**Minnesota Solar Energy Industries Association**
We Move Minnesota Solar + Storage Forward

May 1, 2026

Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

**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 No. E999/CI-16-521**

Executive Secretary Bergman,

Please find here the Initial Comments of the Minnesota Solar Energy Industries Association. These comments reflect the views of our organization and interested members related to the issue raised and the topics open for discussion in the Minnesota Public Utilities Commission's Notice of Comment Period issued on April 10, 2026, in the above-referenced docket.

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.**

**INITIAL COMMENTS**

**May 1, 2026**

**Docket No. E999/CI-16-521**

## INTRODUCTION

The Minnesota Solar Energy Industries Association (MnSEIA) is a nonprofit association of over 140 members that represents Minnesota's solar and storage industry. Our broad membership ranges from rooftop installers to non-profit organizations, manufacturers, developers, and many others, all of whom collectively employ over 5,000 Minnesotans. MnSEIA submits these Initial Comments in response to Notice of Comment Period filed on April 10, 2026, in the above-referenced docket.

## BACKGROUND

As noted in the Notice of Comment Period, the Minnesota Public Utilities Commission (Commission) issued several directives to the DG Workgroup to address distributed energy resources (DERs) in the Minnesota Distributed Energy Resources Interconnection Process (MN DIP) and Minnesota Technical Interconnection and Interoperability Requirements (TIIR), with the broadest direction being provided on January 22, 2020, where the Commission directed the DG

Workgroup to resolve the "explicit treatment of distributed energy resources (DERs) using Power Control Systems for maximum capacity and export control in the Minnesota Distributed Energy Resources Interconnection Process (MN DIP) and the TIIR document."[1]

The DG Workgroup met 17 times from June through December 2025, and, with the assistance of the Interstate Renewable Energy Council, Inc. (IREC), updated the MN DIP and TIIR to reflect the industry's current best practices.

Thus, the issue before the Commission is, "Should the Commission approve the Technical Subgroup's proposed changes to the Minnesota Distributed Energy Resource Technical Interconnection and Interoperability Requirements (TIIR) and the Minnesota Distributed Energy Resources Interconnection Process (MN DIP) regarding Battery Energy Storage Systems and Limited/Non-Export Systems?"[2] To address this issue, the Commission listed the following topics open for comment:

> 1. Should the Commission adopt the TSG's proposed changes to the TIIR as found in Attachment B of this Notice?
>
> 2. Should the Commission adopt the TSG's proposed changes to the TIIR as found in Attachment C to this Notice?
>
> 3. What action should the Commission take regarding the three disputed items in the TSG's report as found in Attachment A to this notice?
>
> 4. Should the Commission extend the temporary annual reporting on interconnection through at least 2030 by modifying the requirement in the August 13, 2018 Order (paragraph 20)?
>
> 5. Are there other issues or concerns related to this matter?[3]

As the Commission considers these issues, it must not only consider Minnesota law and consistency with industry standards and practices, it should also consider the impact that its

[1] *In the Matter of Updating the Generic Standards for the Interconnection and Operation of Distributed Generation Facilities Established under Minn. Stat. §216B.1611I,* Dkt. 16-521, Minn. Pub. Util. Comm., NOTICE OF COMMENT PERIOD, p. 2 (April 10, 2026).
[2] *Id*., p. 1.
[3] *Id*.

decisions will have on Minnesota. As recently reported by the Minnesota Star Tribune, the just released report by Clean Energy Economy Minnesota and the Business Council for Sustainable Energy showed that renewable energy development in Minnesota has stagnated.[4] But, "[n]ot only was 2025 a relatively stagnant year for renewables, it was also marked by increased coal use. The fuel, which is especially carbon-polluting, made up 4% more of the state's energy mix last year than in 2024."[5] Moreover, "Minnesota has already missed its 2015 statutory goal to reduce statewide emissions by 15% compared to 2005 levels. It's likely that the state also missed its 2025 goal to slash emissions by 30%, a Minnesota Star Tribune analysis found."[6] And it has been worse for small solar, where DERs have decreased by over 200% since 2017.[7] While some try to ignore the fact that DER installations have plummeted from 333 MWs in 2017 to just 104 MWs in 2024 by touting that the cumulative capacity of solar installations in Minnesota is increasing, like adding dirt to a pile, they fail to recognize that the rate at which solar is being installed has decreased significantly since 2017.[8] So the pile is growing more slowly and, unless something changes, it is reasonable to expect this trend to continue.

