April 3, 2025

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55105

Re: In the Matter of Updating the Generic Standards for the Interconnection and Operation of Distributed Generation Facilities Established Under Minn. Stat. § 216B.1611 (Docket E999/CI-16-521)

Mr. Seuffert,

Please find here the Comments of Clean Energy Economy MN (CEEM), the Minnesota Solar Energy Industries Association ("MnSEIA"), and the Coalition for Community Solar Access (CCSA), collectively, the Clean Energy Organizations (CEO). These comments are in response to the Minnesota Public Utilities Commission's February 10, 2025, Notice of Comment Period issued regarding Xcel's new Minnesota Distributed Energy Resource Interconnection Process (MN DIP) Transmission System Impact Study Process, which was discussed at the November 1, 2024, Distributed Generation Working Group (DGWG) meeting and a stakeholder meeting with Xcel Energy held on December 2, 2024.

These comments represent the views of our organizations and our members on this issue. Thank you for your time and consideration.

Sincerely,

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STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION

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In the Matter of Updating the Generic Standards for the Interconnection and Operation of Distributed Generation Facilities Established Under Minn. Stat. § 216B.1611	**April 3, 2025** **Docket E999/CI-16-521**

INTRODUCTION

Clean Energy Economy Minnesota (CEEM) is an industry led, nonpartisan, non-profit organization representing the business voice of energy efficiency and clean energy in Minnesota. The Minnesota Solar Energy Industries Association (MnSEIA) is a non-profit association of over 170 members that represents Minnesota's solar and storage industry, whose membership ranges from rooftop installers to non-profit organizations, developers, manufacturers, and many others, all of whom collectively employ over 5,000 Minnesotans. The Coalition for Community Solar Access (CCSA) is a national trade association representing more than 120 community solar companies, businesses, and non-profits working to expand customer choice and access to solar for all American households and businesses through community solar. CCSA works with customers, utilities, local stakeholders, and policymakers to develop and implement policies and best practices that ensure highly successful community

solar programs that champion the energy customer. These organizations will be collectively referred to as the Clean Energy Organizations (CEO).

The Minnesota Distributed Energy Resources Interconnection Process (MN DIP) is a vitally important process for all Minnesotans attempting to interconnect their distributed energy resources. Its forward states that it was updated to "1) Establish a practical, efficient interconnection process that is easily understandable for everyone involved; 2) Maintain a safe and reliable electric system at fair and reasonable rates; 3) Give maximum possible encouragement of distributed energy resources consistent with protection of the ratepayers and the public; 4) Be consistent statewide and incorporate newly revised national standards; 5) Be technology neutral and non-discriminatory".[1] Recognizing its importance and impact, the Minnesota Public Utilities Commission (Commission), has spent considerable time and resources considering any changes to it and their impact on stakeholders. The current comment period on this issue demonstrates that continued recognition and concern, which the CEO greatly appreciate. It will be difficult for Minnesota to meet its clean energy goals in a fair, equitable and democratic way if we do not all work together and contribute to Minnesota's clean energy future.

What should be evident from these proceedings is that Xcel's internal transmission study process is, among other things, not practical, efficient, or "easily understandable for everyone involved". Additionally, it is so far unclear if this process is necessary to maintain a safe and reliable electric system at fair and reasonable rates, giving maximum possible encouragement to the development of distributed energy resources (DER) consistent with interests of ratepayers and the public, or consistent with statewide or national standards. While we recognize and share Xcel's concerns with providing a safe and reliable electric system, it must also be done

[1] MN DIP, Forward, p. 1.

efficiently and cost-effectively. This new process does not do that, violating almost every purpose of the MN DIP.

