the change without review or approval from the Commission. Joint Commenters ask Xcel to wait to receive formal approval from the Commission before implementing a policy change of this magnitude and ask the Commission to review this policy as soon as feasible and, if needed, take action to prevent premature implementation.

**I. Background**

On July 22, 2020, the Commission convened the Distributed Generation Working Group (“DGWG”) to evaluate the implementation of the Minnesota Distributed Energy Resources Interconnection Process (“MN DIP”). The DGWG and its subgroups met over the following eight months and issued reports with conclusions and recommendations. Among the issues discussed in the Interconnection Queue subgroup was a distributed energy resource (“DER”) technical planning limit proposed by Xcel Energy, which would limit the available capacity on a given feeder by removing daytime minimum load from the capacity calculation.

On May 20, 2021, the Commission held a hearing on the DGWG progress and recommendations. The staff report identified the distributed energy resource technical planning limit and stated that “the subgroup does not recommend implementation. Further review and discussion at the full DGWG may be beneficial.”<sup>1</sup> During the hearing, the Commissioners indicated that they would seek formal comment on the issues raised in the DGWG final reports.

On July 16, 2021, the Commission issued a Notice of Comment Period, seeking comment on whether any of the suggested changes identified in the DGWG subgroup reports should be adopted by the Commission, including “Distributed Energy Resource (DER) technical planning limits.”<sup>2</sup> Initial comments were due on or before August 25, 2021.

In its comments, *inter alia*, Xcel Energy announced that it would be unilaterally implementing a version of the technical planning limit rejected by the DGWG beginning on October 1, 2021 (hereinafter Xcel’s “DER Planning Limit”).<sup>3</sup> Instead of removing daytime minimum load from available capacity, Xcel explains that it will instead reduce the equipment rating by 20%.<sup>4</sup> Xcel also proposes a new MN DIP section 1.9 to implement its DER Planning Limit.<sup>5</sup> Yet, Xcel proposes to implement the policy before the Commission has had a chance to review or approve this new section of MN DIP. Reply comments are now due on October 1, 2021, the same day Xcel states it will implement its DER Planning Limit.

On September 24, 2021, Xcel hosted a stakeholder meeting for community solar developers where it reiterated its plan to implement the DER Planning Limit without Commission approval and where it provided details about how the policy will impact current in-queue projects for the first time. Several stakeholders, including Joint Commenters, had outstanding questions that Xcel did not have time to address during the meeting, and requested that Xcel address them in follow-up materials to attendees.

## **II. A Capacity Planning Limit Was Discussed And Rejected By The DGWG**

Over a year ago the DGWG convened multiple subgroups to address issues that had arisen primarily with Xcel’s interconnection queue. In the Queue subgroup, Xcel first proposed the adoption of a new DER planning limit, the subgroup discussed the proposal on multiple occasions and did not recommend adoption in their final report. Then, after the Commission sought comment on whether to adopt recommendations from those final reports, Xcel simply stated that it would be implementing a DER planning limit without waiting for the Commission to act.

Joint Commenters and other parties that have spent the last year discussing planning limits with Xcel Energy are in the process of preparing reply comments on this very issue. Joint Commenters find it extremely troubling that Xcel now plans to circumvent the DGWG and docket process and arrogated to itself the authority implement a change to MN DIP, a sweeping

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<sup>1</sup> MN PUC, *Staff Briefing Papers*, Docket No. E999/CI-16-521 (May 20, 2021).

<sup>2</sup> MN PUC, *Notice of Comment Period*, Docket No. E999/CI-16-521 (July 16, 2021).

<sup>3</sup> Xcel Energy, *Comments*, Docket No. E999/CI-16-521 (Aug. 25, 2021).

<sup>4</sup> *Id.* The effect of this change is to likely increases the impact on available capacity.

<sup>5</sup> See Xcel Energy, *Comments*, at Attachment B.

policy that would significantly impact many projects already in the interconnection queue, not to mention the future of Minnesota's DER market.

Joint Commenters (and likely third parties) intend to provide extensive comments on the utility, technical basis, and authority for Xcel's proposal. Xcel should be required to, at the very minimum, await the conclusions of the Commission's comment process and respect the year-long effort among market participants and interested parties to make improvements to the MN DIP.

### **III. Xcel Has Not Shown That The DER Planning Limit Is Addressing Documented Risks Or That The Policy Has Been Crafted To Precisely Address The Risks It Claims Exist**

As Joint Commenters will detail in reply comments on October 1st, Xcel has failed to provide sufficient evidence that supports the need for its DER Planning Limit. Indeed, Xcel's comments do not provide evidence that the risks it alleges are occurring, that the magnitude of the proposed solution is reasonable given the magnitude of the alleged risks, nor sufficient information about how the policy change will impact current and future DER projects. Information addressing these issues is necessary to support such a dramatic policy declaration. Additionally, Xcel has not provided sufficient justification for its decision to use 80% of equipment capacity as the appropriate limit, as opposed to a different number, or any evidence that limiting available capacity could improve the DER interconnection process, as Xcel implausibly claims.

### **IV. Interconnection Customers Will Suffer Harm If The Commission Does Not Intervene**

If Xcel Energy implements this unilateral change to MN DIP,<sup>6</sup> interconnection applicants will immediately begin to suffer considerable financial harm. Because the DER Planning Limit sets a lower threshold capacity to trigger upgrade costs, it is likely that a given interconnection customer will face upgrade costs that they would not otherwise face but for this unapproved change. It may also be the case that some projects under this new policy will not even be given an upgrade opportunity due to Xcel's policy of limiting the types of upgrades DG projects may make.

Xcel has stated it plans to apply its new DER Planning Limit to projects already in the interconnection queue who have not yet begun a System Impact Study or screening process. Due to Xcel's "on hold" process, this will impact a significant number of projects who have been waiting their turn for review under the MN DIP. This policy effectively changes the rules mid-stream with no Commission review and could effectively be the end of the road for many projects. Xcel Energy must not implement this policy change until the Commission has had a chance to determine whether the policy is necessary, appropriate, and in alignment with the MN DIP and other Commission policies.

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<sup>6</sup> Xcel simultaneously asserts the right to implement the DER Planning Limit and proposes a new MN DIP § 1.9.1. See Xcel Energy, Comments, at Attachment B.

Joint Commenters request the Commission consider whether urgent action is necessary to prevent this policy change from going into effect before necessary review or approval, and if so, to review Xcel's DER Planning Limit as soon as feasible. We recognize that there is little time before Xcel's planned implementation date of October 1, and that a hearing may not be practical. However, the unilateral implementation of this market-changing policy is an extreme action that warrants additional scrutiny.

If Xcel proceeds with implementing the DER Planning Limit over Joint Commenters objections, the Commission has authority to review the decision during the ongoing comment process and to order Xcel to cease implementation or modify the DER Planning Limit. If in that proceeding the Commission agrees with Joint Commenters that the policy has not been shown to be necessary, remedies may be necessary for impacted projects. Joint Commenters will document instances and impacts to any DER projects that are subjected to Xcel's unilateral DER Planning Limit starting October 1, 2021 and will make this information available to the Commission and parties to this docket.

## **V. Conclusion**

Xcel must not implement its proposed DER Technical Planning Limit announced in its August 25, 2021 comments until the Commission can review the record, hold a hearing, and act on the full suite of DGWG proposals and supporting comments. Like all other interested parties, Xcel should be required to await the conclusion of the process that the Commission began over a year ago. Joint Commenters respectfully request the Commission review Xcel's DER Planning Limit as soon as feasible and consider whether urgent action is necessary to prevent this policy change from going into effect without approval.

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