

February 22, 2019

Via Electronic Filing

Daniel P. Wolf

Executive Secretary

Minnesota Public Utilities Commission 121 7th Place E., Suite 350

St. Paul, MN 55101

RE: Docket 18-714 Xcel Energy's Tariff Revisions Updating Interconnection Standards for Distributed Generation Facilities Established under Minn. Stat. §216B.1611

Dear Mr. Wolf:

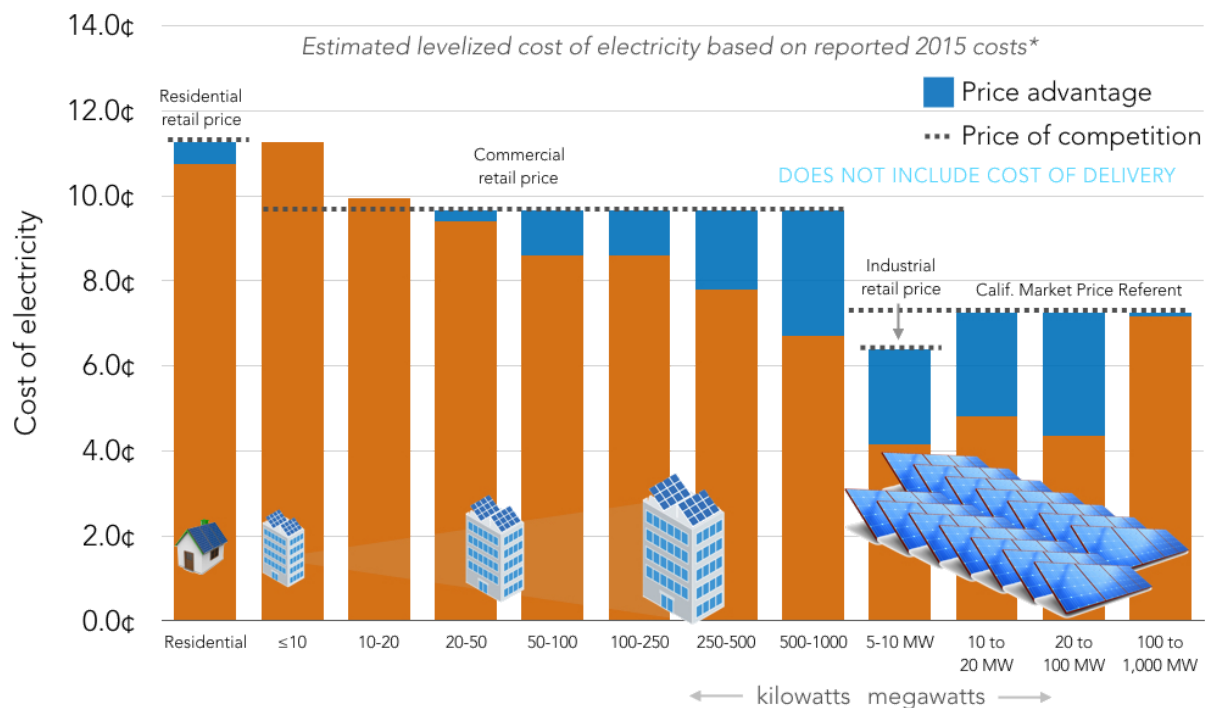
The Institute for Local Self-Reliance respectfully submits the following reply comments regarding approval of Updated Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities. In particular, we agree with the City of Minneapolis that the revision of these tariffs provides a unique opportunity to address another concern related to this matter—the barrier to distributed generation like solar or electric vehicle charging infrastructure presented by the cost of distribution system upgrades.

As distributed power generation technology has become competitive with (and often less costly) than utility scale generation (see the following comparison of solar costs by size)¹ it is in the public interest to facilitate customer installation of distributed energy systems. However, many barriers remain including:

¹ Is Bigger Best in Renewable Energy? (ILSR, 2016). <https://ilsr.org/report-is-bigger-best/>

1. The ability for customers to identify areas of the grid with likely available capacity (due in part to the slow deployment of hosting capacity analysis)
2. The unknown cost of interconnection due to an opaque process for triggering upgrades and determining the customer's share of costs
3. The excessive costs charged to customers when they are billed for the full cost of equipment the utility has or subsequently depreciates

SOLAR COMPETES AT MOST SIZES



Sources: Tracking the Sun IX and Utility-Scale Solar 2015 (SunShot, Berkeley Labs); EIA (2014 data); CPUC (2011); NYMEX (2016); ILSR



This tariff revision presents an opportunity to address the concern of system upgrades triggered by distributed generation, to enable the system to best capture the public benefit of distributed energy resources, whether inexpensive rooftop solar or expanding electric vehicle charging infrastructure.

ILSR supports approval of Xcel Energy's tariff revisions and agrees with the City of Minneapolis as well, that the rules should be clarified so that customers not be charged the full, undepreciated cost for existing or upgraded equipment.

Thank you for the opportunity to comment; we appreciate that there has not been any legislative preemption of this regulatory process.

Sincerely,

/s/

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