Minnesota Solar Energy Industries Association
We Move Minnesota Solar + Storage Forward

May 13, 2026

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

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 No. E999/CI-16-521

Executive Secretary Bergman,

Please find here the Reply Comments of the Minnesota Solar Energy Industries Association. These comments reflect the views of our organization and interested members related to the issue raised and the topics open for discussion in the Minnesota Public Utilities Commission's Notice of Comment Period issued on April 10, 2026, in the above-referenced docket.

Sincerely,

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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.

REPLY COMMENTS

May 13, 2026

Docket No. E999/CI-16-521

INTRODUCTION

As noted in our Initial Comments, the Minnesota Solar Energy Industries Association (MnSEIA) appreciates the extensive discussions that occurred in the DGWG TSG over several months to reach consensus on the majority of updates to the MN DIP and the TIIR. These updates were guided by, among other things, the Minnesota Public Utilities Commission's (Commission) direction to resolve the "explicit treatment of distributed energy resources (DERs) using Power Control Systems for maximum capacity and export control in the Minnesota Distributed Energy Resources Interconnection Process (MN DIP) and the TIIR document,"[1] Minnesota law, the current language of the MN DIP and TIIR, and, with guidance provided by IREC, generally followed industry best practices. These updates were not revolutionary, because limiting the export capacity of a facility

[1] *In the Matter of Updating the Generic Standards for the Interconnection and Operation of Distributed Generation Facilities Established under Minn. Stat. §216B.1611I,* Dkt. 16-521, Minn. Pub. Util. Comm., NOTICE OF COMMENT PERIOD, p. 2 (April 10, 2026).

at its Point of Common Coupling with the Area EPS has been part of the MN DIP and TIIR since those standards were passed, but, rather, provided additional clarity on what export controls can be used and how facilities using export controls should be studied for interconnection to the Area EPS to ensure that the interconnection and parallel operation of the facility can be done in a safe and reliable manner.

In light of the universal position by the stakeholders that the updates to the MN DIP and TIIR should be adopted, which basically clarify that the Export Capacity of a facility generally is what is evaluated to determine whether a facility can be safely and reliably interconnected and operated in parallel with the Area EPS Operator's system, it is difficult to understand how some stakeholders can now argue that using Export Capacity raises safety or reliably concerns regarding the contested items.

It is also difficult to understand how anyone could argue that any of the contested items are out of scope in light of the broad directive provided by the Commission. Surely, confirming what DERs the MN DIP applies to is part of the "explicit treatment of distributed energy resources (DERs) using Power Control Systems for maximum capacity and export control in the Minnesota Distributed Energy Resources Interconnection Process (MN DIP) and the TIIR document." Moreover, several items that are much less relevant than the contested items, such as insurance coverage, were addressed and agreed to by the parties. It would appear logically inconsistent to believe that every change that was agreed to was within the scope of the Commission's directive, but a few items that clearly relate to the treatment of DERs under the MN DIP are out of scope.

But, more importantly, Minnesota law is not a mere suggestion that can be ignored if it does not support the preferences of a particular party, it mandates the choses that must be made. And the plain language of Minn. Stat. § 216B.1611, which is the statute applicable to the MN DIP, and Minn. Stat. § 216B.164, which is the statute applicable to the Uniform Statewide Contract (USC), do not

support using Nameplate Rating for the contested items or allow the proposed language related to the USC.

And finally, while FERC's opinion is only instructive on state law issues because state statutory language controls state law issues, FERC's "longstanding policy" is to determine the "power production capacity" of a facility based on a "send out" approach, which is the amount of energy that the facility will be exporting to the grid, not its Nameplate Rating.[2] An opinion that was affirmed twice by the D.C. Circuit Court of Appeals.[3] As the Court noted, "Determining qualifying facility status by the facility's net output brings various provisions of PURPA into harmony."[4] Likewise, using Export Capacity for the contested items also brings into harmony the various provisions of Chapter 216B.

REPLY COMMENTS

MnSEIA provides the following comments to various arguments made in Initial Comments.

