



December 13, 2024

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55105

Re: In the Matter of Updating the Generic Standards for the Interconnection and Operation of Distributed Generation Facilities Established Under Minn. Stat. § 216B.1611 (Docket E999/CI-16-521)

Mr. Seuffert,

Please find here the Comments of the undersigned – Clean Energy Economy MN (“CEEM”), and the Minnesota Solar Energy Industries Association (“MnSEIA”) and the Coalition for Community Solar Access (“CCSA”) – together, the Joint Solar Associations (“JSA”). These comments are in regard to Xcel’s new Minnesota Distributed Energy Resource Interconnection Process (“MN DIP”) Transmission System Impact Study Process, which was discussed at the November 1, 2024, Distributed Generation Working Group (“DGWG”) meeting and a stakeholder meeting with Xcel Energy held on December 2, 2024.

These comments represent the views of our organizations and our members on this issue and are being submitted directly to the DGWG Commission staff, as requested, to update them and the DGWG members, as well as being filed in this docket to inform the public of an issue that affects it. They request that Xcel Energy, the Minnesota Public Utilities Commission, and/or the Minnesota Department of Commerce take action regarding the issue raised to ensure compliance with the MN DIP and Minnesota law.

**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

December 13, 2024

Docket E999/CI-16-521

Introduction

Clean Energy Economy Minnesota (“CEEM”) is an industry led, nonpartisan, non-profit organization representing the business voice of energy efficiency and clean energy in Minnesota. The Minnesota Solar Energy Industries Association (“MnSEIA”) is a nonprofit association of over 170 members that represents Minnesota’s solar and storage industry, whose membership ranges from rooftop installers to non-profit organizations, manufacturers, and many others, all of whom collectively employ over 5,000 Minnesotans. The Coalition for Community Solar Access (“CCSA”) is a national trade association representing more than 120 community solar companies, businesses, and nonprofits working to expand customer choice and access to solar for all American households and businesses through community solar. We work with customers, utilities, local stakeholders, and policymakers to develop and implement policies and best practices that ensure highly successful community solar programs that champion the energy customer.

Each of our members, the Minnesotans they employ, and customers serve, are profoundly and broadly affected by the MN DIP Study Process, as well as interconnection delays. They are especially affected by delays as comprehensive as those caused by Xcel Energy's ("Xcel") unilaterally updated Transmission System Impact Study process.

The JSA appreciates Xcel's December 2, 2024, stakeholder meeting, as it provided an effective avenue for stakeholders to engage in dialogue and address their concerns about an apparent and unexpected change to the Transmission System Impact Study process that had taken effect since the past year, and is stalling the deployment of a wide variety of projects. The discussion revealed a lack of understanding among stakeholders, including the JSA, regarding Xcel's additional study process for transmission impact studies. Xcel's self-designation as a Transmission Provider and the subsequent establishment of a lower standard for potential adverse transmission system impacts has caused a significant amount of confusion.

While the JSA recognize that Xcel is attempting to apply MN DIP's definition of Transmission Provider to itself, the JSA are unaware of any stakeholder, including Xcel, who previously understood it to be in that role or would consider that a reasonable reading of the current MN DIP process.¹ Using such an interpretation would permit Xcel to do its own transmission impact study using a lower standard than the one used by MISO. The JSA understand that this standard will capture over 90 percent of projects currently in the interconnection queue in a new, unapproved process, adding months and significant financial hardship to interconnection processes. Such an interpretation allows Xcel to call itself both the Area EPS Operator and appropriate Transmission Provider, requires the Company to coordinate

¹ See MN DIP 4.3.6. The Minnesota Distributed Energy Resources Interconnection Process ("MN DIP"), the Commission established process for connecting distributed energy resources, such as solar energy generating systems and batteries is available on the Commission's website at: https://mn.gov/puc/assets/MN%20DIP%20updated%20by%204.15.24%20Order%20Clean_tcm14-623149.pdf

with itself on these studies, and apply a different standard than the recognized Transmission Provider, MISO.

The clear implication of this interpretation is that “adverse system impacts” under the MN DIP would have two different standards, applied by two different Transmission Providers. It is also important to recognize that the MN DIP’s Study Process Workflow does not have two different processes, one for when MISO is the Transmission Provider and one when Xcel is the Transmission Provider. Thus, in short, Xcel’s interpretation means that under the MN DIP, the term Transmission Provider would include two different entities using two different standards in the same provision of the MN DIP at the same time. Such an interpretation, without regulation or approval, appears exceedingly unreasonable.