The discussion at the December 2, 2024, stakeholder meeting, revealed a lack of understanding among stakeholders, including the CEO, regarding Xcel's additional study process for transmission impact studies. Xcel's self–designation as a Transmission Provider and the subsequent establishment of a more restrictive standard for potential adverse transmission system impacts has caused significant confusion. While the CEO recognize that Xcel is attempting to apply MN DIP's definition of Transmission Provider to itself, the CEO are unaware of any stakeholder, including Xcel, who previously understood it to be in that role or would consider that a reasonable reading of the current MN DIP process.[2] Using such an interpretation would permit Xcel to do its own transmission impact study using a more restrictive standard than the one used by MISO. Such an interpretation allows Xcel to call itself both the Area EPS Operator and appropriate Transmission Provider, requires the Company to coordinate with itself on these studies, and apply a different standard than the recognized Transmission Provider, MISO. Importantly, Xcel performs this study using a screening criteria rejected by MISO and inconsistent with information provided by IREC and EPRI at a recent DGWG workshop.[3]

The clear implication of this interpretation is that "adverse system impacts" under the MN DIP would have two different standards, applied by two different Transmission Providers. It is also easy to see that the MN DIP's Study Process Workflow does not have two different

[2] *See* MN DIP 4.3.6. The Minnesota Distributed Energy Resources Interconnection Process ("MN DIP"), the Commission established process for connecting distributed energy resources, such as solar energy generating systems and batteries is available on the Commission's website at: https://mn.gov/puc/assets/MN%20DIP%20updated%20by%204.15.24%20Order%20Clean_tcm14-623149.pdf

[3] *See* March 14, 2025, DGWG Meeting (available at: https://minnesotapuc.granicus.com/player/clip/2503?view_id=2&redirect=true)

processes, one for when MISO is the Transmission Provider and one when Xcel is the Transmission Provider. Thus, in summary, Xcel's interpretation means that under the MN DIP, the term Transmission Provider would include two different entities using two different standards in the same provision of the MN DIP at the same time. Such an interpretation discourages the development of DERs by unnecessarily increasing the time, cost and business risks to develop projects based on an inefficient standard that is inconsistent with recognized standards.

Even if the Commission determined this position to be reasonable, Xcel is a regulated monopoly, and the MN DIP is a Commission approved process. As such, any change to the MN DIP would presumably require Commission approval, especially one that is going to affect a majority of projects, because it uses a lower standard that has been rejected by the recognized Transmission Provider, MISO, and is inefficient according to IREC and EPRI.

In defending its unilateral change to such a significant process, Xcel appears to argue that while adoption of the MN DIP was approved by the Commission, changes to it do not require Commission approval. Such an argument would appear to undermine the Commission's regulatory authority and responsibility. Moreover, Xcel's claim that its transmission impact studies are required by NERC standards must necessarily mean that MISO, which uses a higher standard, is currently violating this standard, and that Xcel was previously violating it before they started doing their own studies. It also necessarily means that Xcel believes that it knows more about potential adverse impacts on transmission systems than MISO does. Such arguments do not withstand reasonable scrutiny and should be rejected.

BACKGROUND

While this issue was most recently raised at the DGWG's November 1, 2024, meeting, it is important to remember this issue has had a longer history. Xcel has been claiming that transmission system impact studies (TSIS) are required for a number of years, though the basis has changed over time.

Xcel first claimed that new feeders required a TSIS at least as early as 2020. Xcel would inform developers that needed a new feeder to interconnect a project that they also needed MISO's approval, stating:

> There is a potential that the MPUC could consider this dedicated feeder as serving a transmission function. This is based on our assessment of the MPUC's factors for determining whether facilities are transmission or distribution as detailed in MPUC Docket No. E999/CI-991261, *In addition, not having MISO review and approve this project in advance could result in MISO later determining that the interconnection never should have been allowed. By not obtaining MISO approval ahead of time this violates its rules and violation of its rules by itself is an adverse system impact.* Further, there is risk that projects proceeding without obtaining MISO's approval ahead of time could introduce risks for your project if MISO later determines that the project needs to be disconnected because either the right process was not followed, or the project creates reliability or safety issues. Accordingly, MISO will need to weigh in on whether it will allow this interconnection, and if so, determine the process and costs associated with its review and approval of this interconnection. Given this situation, a Transmission System Impact Study (referenced in MN DIP 4.3.6 through 4.3.8) needs to be initiated in order to determine the MISO position on this. Pursuant to MN DIP 4.3.8, Xcel Energy is responsible to coordinate with MISO on this effort.[4]

