

## Staff Briefing Papers

**Meeting Date**    **November 21, 2024**    **Agenda Item 3\*\***

**Company**            Northern States Power Co. d/b/a Xcel Energy  
Minnesota Power  
Otter Tail Power Co.

**Docket No.**        E002,E015,E017/CI-24-248

### **In the Matter of the Interconnection Ombudsperson Surcharge**

**Issues**                What actions should the Commission take to establish procedures on funding provisions for the interconnection ombudsperson position?

**Staff**                 Will Nissen                    [will.nissen@state.mn.us](mailto:will.nissen@state.mn.us)                    651-201-2247

<b>✓ Relevant Documents</b>	<b>Date</b>
Commission Notice of Comment Period	August 2, 2024
 <b>Utility Comments</b>	
Otter Tail Power	August 12, 2024
Xcel Energy	August 12, 2024
Minnesota Power	August 15, 2024
 <b>Initial Comments</b>	
Minnesota Department of Commerce	September 9, 2024

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us) for assistance.

The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

✓ **Relevant Documents**

Minnesota Solar Energy Industries Association (MnSEIA) + Exhibit A

**Date**

September 12, 2024

**Reply Comments**

Minnesota Power

October 3, 2024

MnSEIA

October 3, 2024

Xcel Energy

October 3, 2024

## BACKGROUND

On May 24, 2024, Governor Walz signed Minnesota Law 2024, Ch. 127, Art. 42, Sec. 54 (Legislation) with an immediate effective date upon enactment. The Legislation, a copy of which is included as Attachment A to these briefing papers, required the Minnesota Public Utilities Commission's Consumer Affairs Office (CAO) to establish a new full-time equivalent interconnection ombudsperson position "to assist applicants seeking to interconnect distributed generation projects to utility distribution systems" under the statewide interconnection standards developed by the Commission, with specific duties assigned. The position applies to systems seeking to interconnect to distribution systems in Xcel Energy (Xcel), Minnesota Power, and Otter Tail Power (Otter Tail) service territories. The Commission fulfilled this requirement when the interconnection ombudsperson position was filled by CAO on October 2, 2024.

Portions of the Legislation established procedures to fund the ombudsperson position. Namely, that Xcel, Minnesota Power, and Otter Tail must assess and collect a surcharge of \$50 on each application for interconnection filed by an owner of a distributed generation facility located in each utility's respective Minnesota service territory. Each utility must then remit the total surcharges collected to the Minnesota Public Utilities Commission (Commission) on a monthly basis in a matter determined by the Commission. The Legislation requires that the Commission review the amount of revenues collected from the surcharge each year and allows the Commission to "adjust the level of the surcharge as necessary to ensure (1) sufficient money is available to support the position, and (2) the reserve in the account does not reach more than ten percent of the amount necessary to fully fund the position."

On July 1, 2024, the Commission's business office contacted Xcel, Minnesota Power, and Otter Tail requesting that each utility remit payment of surcharge revenues on the 15<sup>th</sup> of each month via paper check sent by email. Copies of these letters were attached to the August 2, 2024 Notice of Comment Period.

On August 2, 2024, the Commission issued a Notice of Comment Period (Notice) in the instant docket focused on adding greater detail to the funding procedures outlined in the Legislation. Specifically, the Notice requested the utilities file proposed tariff language on the ombudsperson surcharge and a narrative explanation of how the utilities are collecting, tracking, and remitting surcharges to the Commission consistent with the Legislation. In addition, the Notice sought comments on the cadence and process the Commission should establish to report and track surcharges collected by utilities and remitted to the Commission, and to adjust the surcharge as needed.

By August 15, 2024, Xcel, Minnesota Power, and Otter Tail filed comments in the docket addressing the utility tariff and narrative portions of the Notice.

By September 12, 2024, the Minnesota Department of Commerce (Department) and Minnesota Solar Energy Industries Association (MnSEIA) filed comments.

On October 3, 2024, Xcel, Minnesota Power, and MnSEIA filed reply comments.