Even if the Minnesota Public Utilities Commission (“Commission”) determined this position to be reasonable, Xcel is a regulated monopoly, and the MN DIP is a Commission approved process. As such, any change to the MN DIP would presumably require Commission approval, especially one that is going to affect 90 percent of projects and uses a standard that has been rejected by the recognized Transmission Provider, MISO. Accordingly, the JSA request that the Commission open an investigation into this new process and direct Xcel to stop applying it until it receives approval from the Commission to change the MN DIP study process.

Background

While this issue was most recently raised at the DGWG’s November 1, 2024 meeting, it is important to remember this issue has had a longer history. As detailed in the letter filed by Nokomis Energy (“Nokomis”) on October 4, 2023, in this docket, this issue first arose in

December 2021 when Xcel informed the PUC that it had reached an agreement with MISO regarding transmission impact studies (“TASIS”).²

Nokomis noted a number of key points about Xcel’s unilateral implementation of this process. Firstly, that Xcel’s process used Daytime Minimum Load (“DML”), a criterion noted as ancillary and then dismissed by MISO in regard to System Impact Studies.³ Secondly, after an initial comment period, the Commission issued an order on a number of topics, including formally staying the TASIS agreement. The Commission specifically stated:

Xcel Energy must stay implementation of the Affected System Study Agreement until a comment period regarding the following issues has concluded:

- a. Whether the Agreement between Xcel Energy and the Midcontinent Independent System Operator requires changes to MN DIP or to a tariff;
- b. What those changes might be;
- c. Whether any changes to the Agreement should be requested;
- d. Whether any jurisdictional issues exist; and
- e. Any other related issues.⁴

As noted by Nokomis, the Commission specifically added that “the stay does not impact the current MN DIP-approved Affected System Study process used by utilities and MISO.”⁵ After this order, neither Xcel nor the Commission took any further action until Xcel unilaterally implemented its new process in August 2023.

On December 2, 2024, Xcel met with stakeholders to explain its new process. At the meeting, Xcel explained that it has established two transmission impact study processes for distributed generation interconnection applications, one where it considers itself the Transmission Provider and one where it considers MISO the Transmission Provider. MISO’s

² Nokomis Energy. 2023. “RE: TRANSMISSION STUDIES – DOCKET NO. E002/M-16-521,” October 4, 2023. <https://efiling.web.commerce.state.mn.us/documents/%7B103D008B-0000-CE13-9F18-2E3ACB888A68%7D/download?contentSequence=0&rowIndex=138>. p. 1

³ *I.d.* Exhibit A, p. 2

⁴ Minnesota Public Utilities Commission, *Order Modifying Practices And Setting Reporting Requirements*, Docket No. 16-521 (March 31, 2023).

⁵ *I.d.*

applied standard for “potential adverse system impacts”, and according need for a system impact study, is aggregate substation DER being greater than substation peak load. Xcel’s proposed Transmission Study threshold is aggregate DER meeting daytime minimum load, which, as discussed above, MISO had dismissed as not necessary, and is significantly lower than MISO’s standard.

Unilateral Changes to the MN DIP

The fundamental issue present arises from the conflict between Xcel’s new process and the interconnection process established by the MN DIP. The interconnection process required by regulated monopolies in Minnesota is both established and modified by the Commission under Minnesota Statute § 216B.1611, which states, in relevant part (emphasis added):

(a) The commission shall initiate a proceeding within 30 days of July 1, 2001, to establish, by order, generic standards for utility tariffs for the interconnection and parallel operation of distributed generation fueled by natural gas or a renewable fuel, or another similarly clean fuel or combination of fuels of no more than ten megawatts of interconnected capacity. At a minimum, these tariff standards must:

(1) to the extent possible, be consistent with industry and other federal and state operational and safety standards;

(2) provide for the **low-cost, safe, and standardized** interconnection of facilities;

(3) take into account differing system requirements and hardware, as well as the overall demand load requirements of individual utilities;

(4) allow for reasonable terms and conditions, consistent with the cost and operating characteristics of the various technologies, so that a utility can reasonably be assured of the reliable, safe, and efficient operation of the interconnected equipment; and

(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.

The purpose of Minnesota’s interconnection standards, as noted in the MN DIP’s Forward, is to:

- 1) Establish a practical, efficient interconnection process that is easily understandable for everyone involved;
- 2) Maintain a safe and reliable electric system at fair and reasonable rates;
- 3) Give maximum possible encouragement of distributed energy resources consistent with protection of the ratepayers and the public;
- 4) Be consistent statewide and incorporate newly revised national standards;
- 5) Be technology neutral and non-discriminatory.⁶

The relevant section of the MN DIP that the Commission approved regarding Transmission System Impact Studies is Section 4.3.6, which states:

In instances where the System Impact Study indicates potential for Transmission System adverse system impacts, within five (5) Business Days following the identification of such impacts by the Area EPS Operator, the Area EPS Operator shall coordinate with the appropriate Transmission Provider to have the necessary studies completed to determine if the DER causes any adverse transmission impacts.”