So even though the MN DIP System Impact Study did not identify any potential adverse impacts to the transmission system, Xcel was telling developers they needed a TSIS from MISO. After a developer contacted MISO and confirmed that MISO did not require a TSIS for

[4] Xcel, Reply Comments, Dkt. 21-160, Attachment C (PDF p. 41 (April 5, 2021) (emphasis added).

the construction of a new feeder for small projects, Xcel responded that it was in the process of negotiating an agreement with MISO.

After the position that new feeders require a TSIS was challenged, Xcel then negotiated an agreement with MISO that established four "triggers," one of which was that new feeders required a study. The history of the agreement is discussed in the letter filed by Nokomis Energy (Nokomis) on October 4, 2023, in this docket. It notes that the agreement arose in December 2021 when Xcel informed the Commission that it had reached an agreement with MISO regarding transmission impact studies (TASIS).[5] In its letter, Nokomis noted several key points about Xcel's unilateral implementation of this process. First, that Xcel's process used Daytime Minimum Load (DML), something that Xcel had explicitly stated it "will not use as a threshold . . . situations where the DER would exceed the Daytime Minimum Load unless one of the above thresholds was also met."[6] Second, after an initial comment period, the Commission issued an order on a number of topics, including formally staying the TASIS agreement. The Commission specifically stated:

> Xcel Energy must stay implementation of the Affected System Study Agreement until a comment period regarding the following issues has concluded:
> a. Whether the Agreement between Xcel Energy and the Midcontinent Independent System Operator requires changes to MN DIP or to a tariff;
> b. What those changes might be;
> c. Whether any changes to the Agreement should be requested;
> d. Whether any jurisdictional issues exist; and
> e. Any other related issues.[7]

As noted by Nokomis, the Commission specifically added that "the stay does not impact the current MN DIP-approved Affected System Study process used by utilities

[5] Nokomis Energy, Letter re Transmission Studies, Dkt. 16-521, p. 1 (Oct. 4, 2023).
[6] *Id.*, p. 2. It is also worth noting that Xcel also stated in this letter that it would "not use as a threshold where the DER requires a new feeder, unless one of the above thresholds was also met."
[7] Minnesota Public Utilities Commission, *Order Modifying Practices And Setting Reporting Requirements*, Docket No. 16-521 (March 31, 2023).

and MISO."[8] After this order, neither Xcel nor the Commission took any further action until Xcel unilaterally implemented its new process in August 2023.

On December 2, 2024, Xcel met with stakeholders to explain its new process. At the meeting, Xcel explained that it has established two transmission impact study processes for distributed generation interconnection applications, one where it considers itself the Transmission Provider and one where it considers MISO the Transmission Provider. MISO's applied standard for "potential adverse system impacts", and, thus, need for a system impact study, is aggregate substation DER being greater than substation peak load. Xcel's proposed Transmission Study threshold is aggregate DER meeting daytime minimum load, which, as discussed above, MISO had dismissed as not necessary, and is significantly more restrictive than MISO's standard.

On December 13, 2024, the CEO filed a request asking the Commission to investigate Xcel's unapproved study process and direct Xcel stay it until the investigation is complete. On February 10, 2025, the Commission issued a Notice of Comment listing the following topics for all parties to address:

- Are the Xcel-transmission studies permissible under the MN DIP? Address specifically, if Xcel Energy is a Transmission Owner or Transmission Provider and whether the internal transmission studies are Affected System Studies.
  - If the transmission studies aren't permissible should the MN DIP be modified to allow for them to be permissible?
  - If the transmission studies are permissible, should the MN DIP be modified to add more detail or guidelines to that process? What would the specific edits be and why?
- Based on the information derived from the two reports provided to the DGWG on this topic:
  - Is the exact timing and quarterly processing of the Xcel-transmission studies open to being modified? Would it be beneficial to include stakeholder input?
  - Is there any information that deserves further investigation or exploration beyond what was discussed in the reports that the Commission should consider?