The decision before the Commission focuses on establishing procedures for collecting, tracking, reporting, and potentially modifying the ombudsperson surcharge moving forward, and modifying MN DIP documents and utility tariffs and communications accordingly. Staff summarizes party comments, provides analysis, and notes consensus on several items among stakeholders.

## DISCUSSION

### Utility Comments

Xcel started collecting the ombudsperson surcharge on May 29, 2024, and made payment of the surcharge a requirement for interconnection applications to be deemed complete. The first payment to the Commission was scheduled on August 15, 2024, and subsequent payments are scheduled to be mailed on the 15<sup>th</sup> of each month. Xcel provided the following proposed tariff language to comply with the Legislation under Xcel’s “Exceptions to MN DIP” section:

2. In addition to the application fees as set forth in the Company’s MN DIP tariff in sections 1.5.1.2, 1.5.1.3, and 1.5.1.4, the Interconnection Customer must pay an Ombudsperson Surcharge in the amount of \$50.00. This Ombudsperson Surcharge must be paid before an Interconnection Application can be deemed complete under MN DIP 1.5.2.<sup>1</sup>

Xcel stated the Commission should report on surcharges collected and total expenses incurred for the position on an annual cadence and compare how surcharges compare to the ten percent threshold outlined in the Legislation.<sup>2</sup> Xcel recommended that Staff should be able to propose changes to the surcharge with supporting evidence, followed by a notice of comment period and Commission decision on necessary updates to utility tariffs. Xcel stated that eventually the Commission could establish a 30-day negative check off process for tariff updates.

Minnesota Power began collecting the ombudsperson surcharge on June 3, 2024, and will remit payment to the Commission by the 15<sup>th</sup> of every month. Minnesota Power recommended an annual or biannual cadence to review the surcharge and that the Commission create a “buffer” to account for changes in total surcharge amounts due to fluctuations in the interconnection market. Minnesota Power proposed updating the fees listed in MNDIP Section 1.5.1 to reflect the ombudsperson surcharge.<sup>3</sup>

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<sup>1</sup> Xcel Comments, p. 2. Modifies Xcel’s tariff Section No. 10, Original Sheet No. 81.5, Exceptions to MN DIP.

<sup>2</sup> *Id.*

<sup>3</sup> Minnesota Power Comments, p. 1.

Otter Tail indicated that the utility's website had been updated to define and explain the ombudsperson surcharge. Otter Tail outlined an internal process in which staff review the number of interconnection requests that were deemed completed on the first of each month, then mail the appropriate amount to the Commission by the 15<sup>th</sup> of the following month. Otter Tail stated that interconnection fee details are not included in any of the utility's tariffs, which instead reference the list of fees indicated in MN DIP Section 1.5.1. Otter Tail stated that the ombudsperson surcharge should be included in the MN DIP list of fees and not in utility tariffs to "avoid misalignment with the state application requirements" and allow the Commission to adjust the fee as needed.<sup>4</sup> Otter Tail recommended that the Commission review the surcharge amount and expenses associated with the ombudsperson position on an annual cadence and adjust the surcharge as needed. Otter Tail requested that the Commission limit the number of year-to-year adjustments to the surcharge to minimize administrative processes required for implementation.

### Party Comments

Generally, the Department agreed with the utility's comments and proposals. Specifically, the Department recommended establishing an annual cadence for reporting and adjustments, limiting year-to-year adjustments to the extent practicable, establishing a surcharge revenue buffer, considering a 30-day negative check off process for surcharge modifications in the future, and updating MNDIP Section 1.5.1 to reflect the ombudsperson surcharge. In addition, the Department acknowledged the utilities' surcharge collection, tracking, and remitting processes and found them to be reasonable and consistent with the Legislation.