## REPLY COMMENTS

MnSEIA would like to begin by recognizing the assistance provided by IREC and thanking both Yochanan Zakai and Brian Lydic. Without their assistance and guidance on the current

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[4] *See* Minnesota Star Tribune, Nuclear and coal expand in Minnesota's energy mix as renewables stagnate (April 30, 2026) (https://www.startribune.com/report-nuclear-and-coal-expand-in-minnesotas-energy-mix-as-renewables-plateau/601804566).

[5] *Id*.

[6] *Id*., citing Minnesota Star Tribune, Minnesota is falling short on its climate goals, new state data shows (Feb. 19, 2026) ("Minnesota failed to hit its 2015 target, and data released Feb. 18 by the Minnesota Pollution Control Agency suggests the state likely missed last year's target as well.") (https://www.startribune.com/minnesota-is-falling-short-on-its-climate-goals-new-state-data-shows/601564217).

[7] *See* Minnesota Public Utilities Commission, DERs Data Dashboard, Cumulative Capacity (MW) of Interconnected Systems, (333 MWs added in 2017 to just 104 MWs added in 2024), available at https://www.canva.com/design/DAGSij7u6pM/7J_LZh90SGbXYNSNuuIyJQ/view?utm_content=DAGSij7u6pM&utm_campaign=designshare&utm_medium=embeds&utm_source=link.

[8] *Id*.

industry best practices, it would have been more difficult for the stakeholders to reach consensus on the majority of issues. Commission Staff were also invaluable in managing this significant task and keeping the group moving forward. MnSEIA also appreciates the robust discussion that occurred on many of the topics among stakeholders. It is disappointing that the same principles, industry practices, implications, and Minnesota law that guided the decisions upon which the stakeholders agreed, were not applied to the contested items. At a time with so many significant energy issues facing Minnesota, it seems like an inefficient use of time and resources for some to try to re-argue and re-litigate issues upon which the Minnesota Legislature and Commission have already provided answers.

**1. Should the Commission adopt the TSG's proposed changes to the TIIR as found in Attachment B of this Notice?**

Yes. The changes are generally consistent with industry best practices, are the result of general agreement among DGWG subgroup members, and should result in more timely and cost-effective interconnection of small DERs, especially ones that are using battery energy storage systems (BESS) and export controls.

**2. Should the Commission adopt the TSG's proposed changes to the TIIR as found in Attachment C to this Notice?**

Yes. The changes are generally consistent with industry best practices, are the result of general agreement among DGWG subgroup members, and should result in more timely and cost-effective interconnection of small DERs, especially ones that are using BESS and export controls.

**3. What action should the Commission take regarding the three disputed items in the TSG's report as found in Attachment A to this notice?**

The Commission should decide the three disputed items consistent with Minnesota law,

existing MN DIP and TIIR language, the proposed changes to the MN DIP and TIIR, and the goal of promoting renewable energy development in Minnesota.[9]