[8] *Id.*

- How should the Commission consider impacts of Xcel-transmission studies on interconnection-related or state-goal related programs; such as LMI CSG Program?
- How should the Commission respond to JSA's request of the following?
  - Should Xcel's internal transmission study be stayed until the Commission grants approval?
  - Should the Commission open an investigation into Xcel's internal transmission studies and refer the matter to the Distributed Generation Working Group (DGWG)?
- Are there any other issues or concerns related to this matter?

COMMENTS

In response to the topics open for discussion, the CEO provide the following comments.

I. Are the Xcel-transmission studies permissible under the MN DIP? Address specifically, if Xcel Energy is a Transmission Owner or Transmission Provider and whether the internal transmission studies are Affected System Studies.

No, Xcel's transmission studies are not permissible under the MN DIP. While Xcel may fall under the general definition of a Transmission Provider because it is a Transmission Owner, it should not be considered a Transmission Provider under Section 4.3.6 of the MN DIP because such an interpretation would be unreasonable, and inconsistent with the established and approved process. A simple reading of the language of this provision and review of the MN DIP Study Process Workflow demonstrate this fact. The relevant section of the MN DIP that the Commission approved regarding Transmission System Impact Studies is Section 4.3.6, which states:

> In instances where the System Impact Study indicates potential for Transmission System adverse system impacts, within five (5) Business Days following the identification of such impacts by the Area EPS Operator, the Area EPS Operator shall coordinate with the appropriate Transmission Provider to have the necessary studies completed to determine if the DER causes any adverse transmission impacts."

Xcel's interpretation of "Transmission Provider" and requirement for two distinct processes necessitates reading Section 4.3.6 to infer that two different entities are referenced

within the same paragraph, and that Xcel can apply different standards at will. If there had been any expectation that Xcel would simultaneously serve as both the Area EPS Operator and the Transmission Provider, the MN DIP would have been drafted differently. It is crucial to recognize that only one Transmission Provider can be designated at any given time. It is not feasible for two distinct entities to simultaneously hold this position, applying two different standards.

Moreover, in the MISO meetings referenced by Xcel in its Utility Comments, utilities like Xcel are called Transmission Owners (TO) and clearly state that the "TO/MISO determines need for MISO review" and then "TO provides study information to MISO."[9] This is consistent with the MN DIP.

Under Xcel's interpretation of itself as a Transmission Provider, the company would coordinate with itself, unilaterally applying a criterion of its own making. As indicated in Figure 1 below, there is one path forward in the MN DIP workflow after the identification of potential adverse transmission system impacts. At this point, the Area EPS operator, which is always Xcel within Xcel service territory, coordinates with the Transmission Provider, MISO, for a Transmission Impact Study.

[9] *See* Exhibit A, MISO, Interconnection Process Working Group, DER Interconnection, p. 4 (April 11, 2022).