MnSEIA generally did not oppose the utilities' recommendations and proposals but requested that the Commission establish a flexible and uniform process across the three utilities. MnSEIA supported an annual review cadence, and recommended the ombudsperson file a tracking sheet each year reporting the following (**Decision Options 4E-G**):

- Time spent on a list of categories by quarter-hour increments, or other time increment, including Application Processing, Facilities Upgrade Costs, Administrative Tasks, Engineering Disputes, and Other Issues;
- A breakdown of time spent between utilities, installers, customers, and other relevant entities, including the "response time" from each party; and,
- Proposed changes to tracking procedures to inform the review and adjustment of the surcharge as needed.<sup>5</sup>

MnSEIA stated that this information would support transparency in the ombudsperson position and allow for flexibility as the position needs and focus change over time. MnSEIA also

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<sup>4</sup> Otter Tail Comments, p. 2.

<sup>5</sup> MnSEIA Comments, p. 6.

recommended that the ombudsperson be actively involved in leading and facilitating stakeholders on interconnection issues, potentially through quarterly workgroup meetings, with the goal of discussing and addressing issues outside the traditional Commission docket process.

## Reply Comments

In reply comments, Xcel stated it does not support establishing the specific ombudsperson surcharge amount in MN DIP Section 1.5.1, as this would require reopening and modifying the MN DIP document every time the surcharge is adjusted. In this case, Xcel would still need to adjust its tariff to reflect each change in MN DIP.<sup>6</sup>

However, Xcel was supportive of some change in MN DIP to reflect the ombudsperson surcharge generally, as proposed by Minnesota Power and Otter Tail, and provided several suggestions to achieve the change.

Xcel proposed to update MN DIP Sections 1.5.1 and 5.3.1 as follows (**Decision Option 1**):

5.1 The Interconnection Customer shall submit an Interconnection Application to the Area EPS Operator, together with the Ombudsperson Fee, processing fee, or deposit specified in the Interconnection Application. Additional fees or deposits for the interconnection process shall not be required, except as otherwise specified in these procedures. Application form templates are available in Attachment 2 Simplified Application Form and Attachment 3 Interconnection Application Form.

5.3.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process and associated study and Interconnection Agreements according to the provisions of this article and Minnesota Administrative Rules 7829.1500-7829.1900. More information on the Commission's Consumer Affairs Office dispute resolution services is available on the Commission's website: <https://mn.gov/puc/consumers/help/complaint/>. To support these efforts all interconnection applications must provide an Ombudsperson Fee as part of their interconnection application.

Xcel also proposed to update the MN DIP Glossary of Terms to include the following definition (**Decision Option 2**):

Ombudsperson Fee – The fee assessed pursuant to Minnesota Law 2024, Ch. 127, Art. 42, Sec. 43 in the amount as last modified by written order of the

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<sup>6</sup> Xcel Reply Comments, p. 1.

### Commission.<sup>7</sup>

Xcel stated it does not take a position on the Commission's reporting and collection process, will provide any details necessary to implement the process, and acknowledged that the process already established has so far been successful.<sup>8</sup>

Xcel was generally supportive of MnSEIA's recommendation that the ombudsperson lead and facilitate stakeholder meetings and workgroups on interconnection issues. However, Xcel cautioned against all stakeholder work flowing through the ombudsperson position due to potential time and resource constraints.<sup>9</sup>

Finally, Xcel raised an important point regarding confidentiality in the ombudsperson's mediation and dispute resolution role envisioned by the Legislation, such as adhering to formal standards and rules and how information will be shared, and stated this should be established and made clear before beginning any formal mediation efforts.<sup>10</sup> Staff provides more discussion on this topic below.

Minnesota Power filed reply comments supporting Xcel's initial proposal to update MN DIP to generally recognize the ombudsperson surcharge but not to implement annual changes to the surcharge through MN DIP. Minnesota Power also supported implementing a 30-day negative check off process for annual surcharge updates.<sup>11</sup>

MnSEIA filed reply comments also opposing regular modifications of the surcharge through MN DIP, stating that MN DIP is intended to be a relatively static document. MnSEIA mirrored Xcel's recommendation to update MN DIP to capture the ombudsperson surcharge generally, but offered different proposed language as follows (**Decision Option 3**):

1.5.1 The Interconnection Customer shall submit an Interconnection Application to the Area EPS Operator, together with the processing fee or deposit specified in the Interconnection Application. Additional fees or deposits for the interconnection process shall not be required, except as otherwise specified in these procedures. Application form templates are available in Attachment 2 Simplified Application Form and Attachment 3 Interconnection Application Form. The Area EPS Operator's tariff shall include specific fees for Simplified Process, Fast Track Process, ~~and~~ Study Process, and Interconnection Ombudsperson Surcharge if applicable, consistent with:

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<sup>7</sup> Xcel Reply Comments, p. 2.

