April 17, 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 attached the Reply Comments of Clean Energy Economy Minnesota (CEEM), the Coalition for Community Solar Access (CCSA), and the Minnesota Solar Energy Industries Association (MnSEIA), 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 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 17, 2025

REPLY COMMENTS

Docket E999/CI-16-521

INTRODUCTION

A "practical, efficient interconnection process that is easily understandable for everyone involved"[1] is absolutely necessary to install the amount of clean energy resources necessary for Minnesota to have any chance to meet its clean energy goals and transition to a clean energy economy in a fair, equitable and democratic way. That is true now, more than ever, as efforts at the Federal level appear to be focused on stopping large scale renewable energy development.

The Minnesota Distributed Energy Resources Interconnection Process (MN DIP) was established – and has only ever been changed – after extensive discussion and stakeholder engagement. While Xcel attempts to justify its unilateral change to Minnesota's interconnection process by cataloging its efforts, every stakeholder reasonably believed and expected that any change to the established interconnection process, including changes necessitated by the

[1] Minnesota Distributed Energy Resources Interconnection Process, Forward, p. 1.

Midcontinent Independent System Operator's (MISO) new Distributed Energy Resources (DER) Affected System Studies (AFS) process, would have to be approved by the Minnesota Public Utilities Commission (Commission), and that Xcel would continue to follow the established interconnection process, as directed by the Commission, until any changes were approved. As noted previously, numerous parties have said that how Xcel has been implementing the transmission system impact study process, including MISO's new DER AFS, has been unclear, confusing and inconsistent. Accordingly, Clean Energy Economy Minnesota (CEEM), the Coalition for Community Solar Access (CCSA), and the Minnesota Solar Energy Industries Association (MnSEIA), collectively, the Clean Energy Organizations (CEO), again request that the Commission direct Xcel to discontinue its own transmission study process and continue the established Minnesota Distributed Energy Resources Interconnection Process (MN DIP) until after an investigation is conducted into what, if any, changes should be made to the established process, including how MISO's new DER AFS process will be implemented in Minnesota.

I. The Clean Energy Organizations agree with the Initial Comments filed by Stakeholders.

As evident from all of the Initial Comments that were filed regarding this matter, no party other than Xcel considered Xcel to be a Transmission Provider under Section 4.3.6 of MN DIP for the purposes of conducting a transmission system impact study (TSIS).[2] A plain reading of the relevant MN DIP language,[3] MN DIP System Impact Study Agreement,[4] or review of the MN DIP Study Process Workflow[5] supports such an understanding. Both the language of the MN

[2] As discussed below, even Xcel apparently did not consider itself a Transmission Provider until very recently.
[3] *See* MN DIP Section 4.3; see also Xcel Minnesota Electric Rate Book, Tariff Sheet 10-163 (Effective Date 5-9-19).
[4] *See* MN DIP Attachment 6, System Impact Study Agreement; *see also* Xcel Minnesota Electric Rate Book, Tariff Sheet 10-232 (Effective Date 5-9-19).
[5] *See* MN DIP Attachment 8, MN DIP Flow Charts, MN DIP Study Process Workflow (Sept. 2018); *see also* Xcel Minnesota Electric Rate Book, Tariff Sheet 10-247 (Effective Date 5-9-19).

DIP, System Impact Study Agreement, and the flowchart would have to be changed to accept the argument that there are two different Transmission Providers, applying two different standards, using two different processes, for the same project at the same time under the same MN DIP section. Such an understanding of the MN DIP study process does not appear to be reasonable.

It is also worth noting that Xcel incorporates the MN DIP into its tariff.[6] And even in its own tariff Xcel only refers to itself as the Area EPS Operator, never the Transmission Owner or Transmission Provider. In fact, Xcel defines itself as the Area EPS Operator for purposes of MN DIP interconnection process stating, on Tariff Sheet 10-205, "**Area EPS Operator** – An entity that owns, controls, or operates the electric power distribution systems that are used for the provision of electric service in Minnesota. **As used in this tariff, this means Northern States Power Company, a Minnesota corporation, doing business as Xcel Energy**."[7] Notably, Xcel did not define itself as either the Transmission Owner or Transmission Provider in its tariff.[8] In addition, in Xcel's tariffed System Impact Study Agreement, Xcel refers to itself as the Area EPS Operator in several parts. The agreement begins stating that the agreement is between the Interconnection Customer and "Northern States Power Company, a Minnesota corporation, doing business as Xcel Energy ("Area EPS Operator")."[9] And again on the signature page under "Northern States Power Company, a Minnesota corporation," it states "Area EPS Operator."[10] It is also noteworthy that Xcel's tariff does not include any reference to a transmission system impact study process or transmission system impact study agreement. If Xcel doesn't refer to itself as the Transmission Owner or Transmission Provider in its own tariff or have any references