I. Minnesota Law Requires the Use of Export Capacity in MN DIP Section 1.1.1 regarding its Applicability.

As noted in MnSEIA's Initial Comments, Minn. Stat. § 216B.1611 determines which DERs the MN DIP applies to. And that section explicitly states that the generic standards are for the interconnection and parallel operation of distributed generation "of no more than ten megawatts of *interconnected capacity*."[5] This section does not use the term "nameplate capacity," or something

[2] *See* Exhibit A, Brief for Respondent Federal Energy Regulatory Commission, SEIA v FERC, D.C. Circuit Court of Appeals (April 12, 2022), p. 21 (pdf 36).
[3] *Solar Energy Indus. Ass'n v. FERC*, 59 F. 4th 1287, 1290-1291 (D.C. Cir. Feb. 14, 2023) (deferring to FERC's "net output" or "send out" approach, which it adopted in 1981, in determining that a facility with 160 MWs of solar and 50 MWs of battery storage only had a "total net capacity of 80 MW," which was within PURPA's 80 MW limit) (attached as Exhibit B); *Solar Energy Indus. Ass'n v. FERC*, 154 F. 4th 863, 864 (D.C. Cir. Sept. 9, 2025) (agreeing with FERC, which "has consistently interpreted 'power production capacity' to mean the 'maximum out that that facility can produce for the electric grid'") (attached as Exhibit C).
[4] *Id*.
[5] Minn. Stat. § 216B.1611, subd. 2 (emphasis added).

similar, which is used in a subsequent part of this section. Nameplate capaicty is also used in several other statutes, as noted in MnSEIA's Initial Comments. If the Legislature had wanted to limit the applicability of Minnesota's generic standards to the Nameplate Rating of the facility, it would have used the term nameplate capacity or something similar. Parties who support using Nameplate Rating completely ignore the plain language of the relevant statute and the canons of statutory construction, which mandate looking at the plain language of the statute and, if there is any ambiguity, considering the purpose of the law.[6] One of the purposes of Minn. Stat. § 216B.1611 is "to promote the use of distributed resources in order to provide electric system benefits during periods of capacity constraints."[7] Allowing systems to increase their capacity factor by adding additional panels and/or battery storage but limit their Export Capacity, is consistent with this purpose. Using Nameplate Rating is inconsistent with the plain language of Section 216B.1611 and would be inconsistent with this purpose.

Arguments that a decision on this contested item should be stayed until "the Rulemaking in Docket 25-86 has been completed," have several shortcomings. First, such an argument assumes that a rulemaking will be commenced when the Commission has told the Minnesota Court of Appeals that it has not made a decision on whether a rulemaking will be commenced,[8] a position that was affirmed in the recent Notice of Comment Period.[9] So, unless those parties know something that the general public does not know, whether a rulemaking will be commenced has not been determined. Second, that rulemaking, if it is commenced, does not apply to the current issue because that rulemaking is related to the definition of capacity under the Minnesota Rules related to Minn. Stat. § 216B.164.

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[6] *See* Minn. Stat. § 645.16.
[7] Minn. Stat. § 216B.1611, subd. 1(5).
[8] *See In the Matter of a Rulemaking to Amend the Definition of "Capacity" under Minn. R. 7835.0100, subp. 4,* Dkt. 25-86, MnSEIA, ADDITIONAL DECISION OPTION (March 30, 2026).
[9] *See In the Matter of a Rulemaking to Amend the Definition of "Capacity" under Minn. R. 7835.0100, subp. 4,* Dkt. 25-86, NOTICE OF COMMENT PERIOD (April 24, 2026) (stating that the issue is "Whether to amend the definition of "capacity" under Minn. R. 7835.0100, subp. 4").

The MN DIP statute, Minn. Stat. § 216B.1611, does not incorporate the capacity definition of Minn. Stat. § 216B.164. As discussed above and in Initial Comments, Section 216B.1611 states that it applies to DERs "of no more than ten megawatts of interconnected capacity," as opposed to "nameplate capacity," which is used later in the same section with regard to "project information," requiring each electric utility to request from an applicant for interconnection of a DER, "the nameplate capacity of the facility in the application."[10] And finally, even if a rulemaking is commenced and is instructive for how to interpret "interconnected capacity" under Section 216B.1611, the rulemaking cannot change the rule to conflict with the statutory definition of capacity, which states that capacity "means the number of megawatts alternating current (AC) at the point of interconnection between a distributed generation facility and a utility's electric system." The capacity of a facility in AC at the point where the facility interconnects with the utility's electric system, as discussed extensively in the DGWG TSG, reflected in the updates that are proposed to the MN DIP and TIIR, and industry standards, including IEEE 1547, upon which the MN DIP is based, is not its Nameplate Rating.