Under Xcel’s interpretation of itself as a Transmission Provider, the company would coordinate with itself, unilaterally applying a criterion of its own making. As indicated in Figure 1, there is one path forward in the MN DIP workflow after the identification of potential adverse transmission system impacts. At this point, the Area EPS operator, which is always Xcel Energy within Xcel service territory, coordinates with the Transmission Provider for a System Impact Study.

Xcel’s interpretation of “Transmission Provider” and requirement for two distinct processes necessitates reading Section 4.3.6 to infer that two different entities are referenced within the same paragraph, and that Xcel can apply different standards at will. If there had been any expectation that Xcel would simultaneously serve as both the Area EPS Operator and the Transmission Provider, the MN DIP would have been drafted differently. It is crucial to

⁶ MN DIP, Forward, p. 1.

recognize that only one Transmission Provider can be designated at any given time. It is not feasible for two distinct entities to simultaneously hold this position.

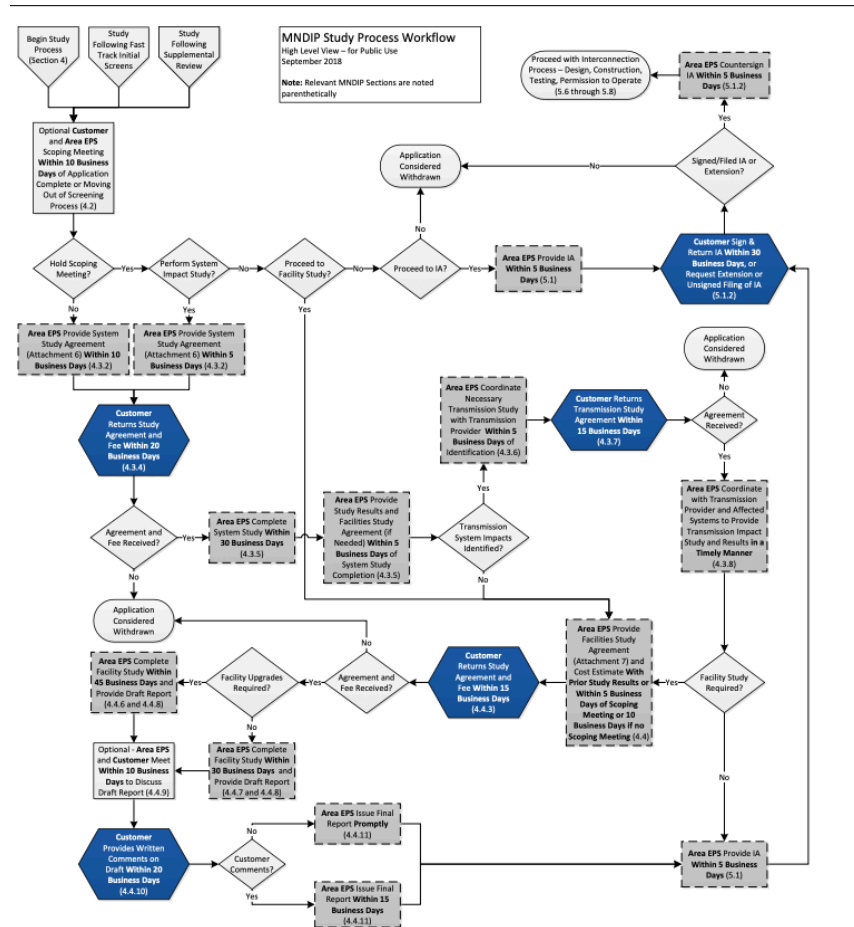


Figure 1: MN DIP Study Process Workflow – Attachment 8 pg. 4

The approved MN DIP process for transmission impact studies appears to meet the goals enumerated in its Forward. Xcel’s new transmission impact study process, however, does not. As evident from the discussion at the DGWG meeting and stakeholder discussion with Xcel, it is not “easily understandable for everyone.” It is also not practical or efficient. In fact, it is very inefficient and unnecessary. And while Xcel would likely argue it maintains a safe and reliable electric system, it has not proven it is necessary to do so and the unnecessary costs created by it make its costs neither fair nor reasonable. Which does not give the maximum

possible encouragement of distributed generation resources consistent with the protection of ratepayers and the public. And, importantly, it is not consistent with statewide or newly revised national standards. To the contrary, Xcel has not pointed to any other entity that uses such a standard⁷ and it has been rejected as a standard for transmission studies by MISO.