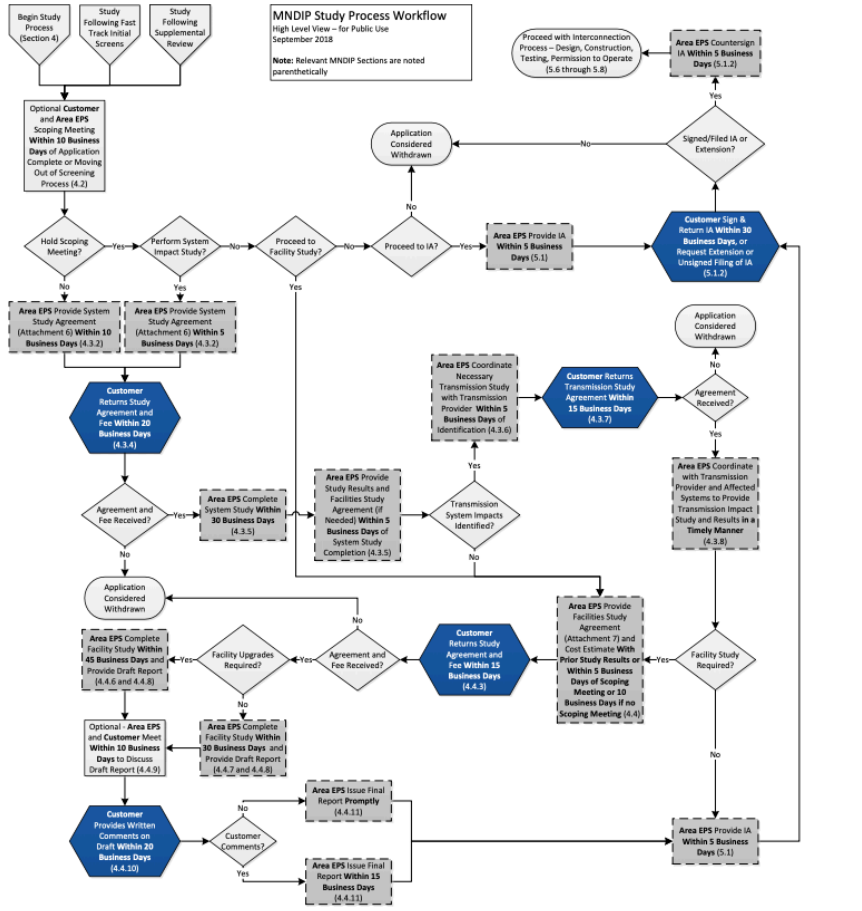

Figure 1: MN DIP Study Process Workflow – Attachment 8 pg. 4

It is also important to remember that the interconnection process required by regulated monopolies in Minnesota is both established and modified by the Commission under Minn. Stat. § 216B.1611, which states, in relevant part (emphasis added):

> (a) The commission shall initiate a proceeding within 30 days of July 1, 2001, to establish, by order, generic standards for utility tariffs for the interconnection and parallel operation of distributed generation fueled by natural gas or a renewable fuel, or another similarly clean fuel or combination of fuels of no more than ten megawatts of interconnected capacity. At a minimum, these tariff standards must:
>
> (1) **to the extent possible, be consistent with industry and other federal and state operational and safety standards**;
>
> (2) provide for the **low-cost, safe, and standardized** interconnection of facilities;

(3) take into account differing system requirements and hardware, as well as the overall demand load requirements of individual utilities;

(4) allow for reasonable terms and conditions, consistent with the cost and operating characteristics of the various technologies, so that a utility can reasonably be assured of the reliable, safe, and efficient operation of the interconnected equipment; and

(5) establish (i) a standard interconnection agreement that sets forth the contractual conditions under which a company and a customer agree that one or more facilities may be interconnected with the company's utility system, and (ii) a standard application for interconnection and parallel operation with the utility system.

And, as previously noted, the purpose of Minnesota's interconnection standards, as noted in the MN DIP's Forward, is to:

1) Establish a practical, efficient interconnection process that is easily understandable for everyone involved;
2) Maintain a safe and reliable electric system at fair and reasonable rates;
3) Give maximum possible encouragement of distributed energy resources consistent with protection of the ratepayers and the public;
4) Be consistent statewide and incorporate newly revised national standards;
5) Be technology neutral and non-discriminatory.[10]

The approved MN DIP process for transmission impact studies appears to meet the goals enumerated in its Forward. Xcel's new transmission impact study process, however, does not. As evident from the discussion at the DGWG meeting and stakeholder discussion with Xcel, it is not "easily understandable for everyone." It is also not practical or efficient. In fact, it is very inefficient and unnecessary. While Xcel argues this process maintains a safe and reliable electric system, Xcel has not proven it is necessary to do so, and the unnecessary costs created by it make it neither fair nor reasonable. This does not give the maximum possible encouragement of distributed generation resources consistent with the protection of ratepayers and the public, contrary to the MN DIP's stated purpose. Importantly and additionally, this is