And, as noted above, any arguments that complying with the clear statutory language create any safety or reliability issues is undermined by the MN DIP and TIIR updates that all stakeholders support. All of the updates that we all have supported, and the MN DIP and TIIR itself, are about how DERs can be interconnected to and operated in parallel with the Area EPS in a safe and reliable manner using the DERs Export Capacity. That is exactly what the Commission directed the TSG to do. If using Export Capacity for the contested items creates any safety or reliability issues, then that would necessarily appear to mean that we have failed to do what the Commission asked us to do. Unsupported claims based on unrealistic extreme examples that undermine the very work that was

[10] *See* Minn. Stat. § 216B.1611, subd. (2) versus subd. 3a.

done by the TSG and are inconsistent with industry standards, do not provide a reasonable basis to violate the plain language of Minnesota law.

II. Section 1.1.5.1.2 Must be Modified to Comply with Minnesota Law.

Arguments supporting the use of Nameplate Rating with regard to the USC also appear to ignore the clear statutory language. As discuss in MnSEIA's Initial Comments, Minn. Stat. § 216B.164, subd. 6(c), states, "The uniform statewide form of contract shall be applied to all new and existing interconnections established between a utility and a net metered or qualifying facility having less than 40-kilowatt capacity, except that existing contracts may remain in force until terminated by mutual agreement between both parties." As discussed above, and in Initial Comments, capacity under this provision cannot be a DERs Nameplate Rating. Statements in the MN DIP cannot change Minnesota law and should not misstate it.

Claims that using Export Capacity for the USC raise concerns about an interconnecting customer making changes to the export capacity or mode of operation for the export limiting device were thoroughly discussed by the TSG and directly addressed in the proposed updates to TIIR Section 11.3.4.2, which states, "The reduced output setting can only be set by an approved manufacture installer and the setting must be password protected to prevent the service owner from changing the output value." And, of course, the USC states, "The QF's electric generating facilities meet the requirements of the Minnesota Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and Small Power Production and any technical standards for interconnection the Utility has established that are authorized by those rules."[11] The USC also states, "The QF must operate its electric generating facilities within any rules, regulations, and policies adopted by the Utility not prohibited by the Commission's rules on Cogeneration and Small Power Production which provide

[11] Minn. R. 7835.9910.

reasonable technical connection and operating specifications for the QF."[12] It also states, "The QF will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance."[13] And finally, it clearly provides the utility with a contractual right to stop purchasing electricity from the facility if it reasonably believes that the owner has made a change to his or her facility that threatens the reliability of the utility's system, stating, "The Utility may stop purchasing electricity from the QF when necessary for the Utility to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system."[14] Thus, concerns that there are inadequate contractual protections in the USC for utilities are unjustified.

Arguments that Nameplate Rating should be used because the USC begins by asking for a description of the facilities and its rating are similarly unreasonable. Such an argument ignores the explicit language of the Minnesota Rules, the MN DIP's USC definition, and the remainder of the language in the USC. First, the language that uses the term "rated at" states:

> The QF has installed electric generating facilities, consisting of
> _____
> _____
> _____ (Description of facilities), rated at ____
> kilowatts of electricity, on property located at
> _____
> _____.[15]

This language is no different than the Interconnection Application, including the proposed changes, which begin with asking for a description of the facilities, including their Nameplate Rating. The Interconnection Application, however, also asks for what is actually going to be exported to the utility's distribution system, the facility's Export Capacity. Similarly, it is the Export Capacity of the

[12] *Id*., paragraph 9.
[13] *Id*., paragraph 11.
[14] *Id*., paragraph 15.
[15] *See* Minn. R. 7835.9910.

facility that determines its compensation rate under the terms of the USC, which specifically references the sections of the Minnesota Rules regarding compensation rates.[16] For example, paragraph 3 states:

> 3. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated:
> ____ a. Average retail utility energy rate under part 7835.4013.
> ____ b. Simultaneous purchase and sale billing rate under part 7835.4014.
> ____ c. Time-of-day purchase rates under part 7835.4015.
> A copy of the presently filed rate schedule is attached to this contract.