It is also useful to note industry practice, within relevant contexts. In the Large Generator Interconnection Agreements between Northern States Power Company (dba Xcel Energy) and MISO, for interconnecting electric generation facilities with a capacity of 20 MW and above to the transmission system, a clear definition of transmission provider is provided. In each one, in the definition of terms, “Transmission Provider” is explicitly defined as MISO or successor organizations, and no other entity.⁸ The same standard is applied in MISO’s effective tariff documents, filed with the Federal Electric Regulatory Commission (“FERC”).⁹ If the Commission determines that it is appropriate to define Xcel as a Transmission Provider in this context, then it would be within the Commission’s purview to open a docket or issue an order accordingly. However, within a broad-ranging view of industry practice, including matters between MISO and the utilities with service territory within it, it is both understood and legally binding that Xcel is not considered a “Transmission Provider”.

⁷ It is not clear if Xcel uses this standard in other jurisdictions where it operates.

⁸See, e.g., “MISO Project G238 Queue 37642-021 LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA) Entered into by the Midwest Independent Transmission System Operator, Inc., Northern States Power Company, d/b/a Xcel Energy – Transmission, and Northern States Power Company, d/b/a Xcel Energy – Generation.” 2012. MISO.
[https://cdn.misoenergy.org/NSP%20dba%20Xcel%20Energy%20\(Tran\)-NSP%20dba%20Xcel%20Energy%20\(Gen\)%20LGIA%20G238%20SA167054440.pdf](https://cdn.misoenergy.org/NSP%20dba%20Xcel%20Energy%20(Tran)-NSP%20dba%20Xcel%20Energy%20(Gen)%20LGIA%20G238%20SA167054440.pdf). p. 11

⁹“**Transmission Provider:** MISO or any successor organization.” MISO FERC Electric Tariff, pg. 183.
<https://www.misoenergy.org/legal/rules-manuals-and-agreements/tariff/>

Xcel is a Regulated Monopoly, and the MN DIP is a Commission Approved Process

Even if one could reasonably read the MN DIP to reference two different entities using two different standards at the same time, any change in the MN DIP or establishment of a new standard would require PUC approval.

As previously noted, Minn. Stat. § 216B.05, requires that public utilities file with the Commission “all rates, tolls, tariffs, and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it” and all rules that, “in any manner affect the service or product, or the rates charged or to be charged for any service or product.” Minn. Stat § 216B.02, subd. 5, broadly defines rate to include any rules or practices affecting any compensation, charge, fare, toll, rental, tariff, or classification. There is no dispute that Xcel has not filed this new process with the Commission as required by Minn. Stat. § 216B.05. Minn. Stat. § 216B.03 requires that every rate made, demanded, or received by any public utility to “be just and reasonable.” There is no dispute that the Commission has never determined whether this new process or standard is just or reasonable.

Minn. Stat. § 216B.1611 requires the Commission to initiate a proceeding “to establish, by order, generic standards for utility tariffs for the interconnection and parallel operation of distributed generation.” The Commission adopted generic interconnection standards for the interconnection and parallel operation of distributed generation (the MN DIP). Xcel then unilaterally and fundamentally altered this rule/policy/policy/practice regarding the interconnection of distributed generation with its new transmission impact study process.

Pursuant to Minn. Stat. § 216B.16, Xcel cannot legally change a rate without the approval of the Commission. Notably, “The burden of proof to show that the rate change is just

and reasonable shall be upon the public utility seeking the change.”¹⁰ The notice of rate change must “include statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested, and state the change proposed to be made in the rates then in force and the time when the modified rates will go into effect.”¹¹ There is no dispute that Xcel has not provided the notice required by Minnesota law. There is also no dispute that the Commission has not approved this new interconnection process.¹² While Xcel now argues that its new process falls under the current language of the MN DIP, there is no dispute that prior to August 2023, this process was not being used. Moreover, no stakeholders understood Xcel to be considered the Transmission Provider under the MN DIP and Xcel did not claim to be to justify its position in prior communications/justifications.

Request to Stay Implementation of New Process and Initiate Investigation

Because Xcel’s new MN DIP process is not a reasonable interpretation of the existing MN DIP process and a change to the process for transmission studies has not been approved by the Commission, the JSA would request that Xcel voluntarily cease enforcing it until a change is approved by the Commission that adopts the two transmission impact study alternatives and a different, lower standard than the industry standard set by MISO. Alternatively, the JSA would request that the Commission, once again, direct Xcel to comply with the established process until after it has completed an investigation initiated pursuant to Minn. Stat. 216B.17, subd. 1,

¹⁰ Minn. Stat. § 216B.16, subd. 4.