[6] *See* Xcel Minnesota Electric Rate Book, Tariff Sheet 10-163.
[7] Emphasis added.
[8] *See* Xcel Minnesota Electric Rate Book, Tariff Sheet 10-209 (Effective Date 5-9-19)
[9] *Id*., Tariff Sheet 10-232 (Effective Date 5-9-19).
[10] *Id.*, Tariff Sheet 10-236.

to a transmission system impact study process or agreement, but rather, explicitly states that it is the Area EPS Operator "as used in this tariff," it would seem unreasonable for it or anyone else to believe that it would or could be considered a Transmission Provider for purposes of the interconnection process, or perform anything other than the screening process required by MISO, as discussed below.

MISO, the entity responsible for interconnecting and managing transmission resources in Minnesota, expects the process to begin with a "simplified technical screening" by the MN DIP Area EPS Operator, referred to as the Transmission Owner (TO) by MISO, "considering the amount of DER net injection and MISO verifying net injection before screening for changes in line loading levels. DER dispatch assumptions, the amount of DER considered to be injecting under peak and shoulder peak, follow existing MISO practices outlined in MISO Business Practice Manuals (BPM)."[11] In the MISO presentation on April 11, 2022, MISO provided a flow diagram showing that the first step to determine what analysis and coordination would be done leading up to a MISO study was "TO/MISO determines need for MISO review.[12] This is consistent with the established MN DIP process.

Accordingly, the CEO agree with the Minnesota Attorney General that "[a]n investigation could provide clarity around this material dispute, especially as the Commission has not approved Xcel's new MN DIP Transmission System Impact Study Process."[13] The CEO also agree with the Joint Parties that when confronted with the history of its efforts to unilaterally change the

[11] MISO, Distributed Interconnection Coordination, Summary, https://www.misoenergy.org/planning/resource-utilization/distribution/#t=10&p=0&s=FileName&sd=desc (visited on April 15, 2025).
[12] *See* Exhibit A, MISO DER Interconnection, Interconnection Process Working Group, p. 4, (April 11, 2022).
[13] Minnesota Attorney General's Office, Initial Comments, Dkt. 16-521, p. 3-4 (April 3, 2025).

transmission study process and standard, Xcel attempts to ignore that history and provide new novel arguments that do not withstand scrutiny.[14]

II. MISO Process Recognizes that MN DIP Controls any Minnesota Study Process.

To the extent that MISO recognizes that TO's can perform their own studies, MISO explicitly notes that they are "subject to State regulatory rules that define screening or study requirements."[15] In fact, MISO reiterates this point more than once. On its Distribution Interconnection Coordination webpage, MISO also states, "MISO intentionally limits its process proposals to an AFS perspective and does not aim to address state-jurisdictional processes."[16] And MISO's DRAFT MISO Distributed Energy Resource Affected System Studies Business Practices whitepaper states:

> RERRA-jurisdictional matters - DER interconnection is a RERRA jurisdictional process. MISO understands that RERRAs can be different entities including state commissions, municipal governments, and cooperative boards. *Further, RERRAs have independent laws and rulemaking processes over DER interconnection, resulting in different available information, processes, and outcomes*.[17]

The RERRA, is the Relevant Electric Retail Regulatory Authority, which is defined as "[a]n entity that has jurisdiction over and establishes prices and/or policies for providers of retail electric service to end-customers, such as the city council for a municipal utility, the governing board of a cooperative utility, the state public utility commission or any other such entity."[18] The relevant