[10] MN DIP, Forward, p. 1.

not consistent with statewide or newly revised national standards. To the contrary, Xcel is using a standard that is not used by MISO, the Regional Transmission Organization.[11]

In addition, at the March 14, 2025, meeting of the DGWG, IREC stated what would seem obvious to most - that evaluating systems based on unrealistic operating assumptions can lead to overestimated grid impacts.[12] As the Commission is aware, the DML Xcel uses is the lowest amount of energy that is consumed at a particular daytime point in the year. The DML is not, and will not ever, occur during the afternoon in summer months when solar generation systems are generating most of their energy. It was, and perhaps is still, reasonable to use the DML when considering the impact of other generation sources like gas or wind because they can generate their maximum output at the same point in time as the DML, but that is not true for solar. IREC noted during the meeting that by using granular data that more accurately represented what was actually occurring on the system, the capacity at a particular point on the grid nearly doubled.[13] In other words, using accurate granular data decreased the estimated grid impacts by half. The DML is not granular at all. It is a single point in the year that has no relation to when solar energy generating systems are actually producing energy. Thus, EPRI's Principal Technical Leader agreed that studying how DERs actually impact the system rather than using the maximum nameplate capacity and minimum system load at a point in the year is more efficient and cost-effective.[14]

It is likely also useful to note industry practice, within relevant contexts. In the Large Generator Interconnection Agreements between Northern States Power Company (dba Xcel Energy) and MISO, for interconnecting electric generation facilities with a capacity of 20 MW

[11] MISO, Generation Interconnection Business Practices Manual, BPM-015-r26 (March 1, 2023).
[12] DGWG Meetings Slides for March 14, 2025, p. 36 (March 17, 2025).
[13] March 14, 2025, DGWG Meeting, at 1:36:37 to 1:38:01 (available at: https://minnesotapuc.granicus.com/player/clip/2503?view_id=2&redirect=true)
[14] *Id*. at 1:50:49 to 1:51:14.

and above to the transmission system, a clear definition of transmission provider is provided. In each one, in the definition of terms, "Transmission Provider" is explicitly defined as MISO or successor organizations, and no other entity.[15] The same standard is applied in MISO's effective tariff documents, filed with the Federal Electric Regulatory Commission (FERC).[16]

The most logical interpretation of the MN DIP, which Xcel adhered to until August of 2023, is that MISO is the Transmission Provider discussed in Section 4.3.6. Therefore, any potential adverse transmission system impact should be based on MISO's standard and process. This approach has been consistent with the interconnection process for years and should continue unless and until it is altered by the Commission. However, even if the Commission interprets the MN DIP such that Xcel is also considered a Transmission Provider alongside MISO, and is permitted to apply a different standard, this new process and standard must be approved by the Commission.

II. Should the MN DIP be modified?

While the CEO do not believe that Xcel's new process is permissible or reasonable for the reasons stated above, even if one could reasonably read the MN DIP to reference two different entities using two different standards at the same time, any change in the MN DIP or establishment of a new interconnection process requires Commission approval.

First and foremost, Minn. Stat. § 216B.03 requires that every rate made, demanded, or received by any public utility to "be just and reasonable." Minn. Stat § 216B.02, subd. 5, broadly defines rate to include any rules or practices affecting any compensation, charge, fare,

[15] *See, e.g.*, "MISO Project G238 Queue 37642-021 LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA) Entered into by the Midwest Independent Transmission System Operator, Inc., Northern States Power Company, d/b/a Xcel Energy – Transmission, and Northern States Power Company, d/b/a Xcel Energy – Generation." 2012. MISO. https://cdn.misoenergy.org/NSP%20dba%20Xcel%20Energy%20(Tran)-NSP%20dba%20Xcel%20Energy%20(Gen)%20LGIA%20G238%20SA167054440.pdf. p. 11