<sup>8</sup> *Id.*

<sup>9</sup> Xcel Reply Comments, p. 2-3.

<sup>10</sup> Xcel Reply Comments, p. 3.

<sup>11</sup> Minnesota Power Reply Comments, p. 1.

1.5.1.1 The processing fee for the Simplified Process Application shall be up to \$100.

1.5.1.2 For certified, Fast Track Process eligible applications, the processing fee shall be up to \$100 + \$1/kW. For non-certified Fast Track Process eligible applications, the processing fee shall be up to \$100 + \$2/kW.

1.5.1.3 For an Interconnection Application that is not eligible or does not apply for Simplified Process or Fast Track Process, the processing fee shall be a down payment not to exceed \$1,000 plus \$2.00 per kW toward the deposit required for the study(s) under Section 4 Study Process.

1.5.1.4 Each Interconnection Application shall include the Interconnection Ombudsperson Surcharge, if applicable, as determined annually by the Commission in Docket 24-248.

1.5.1.4<sup>5</sup> Interconnection Applications shall contain a single line diagram and site diagram. A signature from a professional engineer licensed in Minnesota shall be required when: 1) Certified equipment is greater than 250kW; or 2) non-certified equipment is greater than 50 kW.<sup>12</sup>

MnSEIA stated that, through conversations after initial comments were filed, the Department also supported this approach. Staff notes that the “if applicable” language is appreciated given this surcharge is only assessed by the three investor-owned utilities and the MN DIP is a statewide document. Staff is also aware that the Distributed Generation Workgroup (Docket No. 16-521) is actively considering an amendment to the MN DIP related to interconnection application review screens for unintentional islanding. For ease of implementation, Staff plans to coordinate multiple approved updates to MN DIP at the same time, likely some time in Q1 2025.

Lastly, MnSEIA recommended that the ombudsperson surcharge be added to the Interconnection Application to ensure the surcharge is properly and formally documented. MnSEIA did not provide specific language to include in the Interconnection Application, and Staff notes the Interconnection Application template is part of the MN DIP. Staff does not recommend editing this template.

### STAFF ANALYSIS

Based on the record provided, parties seem to be in consensus on several procedural items related to establishing a Commission process for collecting, tracking, reporting and adjusting the ombudsperson surcharge. Staff finds these procedural items, which are consistent and

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<sup>12</sup> MnSEIA Reply Comments, p. 4.



additive to the requirements set forth in the Legislation, to be reasonable and summarizes them as follows:

- Modify MN DIP in some way to reflect the ombudsperson surcharge in the interconnection application process. (**Decision Options 1&2 or 3**)
- Establish a process by which the Commission files an annual report documenting the surcharge revenues, ombudsperson expenses, tracking items required in the Legislation, and proposing changes to the surcharge as needed to meet the requirements of the Legislation. (**Decision Options 4A-D**)
- Consider a 30-day negative check off process to implement changes needed when the surcharge is adjusted. (**Decision Option 5**)
- Require utilities to remit revenues received through the ombudsperson surcharge to the Commission on the 15<sup>th</sup> of each month. (**Decision Option 6**)

Staff notes that Xcel, Minnesota Power, and Otter Tail implement fees associated with interconnection applications differently. Xcel proposed including language in its interconnection-related tariffs, as discussed in Xcel's initial comments. Otter Tail stated the utility's website has been updated to reflect the ombudsperson surcharge. Minnesota Power did not indicate how it will reflect the ombudsperson surcharge in the interconnection application process beyond recommending general inclusion in MN DIP. To ensure utilities are appropriately and effectively implementing the surcharge, Staff recommends that all three utilities file updated language relevant to the utility's process that reflects the Commission's decision in this matter within 15 days of the Commission's Order. (**Decision Option 7**) Staff also provides **Decision Option 8** to establish a 30-day negative check off process for necessary updates to utility tariff, website, and other relevant communications regarding the ombudsperson surcharge.