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[14] Joint Parties, Initial Comments, Dkt. 16-521, p. 2 (April 3, 2025) ("Confronted with this, Xcel explains that it has found a loophole in MNDIP that allows it to be both hands in the handshake, and that analogy to the ASIS Agreement is not appropriate because that was then, and this is now. Incredibly, Xcel now claims that it is required to perform the ITS.").
[15] *See* Exhibit A, MISO DER Interconnection, Interconnection Process Working Group, p. 6 (April 11, 2022).
[16] MISO, Distributed Interconnection Coordination, DER AFS Development and Scope, https://www.misoenergy.org/planning/resource-utilization/distribution/#t=10&p=0&s=FileName&sd=desc (visited on April 15, 2025).
[17] MISO, DRAFT MISO Distributed Energy Resource Affected System Studies Business Practices, p. 8 (March 8, 2023) (available at https://cdn.misoenergy.org/20230314%20IPWG%20Item%2004%20MISO%20DER%20AFS%20Whitepaper%20Rev%202%20for%20BPM-015628167.pdf) (visited April 15, 2025) (Emphasis added).
[18] *Id*. p. 7.

RERRA in Minnesota is the Commission and it has established the MN DIP for the purpose of DER interconnection.

As noted above, the most reasonable understanding of the MN DIP process is that it incorporates the MISO process and standards. The MN DIP does not include a separate process or standard for the Area EPS Operator to use at its discretion.

III. Xcel Apparently Believes that MISO's Interconnection Process and Standard Does Not Comply with NERC Standards.

As previously noted, Xcel's argument that it now must perform its own transmission studies using its own process and standards to comply with NERC standards necessarily means that Xcel believes that MISO's standard and process does not comply with the reliability standards established by NERC. Because Xcel has not provided any evidence that MISO's process does not meet NERC's standards, such an argument should be met with a healthy dose of skepticism. One would expect MISO to be one of the foremost experts on the reliability impacts of DER interconnection and that its standards and process are sufficient to meet all standards, including those from NERC.

However, if any Xcel or any other Area EPS Operator believes MISO's standard does not meet NERC's requirements and that a new process with a different standard is necessary, they can propose their new process and standard to the Commission for approval. Surely, if MISO's transmission impact study standard is not sufficient to meet any NERC standards, the Commission would be concerned about the impact on other utilities as well.

IV. All Rules and Practices that Affect Xcel's Tariff or Charges Must be Just and Reasonable.

Minnesota law requires that all rules, practices, and contracts that affect, among other things, a utility's compensation, charges, or tariffs must be just and reasonable.[19] Xcel's transmission impact study process affects the charges it imposes by requiring developers to pay tens of thousands of dollars for a transmission study, the contracts that are required, and the MN DIP study process, which is part of its tariff,[20] by adding costs and delays that are not part of that process. Thus, this process, as discussed in these comments, our Initial Comments, and by the Joint Parties, is not just or reasonable. It places an undue burden on interconnection without any demonstrated necessity or benefit. Accordingly, it appears to violate Minnesota law.

CONCLUSION

If the MN DIP allowed Xcel to change the interconnection process and conduct its own transmission studies, its language and flowcharts would look completely different than they currently do. They would explicitly recognize two different processes with two different standards for studies, performed by two different entities. They clearly do not. If Xcel, or any other utility, believes that changes to the MN DIP are necessary to comply with any state or national standards, or otherwise in the public interest, then that utility must, like it has always done, propose those changes to the Commission for thorough evaluation and approval. Until that process occurs, it is reasonable for all stakeholders to expect the approved MN DIP interconnection process will be followed. Accordingly, for the reasons discussed in these and our Initial Comments, as well as the comments filed by the Joint Parties and the Minnesota Attorney General's Office for the Minnesota Department of Commerce, the CEO respectfully request that

[19] *See* Minn. Stat. § 216B.03; Minn. Stat. § 216B.02, subd. 5.
[20] *See* Xcel Minnesota Electric Rate Book, Tariff Sheet 10-163 (Effective Date 5-9-19).

the Commission direct Xcel to discontinue its own transmission study process and continue the established MN DIP process until after an investigation is conducted into what, if any, changes should be made to the established process, including how MISO's new DER AFS process will be implemented in Minnesota.

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

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