

February 4, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: Comments from Fresh Energy on Amendments to Rules Governing Cogeneration and Small Power Production – Docket No. E999/R-13-729

Dear Mr. Wolf:

Fresh Energy appreciates the opportunity to comment in this docket, as well as participate in the stakeholder engagement that Public Utilities Commission staff conducted prior to filing the Proposed Amendment to Rules Governing Cogeneration and Small Power Production on December 29, 2014. The purpose of that stakeholder engagement was to update current rules according to statutory changes implemented by House File 729, passed in 2013 by the Minnesota Legislature.

Fresh Energy has concerns about two areas of the proposed rules. First, the implementation of the existing definition of “firm power” in parts 7835.3200, 7835.4011, 7835.4014, and 7835.4015 of the proposed rules may have significant consequences that inhibit distributed generation deployment in Minnesota, conflicts with a previous Commission ruling on capacity credits for large solar facilities (E002/M-13-315), and is inconsistent with the Midcontinent Independent System Operator (MISO) rules and practices. Fresh Energy recommends: 1) updating the current definition to match the accredited MISO capacity related to the specific type of generation as explained in [MISO's Business Practices Manual](#); 2) further examining the impacts of the proposed rules relating to firm power on all types of distributed generation in this proceeding or another Commission docket; and, 3) holding a public hearing to deliberate these issues.

Second, the proposed rules do not include the statutory definition of “standby charge” implemented by House File 729. A justification is given on page 6 of the Statement of Need and Reasonableness, filed in this proceeding on December 29, 2014, that a definition of standby charges and standby services is both reasonable and necessary for subsequent rule parts. However, the statutory definition of standby charges importantly connects the imposition of standby charges to the *recovery of costs incurred* for providing standby services. Fresh Energy believes this is an important connection to ensure fair and equitable rates, and recommends that part 7835.0100 include the statutory definition¹ and be amended to read:

¹ Minnesota Statute 216B.164, subdivision 2a, paragraph (l)

“Subp. 20a. **Standby charge.** “Standby charge” means a charge imposed by an electric utility upon a distributed generation facility for the recovery of costs for the provision of standby services, as provided for in a utility’s tariffs approved by the commission, necessary to make electricity service available to the distributed generation facility.

Subp. 20b. **Standby service.** “Standby service” means:

A. for public utilities, service or power that includes backup, maintenance, and related services necessary to make electricity service available to the facility, as described in the public utility’s commission-approved standby tariff; and

B. for a utility not subject to the commission’s rate authority, the service associated with the applicable tariff in effect under Minnesota Statutes, section 216B.1711, subdivision 3, clause (2).”

Thank you again for the opportunity to comment in this proceeding. We are happy to answer any questions you might have.

Sincerely,

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