Thus, it is the capacity of the facility that determines it compensation rate, not its rating. Its rating is just part of its description.

Arguments that Nameplate Rating aligns with FERC's position on the capacity of a system should also be rejected. To the contrary, FERC's position on the "power production capacity" of a facility, also called its "send out" policy, is based on the amount of energy that the facility "actually contributes to the [grid] system – [i.e.] the amount that will displace electricity produced by traditional means,' also known as "net output.'"[17] And this position was recently addressed by the D.C. Circuit Court of Appeals in the *SEIA v. FERC* case.[18] In that case, the QF was comprised of a 160 MW solar array and 50 MWs of battery storage, with 80 MWs of inverters. The utility argued that the capacity of the QF should be determined by its "rated capacity."[19] FERC rejected the "rated capacity" argument and noted that the utilities did not "explain why "rated capacity" must mean the nameplate capacity of the Broadview Facility's solar array.[20] And while this case centered on the difference between AC and DC capacity, FERC's rationale is equally applicable.

[16] *See id*, paragraphs 2, 3, 4, and 5.
[17] Exhibit A, p.
[18] *See* Exhibits B and C.
[19] *See* Exhibit A, p. 56-57 (pdf 71-72).
[20] *Id*. p. 57 (pdf 72).

In affirming the FERC's position for the second time, the Court noted that FERC's interpretation "is bolstered by the fact that the Commission has consistently for 44 years defined 'power production capacity' as the amount of power that a facility as a whole sends out to the electrical grid."[21] This is obviously not its Nameplate Rating. The Court went on to note the Commission's position that "[t]he net output is the gross amount of electricity generated, minus electricity that never reaches the grid because it is consumed on site for purposes such as auxiliary equipment. In the simplest terms, the net output equals the amount of electric power that is transmitted from the facility to the grid for customer use – its 'send out.'"[22] This is Export Capacity as that term is defined in the MN DIP and TIIR, and capacity as that term is defined under Minnesota law.

While Xcel is correct that, for a PURPA facility, the only energy that is consumed on site is for the auxiliary equipment because PURPA facilities are not behind the meter systems, most MN DIP facilities are behind the meter systems. Which means that the Interconnection Customer's load consumes energy on site, reducing the amount of electricity that reaches the grid. Accordingly, not only is Export Capacity consistent with Minnesota law, it is also consistent with FERC's longstanding approach to determining the capacity of a facility.

III. Include the Language "The Export Capacity specified by the Interconnection Customer in the Interconnection Application will be applicable as a limitation in the Interconnection Agreement" in MN DIP Section 5.14.3.

As discussed in MnSEIA's Initial Comments, adoption of Alternative B will necessarily create a conflict with Minnesota law because it states that the USC "shall be applied to all new and existing interconnections established between a utility and a net metered or qualifying facility having less than 40-kilowatt capacity," and, the USC currently does not have the language that is proposed in

[21] *See* Exhibit C, p. 869 (pdf 7)
[22] *Id*. at 870 (pdf 8).

Alternative B. Thus, it would necessarily be unavailable to all facilities who were using export controls in violation of Minn. Stat. § 216B.164, subd. 6(c), and the applicable Minnesota Rules. Parties supporting Alternative B didn't appear to address the legal implications of that choice.

However, relying on MN DIP Section 1.1.5.2, some have argued that if Alternative B is adopted, then an Interconnection Customer could simply be required to sign both the USC and MN DIA. That would appear to be inconsistent with the language of Section 1.1.5.2, which states in its entirety:

> The Area EPS Operator may propose in its tariff an increase to the size threshold for the application of the Uniform Statewide Contract as a replacement for the MN DIA in its tariff. There may also be situations where the Interconnection Customer would need to sign both the Uniform Statewide Contract and the MN DIA; such as, where the Nameplate Rating of the system is above the size threshold where the Uniform Statewide Contract replaces the MN DIA but the DER qualifies for net metering (Minn. Stat.§216B.164 and Minn. R. Ch. 7835) under the Uniform Statewide Contract.

