



AN ALLETE COMPANY

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September 17, 2024

**VIA E-FILING**

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

Re: In the matter of the “Capacity” Definition of Minn. Stat. 216B.164 and  
Associated Rules on Net Metering Eligibility for Rate Regulated Utilities  
**Docket No. E002, E111, E017, E015/CI-24-200**

Dear Mr. Seuffert:

Minnesota Power (or, the “Company”) hereby submits these Reply Comments to issues pertaining to the definition of “Capacity” filed by other stakeholders on September 3, 2024.

If you have any questions regarding this filing, please contact me at (218) 428-9846 or [jmccullough@mnpower.com](mailto:jmccullough@mnpower.com).

Sincerely,

A handwritten signature in black ink that reads 'Jess McCullough'.

Jess McCullough  
*Public Policy Advisor II*

JAM:th  
Attach.

I AM  
**ZERO INJURY.**

*Together we choose to work safely for our families, each other, and the public.  
We commit to be injury-free through continuous learning and improvement.*

**STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION**

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In the Matter of Impacts of the “Capacity”  
Definition of Minn. Stat. 216B.164 and  
Associated Rules on Net Metering Eligibility  
for Rate-Regulated Utilities

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Docket No. E002, E111  
E017, E015/CI-24-200  
**REPLY COMMENTS**

**I. INTRODUCTION**

On June 4, 2024, the Minnesota Public Utilities Commission (or, the “Commission”) issued a Notice of Comment Period regarding the definition of “Capacity” set forth in Minn. Stat. 216B.164 and associated Net Metering Eligibility Rules. Minnesota Power (or, the “Company”) filed its initial comments on September 3, 2024. The Company submits these Reply Comments to further clarify its position on the initial topics for comment.

**II. TOPICS OPEN FOR COMMENT**

**A. Capacity is a facility’s maximum output capability, not its net export**

Minnesota Power maintains its initial position that the plain language of Minn. Stat. § 216B.164, subd. 2a(c) clearly defines “capacity” as “the number of megawatts alternating current (AC) at the point of interconnection between a distributed generation facility and a utility’s electric system.” Indeed, the Commission already correctly interprets “capacity” as such according to Minn. R. 7835.0100, subp. 4, which states “capacity” is “the *capability* to produce, transmit, or deliver electric energy.” Industry practice measures a facility’s “capacity” by its maximum potential generation capability. To arbitrarily measure by the facility’s net export to the electric grid would create an inaccurate view of total megawatts of distributed solar on the grid, in addition to technical challenges in grid planning and operation.

**B. The Point of Interconnection (or, “POI”) is different from the Point of Common Coupling (or, “PCC”)**

The Company notes that there may be confusion regarding the distinction between POI (as used in statute) and PCC (as used in rulemaking). In simple terms, the POI for a solar

electric generating system occurs at the portion of a qualifying facility called an inverter, which converts Direct Current (or, “DC”) to Alternating Current (or, “AC”) for use by the consumer. It is this inverter that constitutes the point at which a qualifying facility connects to a local electrical system. Existing language in statute and rulemaking establishing AC as the unit of measurement makes clear that it is this piece of equipment that determines a facility’s “capacity.” The PCC is the utility meter, where the consumer’s electrical system is connected to the utility’s distribution grid. It is via this meter that the net export of electricity to the grid takes place, *after* the consumer utilizes their share of the AC generated by the qualifying facility. The PCC is not an indicator of a qualifying facility’s capacity. The Company notes that the Commission may wish to amend the rulemaking language to avoid this misconception in the future.

### III. CONCLUSION

The Company appreciates the opportunity to offer these comments and reiterates that industry practice is to define capacity as AC production at the point of interconnection, which is the inverter nameplate capacity. A common recognition of this practice is critical to a successful and efficient deployment of distributed energy resources.

Dated: September 17, 2024

Respectfully submitted,



Jess McCullough  
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STATE OF MINNESOTA    )  
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COUNTY OF ST. LOUIS    )

AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING

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Tiana Heger of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 17<sup>th</sup> day of September, 2024, she served Minnesota Power's Reply Comments in **Docket No. E002, E111, E017, E015/CI-24-200** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on E-Docket's Official Service List for this Docket were served as requested.



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Tiana Heger