[16] "***Transmission Provider:*** MISO or any successor organization." MISO FERC Electric Tariff, pg. 183. https://www.misoenergy.org/legal/rules-manuals-and-agreements/tariff/

toll, rental, tariff, or classification. There is no dispute that the Commission has never determined whether this new process is just or reasonable. And there can be no reasonable dispute that this new process is a rule or practice that affects Xcel's charges and tariff. Xcel has admitted that there is a charge for this new study process, and it adds additional time to the total interconnection process. Thus, it is a rate that must be determined to be just and reasonable before it can be enforced by Xcel.

Further, as previously noted, Minn. Stat. § 216B.05, requires that public utilities file with the Commission "all rates, tolls, tariffs, and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it" and all rules that, "in any manner affect the service or product, or the rates charged or to be charged for any service or product." There is no dispute that Xcel has not filed this new process with the Commission as required by Minn. Stat. § 216B.05.

In addition, Minn. Stat. § 216B.1611 requires the Commission to initiate a proceeding "to establish, by order, generic standards for utility tariffs for the interconnection and parallel operation of distributed generation." The Commission adopted generic interconnection standards for the interconnection and parallel operation of distributed generation (the MN DIP). It would be unreasonable to believe that the adoption of the MN DIP, which was an update to the prior interconnection standards adopted by the Commission, required Commission approval, but substantial changes to these updated interconnection standards could be made by a utility without Commission approval.

Finally, pursuant to Minn. Stat. § 216B.16, Xcel cannot legally change a rate without the approval of the Commission. Notably, "The burden of proof to show that the rate change is just

and reasonable shall be upon the public utility seeking the change."[17] The notice of rate change must "include statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested, and state the change proposed to be made in the rates then in force and the time when the modified rates will go into effect."[18] There is no dispute that Xcel has not provided the notice required by Minnesota law. There is also no dispute that the Commission has not approved this new interconnection process. While Xcel now argues that its new process falls under the current language of the MN DIP, there is no dispute that prior to August 2023, this process was not being used. Moreover, no stakeholders understood Xcel to be considered the Transmission Provider under the MN DIP, and Xcel did not claim to be in order to justify its position in prior communications and justifications. Finally, such a position is inconsistent with the process established by the plain language of the MN DIP.

III. Is the exact timing and quarterly processing of the Xcel-transmission studies open to being modified? Would it be beneficial to include stakeholder input?

While the CEO believe that Xcel transmission studies should not be allowed because they violate the MN DIP and Minnesota law, if the Commission approves them, it should consider stakeholder input, including Commerce, to determine whether the timing and processing of these studies should be modified. This is due to the significant impacts these studies will have and are having on the cost and timing of solar projects, including those under Commerce's LMI CSG Program, Solar on Schools, Solar on Public Buildings, and the DSES, among others.

IV. Is there any information that deserves further investigation or exploration beyond what was discussed in the reports that the Commission should consider?

[17] Minn. Stat. § 216B.16, subd. 4.
[18] Minn. Stat. § 216B.16, subd. 1.

Yes, as noted in the Reply Comments filed by SunShare in docket 25-76, the Commission should obtain a better understanding of MISO's DER AFS process, including whether to pursue an opt-out provision as some other jurisdictions are examining.[19]

V. How should the Commission consider impacts of Xcel-transmission studies on interconnection-related or state-goal related programs; such as LMI CSG Program?

As demonstrated by the complaint filed by SunShare in docket 25-76 and report filed by Nokomis Energy LLC, Enterprise Energy, Novel Energy Solutions LLC and Sunrise Energy Ventures, LLC, in the DGWG, Xcel's new process has a direct impact on Commerce's LMI CSG Program.[20] Moreover, in light of the fact that the LMI CSG Program allows projects to be up to 5 MWs and the new Distributed Solar Energy Standard allows projects up to 10 MWs, it is reasonable to expect that a majority of those projects will exceed the relevant DML on the relevant feeder or substation, especially in light of the fact that one reasonably expects these projects to be developed away from populated areas with congested feeders and substations. Less populated areas necessarily have lower DMLs.

