



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

March 24, 2015

To: Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 7th Place East
St. Paul, MN 55101-2147

From: Elaine J Garry
People's Energy Cooperative
1775 Lake Shady Avenue South
Oronoco, MN 55960
egarry@peoplesrec.com

SUBJECT: Disputer Resolution: Docket E-132/CG-15-255

Dear Mr. Wolf:

People's Energy Cooperative is responding to the Public Utilities Commission's request in the matter of a Request for Dispute Resolution; Docket E132-32/CG-15-255. The Cooperative is submitting the applicable documentation as listed in the attachment titled Exhibit A.

People's Energy Cooperative (PEC) recognizes the overall benefits of distributed generation, especially renewable energy systems, to the environment. PEC has seen a growth in the number of individual systems (especially solar) installed by its members and is working to provide the opportunity to additional members through the development of community solar. We recognize the financial impacts to members who by choice, location or economic situations are not able to install a distributed generation. We strive to reach a balance between the need to provide renewable energy and minimizing potential cross subsidization between rate classes or individuals within rate classes.

The Cooperative conducts an annual review of its rates including the rates for cogeneration systems. During the 2014 review, staff also reviewed Minnesota State Statue §216B.164 and Rule 7835. As a result of the reviews, the Cooperative added a monthly charge to its Cogeneration and Small Power Production Rate (Reference Cogeneration and Small Power Production Rate Report dated January 31, 2014) in addition to changes reflecting the annual retail energy costs seen in calendar year 2013.

The intent of the monthly charge is to offset recurring costs unique to the existence of the interconnect cogeneration system. It is our interpretation of State Statue §216B.164 that ongoing costs can be recovered if those costs are unique to the existence of the interconnected system, are not covered by other charges associated with their existing service where the DG system is interconnected, or are not part of a standby fee. Qualifying costs would include those related to monitoring interconnected

systems, processing of readings (including incremental information services charges), and associated purchasing payments. These activities would not be done if the cogeneration system did not exist.

An additional area of unique costs is ongoing maintenance costs specific to the interconnection. These were not included in the current monthly fee as they are not as readily identified and vary by installation based on technical requirements of the system being interconnected.

People's Energy Cooperative wants its members with interconnected systems to be successful. We recognize systems which work economically for the individual member will be well maintained and will work well with the Cooperative's system. We strive to reach a balance economically between the individual member's needs and those of the overall membership without causing undo impact to either party. It is not our intention to discourage the installation of distributed renewable energy systems by our membership.

Please contact myself or Gary Fitterer (gfitterer@peoplesrec.com) for any questions on this response or additional questions related to the concerns raised by Mr. Miller.

Sincerely,



Elaine J Garry
President and CEO
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Attachment

Exhibit A – List of Attachments

- 1) PEC Annual Cogeneration and Small Production Tariff Report for 2014 (PDF)
- 2) PEC DG Interconnection Report for 2014 (Excel Spreadsheet)
- 3) PEC QF Reporting for 2014 (Excel Spreadsheet)
- 4) PEC Distributive Generation Tariffs February 2015 (PDF)
- 5) PEC Annual Cogeneration and Small Production Tariff Report for 2013 (PDF)
- 6) PEC Qualifying Facilities Reporting for 2013 (Excel Spreadsheet)
- 7) Correspondence with Members (PDF)
- 8) Correspondence on PUC 63904-JB
- 9) Current Policies and Procedures for Distributive Generation
 - a. Policy 201 Distributive Generation
 - b. Policy 203 Distributive Generation – Net Metering
 - c. Interconnection Application
 - d. Uniform Statewide Contract
 - e. Interconnection Contract (non-Net Metered systems)
 - f. Management of Distributed Generation Accounts Operating Guide 2d1
 - g. Interconnection Process
 - h. Interconnection Requirements
- 10) Prior levels of Policies and Procedures for Distributive Generation
 - a. Policy 2.1 Distributive Generation (Replaced by 201 and 203) - 2013
 - b. Management of Distributed Generation Accounts Operating Guide - 2013