

January 19, 2024

VIA ELECTRONIC FILING

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: Initial Comments

**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**

Dear Mr. Seuffert,

We respectfully submit the attached Reply Comments in response to the Commission's Notice of Comment Period issued November 22, 2023, in the above-mentioned docket.

Please do not hesitate to contact me if you have any questions.

Sincerely,

s/ *Ross Abbey*

Ross Abbey

Director, Regulatory and Legislative Affairs
United States Solar Corporation

STATE OF MINNESOTA
BEFORE THE
PUBLIC UTILITIES COMMISSION

Katie Sieben
Joseph K. Sullivan
Hwikwon Ham
Valerie Means
John Tuma

Chair
Vice-Chair
Commissioner
Commissioner
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. E-999/CI-16-521

COMMENTS

United States Solar Corporation (“US Solar”) submits these comments in response to the Public Utility Commission’s Notice of Comment Period issued November 22, 2023. In that notice, the Commission asked Xcel Energy (“Xcel” or “the Company”) and other the utilities to file proposals for how to “modify MNDIP in line with Minnesota Law 2023, Ch. 60, Art. 12, Sec. 75 (HF 2310).” That new section of the energy statutes directs the Commission to change MNDIP as necessary to:¹

allow customer-sited distributed generation projects up to 40 kilowatts alternating current in capacity to be processed according to schedules specified in the Minnesota Distributed Energy Resources Interconnection Process, giving such projects priority over larger projects that may enjoy superior positions in the processing queue.

In its notice, the Commission thus asked the utilities for proposals to accomplish this goal.² The Commission’s notice also asked the utilities to consider whether the proposed MNDIP changes should apply specifically to capacity constrained feeders and substations, or to the entire

¹ Minnesota Law 2023, Ch. 60, Art. 12, Sec. 75 (HF 2310)

² Commission Notice dated November 22, 2023 in the present docket (CI-16-521).

distribution system more generally.³ Finally, the Commission asked for proposals to include any “changes to the MN DIP that would be “de minimis” in nature regarding policy but would update the document to accurately reflect recent changes and references.”

On November 1, 2023, Xcel duly filed a proposal (“November 1 Proposal”) in response to the relevant notice. Of concern, Xcel’s proposal included a 50% capacity set-aside on all distribution feeders and substations for small solar projects sized 40 Kw or less.⁴ This policy-driven capacity constraint would have the practical effect preventing any solar projects larger than 40 Kw from accessing 50% of the latent hosting capacity in Xcel’s distribution system, unless the project pays for a costly and otherwise unnecessary grid upgrade:⁵

To prioritize Small DER applications, the Company would *require upgrades for new DER interconnections . . . to prevent the aggregate nameplate of General Queue interconnections from exceeding 50 percent* of the limiting equipment rating. Upgrades would be required for any DER interconnection that would cause the aggregate nameplate of all DER interconnections to exceed 100 percent of the limiting equipment rating.

We object to the inclusion and potential approval of this 50% capacity set-aside on both procedural and substantive grounds. Procedurally, this element of Xcel’s November 1 Proposal appears to go well beyond the scope of the relevant notice. Stated plainly, Xcel’s proposed 50% capacity set-aside is not required to meet the statutory goal (quoted above) of processing small interconnection applications more quickly per MNDIP standards, and without making the small applicant wait an unreasonable time behind larger applications ahead in the same queue. The proposed 50% capacity set-aside is not tailored to apply to only capacity-constrained areas of the grid. Also it does not qualify as a “de minimis” change to the MNDIP, since it would more than double Xcel’s current capacity set-aside of 20%.

Xcel’s proposed 50% capacity set-aside is also a bad idea on the merits. To be clear, it would have a significant negative material effect on the vast majority of today’s distributed solar market. That would include rooftop and net-metered solar systems larger than 40-Kw, including both public and privately owned projects, as well as projects supported by legislative programs like Solar on Schools. The set-aside would also restrict and undermine the new 10-MW distributed solar and LMI-accessible community solar garden programs, both of which are supported by recent legislative amendments. Despite that, Xcel’s November 1 Proposal does not attempt to quantify the harm this constraint would impose on larger (above 40-KW) solar projects, leading to a

³ *Id.* (“Proposals should address . . . Whether the prioritization of these projects include areas where the distribution system is capacity constrained as well as in areas that are not similarly constrained.”)

⁴ Xcel Energy November 1, 2023 Proposal filed in docket CI-15-521, at 10 (“To better allow future customer-sited DER projects up to 40 kW to interconnect, we project the need to reserve 50 percent of the DER capacity per feeder/substation for these projects. . .”).

⁵ *Id.*, at 11 (emphasis added).

woefully incomplete record on this item. Other relevant outstanding questions include, but are not limited to: How would Xcel's 50% set-aside impact its ability to meet its new Distributed Solar Energy Standard, in terms of both timeline and ratepayer cost? How many premature grid upgrades would be triggered in that scenario? What would be the estimated cost for all those premature grid upgrades?

In conclusion, it would not be reasonable for the Commission to approve Xcel's proposed 50% system-wide capacity set-aside at this time because such a restriction is not required to achieve the goals of Minnesota Law 2023, Ch. 60, Art. 12, Sec. 75. The restriction would also be much more burdensome to customers, developers, and the state's many renewable-energy goals (including the new the Distributed Solar Energy Standard established in Minnesota Law 2023, Ch. 60, Art. 12, Sec. 16) than necessary to create a prioritization for small interconnection applications. It would be far better for Xcel and this interconnection docket to focus on win-win approaches that increase grid access and reduce interconnection costs for both small and large projects alike, *e.g.*, through faster adoption of smart inverter functionality, dynamic line rating, battery energy storage systems, and flexible interconnection, among other emerging approaches.

Thank you for your careful consideration of this matter.

Sincerely,

s/ Ross Abbey

Ross Abbey

Director, Regulatory and Legislative Affairs
United States Solar Corporation
100 N 6th St, Suite 410B Minneapolis, MN 55403
ross.abbey@us-solar.com