As such, before any decision is made, the Commission might want to consider asking Xcel to provide an analysis of the number of feeders and substations where projects between 5 and 10 MWs would trigger its transmission study process.

VI. Should Xcel's internal transmission study be stayed until the Commission grants approval?

Yes, Xcel's internal transmission study should be stayed until the Commission investigates the impact of this process on the interconnection of projects in Minnesota,

[19] *See*, SunShare, Reply Comments, Dkt. 25-76, p. 3 (March 28, 2025) (noting that at MISO's July 17, 2024 Planning Advisory Committee meeting, Consumers Energy, DTE Energy, ITC Holdings and Wolverine Power proposed an opt-out provision to BPM-015 Section 8 on the RTO's affected system studies for DER additions that might impact the transmission system).

[20] *See*, SunShare, Request for Relief – Co-Location Determination Appeal and Breach of Settlement Agreement, Dkt. 25-76 (Dec. 31, 2024); Minn. Pub. Util. Comm, Reports Sent to DGWG, Dkt. 16-521 (Feb. 11, 2025).

especially the LMI CSG Program, which has yearly program limits. The significant delays caused by Xcel's unnecessary transmission studies will likely jeopardize the Commerce's ability to meet its yearly allocation standard and create uncertainty for Xcel in its distributed generation planning. As evidenced by the request for relief filed by Sunrise in docket 25-76 and report filed by Nokomis Energy LLC, Enterprise Energy, Novel Energy Solutions LLC and Sunrise Energy Ventures, LLC, in the DGWG, Xcel's unapproved process is having a direct and immediate impact on the ability of developers to participate in Commerce's LMI CSG program, which was significantly undersubscribed to in its first year, and will likely be so this year as well.

VII. Should the Commission open an investigation into Xcel's internal transmission studies and refer the matter to the Distributed Generation Working Group (DGWG)?

Yes, for the reasons discussed above, the Commission should open an investigation into Xcel's internal transmission studies. Xcel has not demonstrated that its study process is necessary to meet NERC standards and the facts surrounding it, including MISO's rejection of the lower standard that is used, and information provided by IREC and EPRI to the DGWG, call into question the need and justification for this additional process.

CONCLUSION

It takes limited engineering expertise to simply operate a system below its capacity, in a blanket, indeterminate manner. Expertise is required to operate a system efficiently, at its appropriate utilization levels, in a safe and reliable manner. That is what Minnesota law requires. Otherwise, this inefficiency is wasting a ratepayer resource and imposing unfair and unreasonable costs on the development of renewable energy projects. Xcel has been trying, for years, to require a TSIS for solar projects using a variety of rationales. All previous rationales

have been rejected. This latest rationale demonstrates a lack of respect for the authority and responsibility of the Commission, and the knowledge and expertise of MISO. The Commission should continue to follow its practice and the law in requiring Xcel to approve any changes to the MN DIP before they are implemented after thoroughly discussing and analyzing the rationale and impacts of the proposed changes with stakeholders, rather than simply allowing Xcel to proclaim to stakeholders that it will implement such a drastic and unsupported change. Moreover, Xcel's basis for the change, which is effectively that MISO's standard violates NERC standards and that compliance with MISO's process jeopardizes the safety and reliability of Xcel's transmission system, is without merit and should be rejected. Xcel interconnected less than 68 MWs of distributed solar last year.[21] As Commerce Deputy Commission Wyckoff has repeatedly said at legislative hearings recently, Minnesota needs a "yes, and approach" to developing renewable energy in Minnesota if we want to reach our carbon free goals. We have not been moving very fast in recent years toward these goals and this new unapproved and unreasonable process is only going to slow us down more.

Thank you for your time and consideration of the important issues in this matter.

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[21] *See* Xcel, Annual Compliance Report, Docket No. 16-521, p. 4 (March 3, 2025).

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