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August 18, 2025

VIA E-FILING

Kate Kahlert
Legal Unit Supervisor
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: Possible Amendment to Rules Relating to the Definition of “Capacity,” *Minnesota Rules*, 7835.0100, subp.4; Revisor’s ID Number R-04926
Docket No. E-999/R-25-86

Dear Ms. Kahlert:

Minnesota Power (“Company”) appreciates the opportunity to contribute to the record in this possible amendment to Minnesota Rules, 7835.0100, subp. 4.

As the Company stated in its Initial Comments of September 3, 2024, “Capacity” is the number of megawatts of the facility’s Alternating Current (“AC”) production at its point of interconnection between the distributed generation facility and the grid. This position is supported by Minn. Stat. § 216B.164, subd. 2a(c) which 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” and is further consistent with 17 FERC 61,231 at 61,445 (1981).¹

To define “Capacity” as a qualifying facility’s electric energy production rather than its nameplate capacity is contrary to statute, precedent, industry convention, and provides an opportunity for potential exploitation of net metering rules.

For these reasons, the Company supports the following amendment to the Minnesota Public Utilities Commission (“Commission”)’s working draft as set forth in its July 7, 2025 Request for Comments:

Subp. 4. Capacity. “Capacity” means the capability to produce, transmit, or deliver electric energy, and is measured by the number of megawatts alternating current at the point of ~~common-coupling~~ interconnection

¹ Docket No. E015/CI-24-200, “In the matter of the “Capacity” Definition of Minn. Stat. 216B.164 and Associated Rules on Net Metering Eligibility for Rate Regulated Utilities.” September 3, 2024.

between a qualifying facility and a utility's electric system. “Capacity,” as defined under Minn. Stat. § 216B.164, subd. 2a (c), for purposes of eligibility for net-metering in Minn. Stat. § 216B.164, subd. 3(d), is determined by, and measured at, the qualifying facility's inverter ~~using the nameplate rating or a power control system or supplemental device that controls production at the qualifying facility~~ before the net-metered customer's load.

Minnesota Power believes that measuring capacity at a qualifying facility's inverter aligns with Minnesota statute, best practices across the industry, and is good public policy because it helps ensure safety and reliability in planning, and helps maintain affordability and equity for rate payers as more distributed energy resources (“DERs”) connect to the Company's system. Measuring capacity differently may result in Minnesota Power overbuilding a DER system tie to accommodate a larger than 40 kW system. Under current net metering law, this could result in higher payments to owners of that facility for energy they don't need and those costs would be socialized across all rate payers.

It is the position of the Company that the modifications listed above will provide adequate statutory and industry alignment and clarification to the rule going forward.

Please contact me at (218) 355-3178 or jmccullough@mnpower.com with any questions related to this matter.

Respectfully,



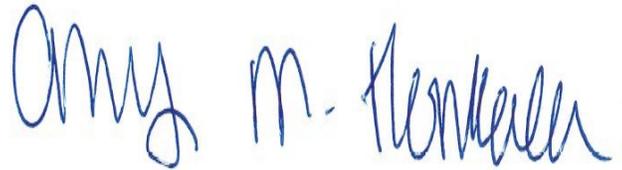
Jess McCullough
Public Policy Advisor

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STATE OF MINNESOTA)
)ss
COUNTY OF ST. LOUIS)

AFFIDAVIT OF SERVICE VIA
ELECTRONIC FILING

I, Amy M. Honkala of the City of Duluth, County of St. Louis, State of Minnesota, hereby certify that on the 18th day of August, 2025, I electronically filed a true and correct copy of Minnesota Power's **Letter in Docket No. E-999/R-25-86** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on eDocket's Official Service List for this Docket were served as requested.



Amy M. Honkala