Regarding MnSEIA's proposed reporting requirements for the ombudsperson's time by category and party at quarter-hour intervals (**Decision 4E**), Staff notes that subdivision 1(b)(5) of the Legislation states that the duties of the ombudsperson position include "preparing reports that detail the number, type, resolution timelines, and outcome of interconnection disputes." Staff suggests that this level of information is sufficient to provide the transparency and flexibility indicated by MnSEIA, and notes that the Legislation does not restrict the Commission from modifying the reporting scope in the future if needed.<sup>13</sup>

Regarding MnSEIA's recommendation that the ombudsperson lead and facilitate stakeholder meetings and workgroups, Staff notes that the Commission's November 30, 2017 Order in Docket No. E-999/CI-17-284 established the Distributed Generation Advisory Group (DGAG) to "be a forum for DG stakeholders to discuss DG issues as they arise."<sup>14</sup> The Order explicitly

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<sup>13</sup> Subdivision 1(b) begins by stating "the duties of the interconnection ombudsperson include *but are not limited to...*" the reporting requirements described (emphasis added).

<sup>14</sup> Commission Order issued November 30, 2017, in Docket No. E-999/CI-17-284, p. 3.

states that “these discussions could potentially resolve issues before they become disputes and enable Commission staff to identify specific issues best addressed by the Commission at a planning or agenda meeting.”<sup>15</sup>

Staff notes that the DGAG had been meeting on a quarterly basis but recently switched to an ad hoc meeting cadence to reflect the level of stakeholder involvement. CAO sent an email to DGAG members on October 3, 2024, announcing that the new ombudsperson staff person will lead the DGAG moving forward. Staff suggests that the DGAG represents a reasonable and effective avenue for the ombudsperson position to engage with stakeholders on relevant issues outside formal docket or mediation processes, as desired by MnSEIA. The ombudsperson may present or observe at other stakeholder workgroups, such as the Distributed Generation Workgroup, interconnection cost sharing, or utility-led workgroups, but Staff caution against reassigning facilitation of these workgroups at this time for continuity and to ensure the ombudsperson has the bandwidth to achieve the core function of the position: “to assist applicants seeking to interconnect distributed generation projects to utility distribution systems.”

Regarding the concern about confidentiality raised by Xcel, Staff notes that the ombudsperson position resides within the Commission’s Consumer Affairs Office. CAO uses standard language and practices when beginning and implementing mediation or resolution of a consumer complaint or inquiry.<sup>16</sup> Staff suggests that questions, insights, or concerns about the CAO mediation process be directed towards CAO and does not recommend Commission action at this time.

Finally, to provide context for Commissioners and stakeholders, Staff provides Table 1 showing the surcharge revenues received by the Commission at the time these briefing papers were filed. The current surcharge is set at \$50 per interconnection application.

**Table 1. Ombudsperson Surcharge Revenues Received as of November 13, 2024**

<b>Utility</b>	<b>Total Revenues Received</b>
Xcel Energy	\$66,800
Minnesota Power	\$3,950
Otter Tail Power	\$1,150
<b>Total</b>	<b>\$71,900</b>

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<sup>15</sup> *Id.*

<sup>16</sup> For example, see the “Notice of Collection of Private Data” on page 4 of CAO’s Consumer Complaint/Inquiry Form: [https://mn.gov/puc/assets/Complaint%20Form%20-%2004052023\\_tcm14-579560.pdf](https://mn.gov/puc/assets/Complaint%20Form%20-%2004052023_tcm14-579560.pdf)

## DECISION OPTIONS

### Ombudsperson Surcharge in MN DIP

1. Delegate authority to the Executive Secretary to update the Minnesota Distributed Energy Resources Interconnection Process document as follows (Xcel):

1.5.1 The Interconnection Customer shall submit an Interconnection Application to the Area EPS Operator, together with the Ombudsperson Fee, processing fee, or deposit specified in the Interconnection Application. Additional fees or deposits for the interconnection process shall not be required, except as otherwise specified in these procedures. Application form templates are available in Attachment 2 Simplified Application Form and Attachment 3 Interconnection Application Form.