The first line explicitly states that the USC is "a replacement for the MN DIA." Moreover, signing two contracts for the same facility would be highly irregular and create possible legal issues regarding which contractual language controlled. In addition, the situation Section 1.1.5.2 appears to be referencing where one would need to sign both the USC and MN DIA is when the utility increased the size threshold for when the USC could replace MN DIA in its tariff, but is above the statutory threshold for the USC because the MN DIP cannot change statutory rights, obligations or limitations. That is not the situation we are currently presented with. However, this argument does raise an alternative approach that could be consistent with Minnesota law and address the concerns raised by utilities.

Rather than signing both the USC and MN DIA, an Interconnection Customer could simply sign an additional Export Limitation addendum that the Commission could adopt under the MN DIP that specified the necessary export limitations. That would allow a system that qualifies for the USC

under Minnesota law to execute that contract, but provide utilities with the more specific contractual terms they would like to have without signing the MN DIA, which is meant to replace the USC. And this addendum would be incorporated into the USC through the language quoted above.[23] The Commission could direct the DGWG to come up with the specific terms for the Export Limitation.

IV. The Commission Should Reject Xcel's Changes to the Consensus Items.

After months of discussions and compromise, Xcel now proposes to change MN DIP Sections 1.1.1.1 and 2.1.1, which everyone else agreed to in the TSG and full DGWG. Such a last-minute request should be rejected because it was not included in the same process as the contested issues. In addition, as discussed in the TSG, the 50 kWac is the industry standard and Xcel has not provided a reasonable rationale for varying from the industry standard other than 40 kW is a common breakpoint for many state programs. This argument ignores the fact that the language agreed to still limits the Simplified Process to facilities with an Export Capacity of 20 kWac, which is half of the common breakpoint. Moreover, the claimed issues related to insurance coverage appear to ignore the fact that all the parties agreed, including MnSEIA, that insurance coverage could be based on Nameplate Rating. As such, these concerns are addressed by the changes that everyone agreed to.

[23] *See* Minn. R. 7835.9910 (USC states, "The QF's electric generating facilities meet the requirements of the Minnesota Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and Small Power Production and any technical standards for interconnection the Utility has established that are authorized by those rules.").

CONCLUSION

As noted in MnSEIA Initial Comments, installation of solar, both DERs and larger systems, in Minnesota has stagnated at a time of increasing demand.[24] Generation by coal has increased.[25] If Minnesota wants to meet the growing energy demand in a way that also allows it to meet Minnesota's clean energy goals, then something needs to change. Minnesota needs everyone, at every scale, interconnecting as much generation as possible because every scale moves at a different pace and faces different obstacles. And, as we learned during COVID, if you put all your eggs in one basket, and something unexpected happens to that basket, then it creates problems that cannot be quickly or easily overcome. Diversifying our approach to energy production so that public institutions, non-profits, businesses and individuals get to be part of the clean energy economy along with utilities is not only more fair, equitable and democratic, it also dramatically increases our chances to meet the growing demand for energy and Minnesota's clean energy goals.

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

Sincerely,

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[24] *See* Minnesota Star Tribune, Nuclear and coal expand in Minnesota's energy mix as renewables stagnate (April 30, 2026) (https://www.startribune.com/report-nuclear-and-coal-expand-in-minnesotas-energy-mix-as-renewables-plateau/601804566); Minnesota Public Utilities Commission, DERs Data Dashboard, Cumulative Capacity (MW) of Interconnected Systems, (333 MWs added in 2017 to just 104 MWs added in 2024), available at https://www.canva.com/design/DAGSij7u6pM/7J_LZh90SGbXYNSNuuIyJQ/view?utm_content=DAGSij7u6pM&utm_campaign=designshare&utm_medium=embeds&utm_source=link.

[25] Minnesota Star Tribune, Nuclear and coal expand in Minnesota's energy mix as renewables stagnate (April 30, 2026) (https://www.startribune.com/report-nuclear-and-coal-expand-in-minnesotas-energy-mix-as-renewables-plateau/601804566).