¹¹ Minn. Stat. § 216B.16, subd. 1.

¹² See *In the Matter of Updating the Generic Standards for the Interconnection and Operation of Distributed Generation Facilities Established under Minn. Stat. § 216B.1611*, Dkt. No. E-999/CI-16-521, ORDER MODIFYING PRACTICES AND SETTING REPORTING REQUIREMENTS, p. 7 (Minn. Pub. Util. Comm. Mar. 31, 2022) (“2022 Commission Order”) <https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={4084E17F-0000-CD19-93F4-3731AC9F8288}&documentTitle=20223-184288-01>. (recognizing that commenters opposing Xcel’s change to the TPL have valid concerns but stating that the Commission cannot make determination on TPL at this time); *In the Matter of the Formal Complaint and Request for Relief by the Minnesota Solar Advocates*, Dkt. No. E-002/C-23-424, ORDER DISMISSING COMPLAINT, p. 6 (Minn. Pub. Util. Comm. Feb. 27, 2024) (“2024 Commission Order”) (order dismissed complaint without approving the TPL) (Record 000478).

and approved changes to the interconnection process as required by Minnesota law. If the Commission does determine that it will open an investigation into this process, the JSA request and respectfully suggest this matter be referred to the DGWG. Doing so would allow for both an expeditious solution to this matter, as well as an avenue for parties to directly work towards a solution in a structured, face to face manner. The Minnesota Department of Commerce (“Department”) could also direct Xcel to cease violating the MN DIP pursuant to its enforcement authority under Minn. Stat. 216A.07, subd. 2,¹³ and open its own investigation pursuant to subdivision 4.¹⁴ If the regulatory agencies do not voluntarily exercise their regulatory responsibilities over Xcel regarding this issue, the only other avenues available to stakeholders to address this issue would appear to be filing a dispute with the Commission’s Interconnection Ombudsperson or a complaint with the Commission.

Conclusion

The most logical interpretation of the MN DIP, which Xcel adhered to until August of 2023, is that MISO is the Transmission Provider discussed in Section 4.3.6. Therefore, any potential adverse transmission system impact should be based on MISO’s standard of review and study. This approach has been consistent with the interconnection process for years and should continue unless and until it is altered by the Commission. However, even if the Commission interprets the MN DIP such that Xcel is also considered a Transmission Provider alongside MISO, and is permitted to apply a different standard, this new process and standard must be approved by the Commission.

¹³ The MN DIP was adopted pursuant to a Commission order, and Commerce is responsible for enforcing Commission order. See Minn. Stat. 216A.07, subd. 2 (“**Enforcement.** The commissioner is responsible for the enforcement of chapters 216A, 216B and 237 and the orders of the commission issued pursuant to those chapters.”)

¹⁴ See Minn. Stat. 216A.07, subd. 4 (“**Investigation.** The commissioner may, on the commissioner's own initiative, investigate any matter subject to the jurisdiction of the department or commission.”)

Xcel's interpretation of the MN DIP workflow, allowing the company to simultaneously act as Area EPS Operator and Transmission Provider, and unilaterally liaise with itself on interconnection procedures, is disputed. Xcel's implementation of a new transmission impact study process, without Commission approval or demonstration of justifiability and reasonableness, has extended interconnection timelines and increased costs for projects, and runs counter to Minnesota's renewable energy deployment goals.

Additionally, Xcel must demonstrate that its process and standard align with Minnesota Statutes § 216B.1611 and is just and reasonable under Minnesota law.¹⁵ The company has yet to do so. Their new process has to date extended the interconnection process in Minnesota, prohibited projects from entering the market, and increased costs for other projects. This is likely one of the reasons why Commerce will not meet the target established for its new Community Solar Garden (CSG) program this year and may hinder its ability to achieve this goal in the future.

Therefore we, the undersigned, request that the Commission and/or Commerce open an investigation into this internal study process and direct Xcel to stop applying it if they do not voluntarily do so, until the company receives approval from the Commission to change the MN DIP study process.

Thank you for your time and consideration of the important issues in this matter.

¹⁵ See Minn. Stat. 216B.03 ("Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers. To the maximum reasonable extent, the commission shall set rates to encourage energy conservation and renewable energy use and to further the goals of sections 216B.164, 216B.241, and 216C.05. Any doubt as to reasonableness should be resolved in favor of the consumer.").

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