5.3.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process and associated study and Interconnection Agreements according to the provisions of this article and Minnesota Administrative Rules 7829.1500-7829.1900. More information on the Commission's Consumer Affairs Office dispute resolution services is available on the Commission's website:

<https://mn.gov/puc/consumers/help/complaint/>. To support these efforts all interconnection applications must provide an Ombudsperson Fee as part of their interconnection application.

[AND]

2. Delegate authority to the Executive Secretary to update the Glossary of Terms section of the Minnesota Distributed Energy Resources Interconnection Process document as follows (Xcel):

Ombudsperson Fee – The fee assessed pursuant to Minnesota Law 2024, Ch. 127, Art. 42, Sec. 43 in the amount as last modified by written order of the Commission.

[OR] If choose 3, do not select Decision Options 1 & 2.

3. Delegate authority to the Executive Secretary to update the Minnesota Distributed Energy Resources Interconnection Process document as follows (MnSEIA, Department):

1.5.1 The Interconnection Customer shall submit an Interconnection Application to the Area EPS Operator, together with the processing fee or

deposit specified in the Interconnection Application. Additional fees or deposits for the interconnection process shall not be required, except as otherwise specified in these procedures. Application form templates are available in Attachment 2 Simplified Application Form and Attachment 3 Interconnection Application Form. The Area EPS Operator's tariff shall include specific fees for Simplified Process, Fast Track Process, ~~and~~ Study Process, and Interconnection Ombudsperson Surcharge if applicable, consistent with:

1.5.1.1 The processing fee for the Simplified Process Application shall be up to \$100.

1.5.1.2 For certified, Fast Track Process eligible applications, the processing fee shall be up to \$100 + \$1/kW. For non-certified Fast Track Process eligible applications, the processing fee shall be up to \$100 + \$2/kW.

1.5.1.3 For an Interconnection Application that is not eligible or does not apply for Simplified Process or Fast Track Process, the processing fee shall be a down payment not to exceed \$1,000 plus \$2.00 per kW toward the deposit required for the study(s) under Section 4 Study Process.

1.5.1.4 Each Interconnection Application shall include the Interconnection Ombudsperson Surcharge, if applicable, as determined annually by the Commission in Docket 24-248.

1.5.1.4<sup>5</sup> Interconnection Applications shall contain a single line diagram and site diagram. A signature from a professional engineer licensed in Minnesota shall be required when: 1) Certified equipment is greater than 250kW; or 2) non-certified equipment is greater than 50 kW.

#### **Ombudsperson Annual Report and Surcharge Review**

4. Delegate authority to the Executive Secretary to file an annual report in an annually recurring docket providing the following information, with the first report filed by October 1, 2025 (Staff proposed, all parties support A and B):
  - A. Total ombudsperson surcharges collected by the Commission.
  - B. Total expenses incurred for the ombudsperson position.
  - C. The number, type, resolution timelines, and outcome of interconnection disputes as required in the Legislation.
  - D. Proposed changes to the ombudsperson surcharge to meet the requirements established in the Legislation.
  - E. Require additional reporting in the annual report as follows (MnSEIA):

- i. Time spent on a list of categories by quarter-hour increments, or other time increment, including Application Processing, Facilities Upgrade Costs, Administrative Tasks, Engineering Disputes, and Other Issues.
  - ii. A breakdown of time spent between utilities, installers, customers, and other relevant entities, including the “response time” from each party.
  - iii. Proposed changes to tracking procedures to inform the review and adjustment of the surcharge as needed.
5. Delegate authority to the Executive Secretary to approve by Notice the ombudsperson annual report and any changes to the surcharge if no objections are filed within 30 days of the annual report being filed. (Staff proposed, Xcel, Minnesota Power, Department)

