

**MINNESOTA PUBLIC UTILITIES COMMISSION
SUITE 350
121 SEVENTH PLACE EAST
ST. PAUL, MINNESOTA 55101-2147**

Katie Sieben	Chair
Joseph Sullivan	Vice Chair
Hwikwon Ham	Commissioner
John Tuma	Commissioner
Audrey Partridge	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

**REPLY COMMENTS OF THE
MINNESOTA DEPARTMENT
OF COMMERCE**

INTRODUCTION

The Minnesota Department of Commerce respectfully submits the following reply comments in response to the Commission’s February 10, 2025 notice of comment period. After a review of initial comments, the Department continues to recommend that: (1) the Commission open an investigation into Xcel’s internal transmission studies, (2) Xcel’s study process be assessed for reasonableness and subsequently modified for efficiency as needed, (3) the Minnesota Distributed Energy Resources Interconnection Process (“MN DIP”) be revised for clarity as needed, and (4) Xcel conduct these studies with more transparency.

ANALYSIS

I. THE COMMISSION SHOULD OPEN AN INVESTIGATION INTO XCEL’S INTERNAL TRANSMISSION STUDIES.

The Department continues to recommend that the Commission investigate Xcel’s internal transmission studies. According to Otter Tail and Xcel, internal transmission studies are warranted, even if the MISO review threshold (“1 MW aggregate transmission backflow”) has not been

triggered, to ensure grid reliability. It is important that Xcel conduct these studies in an efficient and low-cost manner because they affect the Department's ability to advance legislative policy directives.

Xcel's internal transmission study process continues to adversely impact distributed energy resources interconnection applications, such as the community solar garden projects administered by the Department. Historically, Xcel submitted interconnection applications to MISO for transmission studies, the threshold for submission being when DER exceeded substation peak load.¹ These studies cost \$60,000 and were performed quarterly.² In 2021, Xcel proposed identifying projects that may exceed daytime minimum load ("DML").³ After the Commission expressed concern, Xcel continued referring to MISO until late 2023 when Xcel brought back DML as a trigger point for studies separate from MISO.⁴ Xcel's internal transmission study fee is \$27,000.⁵ The Department is concerned with the cost of these studies since, as stated in the initial comments, the majority of the interconnection applications have been routed to Xcel's internal transmission study process. Since several variables of Xcel's internal transmission study process seem to be in flux and its process implicates many interconnection applications, an investigation into their process would be prudent.

II. XCEL'S INTERNAL STUDY PROCESS SHOULD BE ASSESSED FOR REASONABLENESS AND MODIFIED FOR EFFICIENCY AS NEEDED.

The Department reviewed comments filed by Xcel and the Joint Commenters and continues to recommend that the Commission assess Xcel's internal study process for reasonableness and modify for efficiency as needed. Although Xcel asserts that any study should

¹ Joint Commenters Initial Comments at page 2 (Apr. 3, 2025) (eDocket No. 20254-217238-01).

² *Id.*

³ *Id.*

⁴ *Id.*

⁵ Xcel Energy. Comments at page 14 (March 13, 2025) (eDocket No. 220253-216265-01).

be postponed, there is likely sufficient data already available to begin that evaluation. For reasons identified by the Joint Commenters, this evaluation should address, at minimum, the trigger point for internal transmission studies.

There is likely sufficient data already available to assess the merits of Xcel's internal transmission process. Xcel states that its internal transmission study process "is still in its infancy," and that the utility needs to "gain some real-world experience" before engaging in further discussions to modify the process.⁶ Xcel, however, proceeded with its internal study process in the fall of 2023 without Commission approval. The utility should have sufficient data from the last year-and-a-half for the Commission to assess the necessity of these studies.

Joint Commenters provide context and background information into Xcel's internal transmission studies. They encourage the Commission to "create a process to evaluate the ITS."⁷ As it currently operates, Xcel is able to operate at its own discretion, as it considers itself both the Transmission Provider and the Area EPS Operator.⁸ An investigation would help clarify Xcel's claim that internal transmission studies are needed due to "extensive cost of transmission upgrades [. . .] resulting from MISO study analysis and resulting reliability concerns."⁹ Additionally an investigation would allow for better understanding of why the trigger point was chosen specifically and whether that trigger point is reasonable based on Xcel's concerns and efficiency for all parties involved.

⁶ *Id.*

⁷ Joint Commenters. Comments at page 2. April 3, 2025. (eDocket No. 20254-217238-01).

⁸ Section 4.3.6, Minnesota Distributed Energy Resource Process (MN DIP).

⁹ Xcel Energy. Comments at page 56. March 13, 2025. (eDocket No. 20253-216365-01).

The Department and interested parties would benefit from better guidance concerning how these studies are conducted as it pertains to interconnection project progress and thus meeting state energy goals.

III. THE MN DIP SHOULD BE REVISED FOR CLARITY AS NEEDED.

As discussed in the Department's initial comments, MN DIP revisions may be necessary as the investigation proceeds or upon completion. The initial comments disagree on whether MN DIP section 4.3.6 allows Xcel to play the roles of both Transmission Provider and Area EPS Operator – either textually or in the spirit of the drafters' intention. This disagreement amounts to a material dispute and warrants investigation into whether the MN DIP requires modification.

Joint Commenters suggest MN DIP modifications to “incorporate [Xcel's] process, timelines, costs, and thresholds.”¹⁰ Section 4.3.6 of the MN DIP instructs the Area EPS Operator to coordinate with the Transmission Provider. This section should provide greater clarity in cases where a utility considers itself both. Xcel's cooperation in providing greater transparency into its process, thresholds, costs, timelines would be useful to the Department, particularly in its ability to manage DER programs as directed by the state legislature. Information already supplied by Xcel in its comments can be utilized in making MN DIP modifications.

IV. XCEL MUST BE MORE TRANSPARENT IN CONDUCTING INTERNAL TRANSMISSION STUDIES.

Xcel needs to be more transparent as it conducts its internal transmission studies around parameters, not limited to but including interconnection application position in study queue and projected time for completion. The majority of DER projects currently in the interconnection queue have been affected and delayed. If Xcel needs data to evaluate whether its internal

¹⁰ Joint Commenters. Comments at page 8. April 3, 2025. (eDocket No. 20254-217238-01).

transmission process sufficiently and efficiently addresses its concerns, it may consider not routing nearly all interconnection applications through their study process but rather a smaller sample size.

CONCLUSION

For these reasons, the Department recommends that the Commission open an investigation into Xcel's new transmission study process, evaluate the study process for efficiency, amend the MN DIP as necessary and urge Xcel to provide greater transparency.

Dated: April 17, 2025

Respectfully submitted,

Keith Ellison
State of Minnesota
Attorney General

/s/ **Amrit Hundal**

Amrit Hundal
Assistant Attorney General
Attorney Reg. No. 0505855

445 Minnesota Street, Suite 600
St. Paul, MN 55101-2131
(651) 757-1327 (Voice)
(651) 297-1235 (Fax)
amrit.hundal@ag.state.mn.us

ATTORNEY FOR DEPARTMENT OF
COMMERCE