### **Surcharge Implementation**

6. Require Xcel Energy, Minnesota Power, and Otter Tail Power to remit revenues received through the ombudsperson surcharge to the Commission on the 15<sup>th</sup> of each month. (Xcel, Minnesota Power, Otter Tail Power, Department, MnSEIA)

*As discussed in briefing papers, Staff notes that Xcel Energy, Minnesota Power, and Otter Tail Power have implemented or proposed different methods of codifying the ombudsperson surcharge. Decision Option 7 requires each utility to update whichever method to reflect the Commission’s decision on this matter.*

7. Require Xcel Energy, Minnesota Power, and Otter Tail Power to file tariff, website, or other relevant language implementing the ombudsman surcharge consistent with the Commission’s decision within 15 days of the Commission’s Order or Notice of Updated Ombudsperson Surcharge. (Staff proposed)
8. Delegate authority to the Executive Secretary to approve by Notice utility tariff, website, or other relevant language updates related to the ombudsperson surcharge if no objections are filed within 30 days of the proposed language being filed. (Staff proposed)

Staff recommends: 3, 4(A-D), 5, 6, 7, and 8. As discussed in staff analysis, staff does not support 4E at this time.

## Attachment A

### Sec. 54. **POSITION ESTABLISHED; PUBLIC UTILITIES COMMISSION.**

**Subdivision 1. Position; duties.**(a) The Public Utilities Commission's Consumer Affairs Office must establish a new full-time equivalent interconnection ombudsperson position to assist applicants seeking to interconnect distributed generation projects to utility distribution systems under the generic statewide standards developed by the commission under section 53. The Public Utilities Commission must (1) appoint a person to the position who possesses mediation skills and technical expertise related to interconnection and interconnection procedures, and (2) authorize the person to request and review all interconnection data from utilities and applicants that are necessary to fulfill the duties of the position described in this subdivision.

(b) The duties of the interconnection ombudsperson include but are not limited to:

(1) tracking interconnection disputes between applicants and utilities;

(2) facilitating the efficient and fair resolution of disputes between customers seeking to interconnect and utilities;

(3) reviewing utility interconnection policies to assess opportunities to reduce interconnection disputes, while considering the equitable distribution of distributed generation facilities;

(4) convening stakeholder groups as necessary to facilitate effective communication among interconnection stakeholders; and

(5) preparing reports that detail the number, type, resolution timelines, and outcome of interconnection disputes.

(c) A utility must provide information requested under this section that the interconnection ombudsperson determines is necessary to effectively carry out the duties of the position.

**Subd. 2. Definition.**For the purposes of this section, "utility" means a public utility, as defined in Minnesota Statutes, section 216B.02, subdivision 4, that provides electric service.

**Subd. 3. Position; funding.**(a) A utility must assess and collect a surcharge of \$50 on each application interconnection filed by an owner of a distributed generation facility located in Minnesota. A utility must remit the full surcharge to the Public Utilities Commission monthly, in a manner determined by the Public Utilities Commission, for each interconnection application filed with the utility during the previous month.

(b) The interconnection ombudsperson account is established in the special revenue account in the state treasury. The Public Utilities Commission must manage the account. The Public Utilities Commission must deposit in the account all revenues received from utilities from the surcharge on interconnection applications established under this section. Money is appropriated from the account to the Public Utilities Commission for the sole purpose of funding the ombudsperson position established in subdivision 1.

(c) The Public Utilities Commission must review the amount of revenues collected from the surcharge each year and may adjust the level of the surcharge as necessary to ensure (1) sufficient money is available to support the position, and (2) the reserve in the account does not reach more than ten percent of the amount necessary to fully fund the position.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to applications for interconnections filed with a utility on or after that date.