### A. Minnesota Law Requires the Use of Export Capacity in MN DIP Section 1.1.1 regarding its Applicability.

Section 1.1.1 of the MN DIP states, "The Minnesota Distributed Energy Resources Interconnection Process (MN DIP) applies to any Distributed Energy Resource (DER) no larger than 10 MW interconnecting to, and operating in parallel with, an Area EPS distribution system in Minnesota." This section specifically references Minn. Stat. § 216B.1611. Section 216B.1611 does not use Nameplate Rating to determine the applicability of Minnesota's generic standards for the interconnection and parallel operation of facilities in the state. This is evident from the fact that Minn. Stat. § 216B.1611, subd. 2, explicitly states that the generic standards are for the interconnection and parallel operation of distributed generation "of no more than ten megawatts of *interconnected capacity*."[10] It does not use the term "nameplate capacity" or Nameplate Rating. If the Legislature had wanted to limit the applicability of Minnesota's generic standards to the Nameplate Rating of the facility, it would have used that term or nameplate capacity, which it is well aware of because the term "nameplate capacity" is used later in the section, in other sections of 216B, and other chapters of Minnesota law. Specifically, Minn. Stat. § 216B.1611, subd. 3a, requires every electric utility to request from applicants so that the utility can provide to the Commission, "the *nameplate capacity* of the facility in the application."[11]

Other statutes also use the term "nameplate capacity" to determine the size of facilities that fall under their provisions. For example, Minn. Stat. § 116C.7792(a), limits Xcel's Solar*Rewards

[9] *See* Minn. Stat. § 216B.164, subd. 1 (the intent of section 216B.164 is "to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the ratepayers and the public); Minn. Stat. § 216B.1611 (the purpose of generic interconnection standards is, among other things, to "promote the use of distributed resources in order to provide electric system benefits during periods of capacity constraints").
[10] Emphasis added.
[11] Emphasis added.

program to "solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts alternating current per premise." The wind energy production tax is "measured by the nameplate capacity of the system."[12] Minn. Stat. § 216B.1613 required each utility to "file with the commission a standardized contract form for the purchase of electricity from projects with a nameplate capacity of five megawatts or less." Community solar gardens under the legacy program were required to "have a nameplate capacity of no more than one megawatt."[13] And the Minnesota Legislature recently amended the energy infrastructure permitting act, limiting its applicability to large energy infrastructure facilities, which include large wind conversion systems with "a combined nameplate capacity of 5,000 kilowatts or more," solar energy generating systems "with a combined nameplate capacity of 50,000 kilowatts alternating current or more," and energy storage systems "with a nameplate capacity of 10,000 kilowatts or more."[14] In short, the Minnesota Legislature uses the term "nameplate capacity" when that is how it wants to measure the size of a system, and it did not use "nameplate capacity" with regard to the applicability of Minnesota's generic interconnection standards, it used "interconnected capacity." Thus, the Minnesota Legislature clearly intended that the applicability of Minnesota's generic interconnection standards be something other than the nameplate capacity of the system.

And although Minn. Stat. 216B.1611 does not define the term "interconnected capacity," a plain reading of it, considering the rest of language of this section, necessarily cannot mean "nameplate capacity" because, as noted above, that term is not used. It is more reasonable to read it as the capacity that is going to be interconnected to the distribution system, which, as recognized in

[12] *See* Minn. Stat. § 272.029, subd. 2.
[13] Minn. Stat § 216B.1641, subd. 1(b); compare, community solar gardens under the new program, which must, among other things, "have a capacity, as defined under section 216B.164, subdivision 2a, paragraph (c), of no more than five megawatts," Minn. Stat. § 216B.1641, subd. 6(a), and the distributed solar energy standard, which also explicitly incorporates the definition of capacity under Minn. Stat. § 216B.164, subd. 2a, and requires a solar energy generating system to "have a capacity of ten megawatts or less," to be counted toward the standard.
[14] *See* Minn. Stat. §§ 216I.02 & .03.

the changes to the MN DIP and TIIR, is the energy that is going to be delivered/exported to the distribution system at the Point of Interconnection/Common Coupling with the utility's system, which is the Export Capacity of the facility.

When reading statutes, one is required to consider their purpose and the one of the purposes of Minn. Stat. 216B.1611, is "promote the use of distributed resources in order to provide electric system benefits during periods of capacity constraints."[15] Limiting the size of distributed generation facilities, obviously, does not promote the use of distributed generation, especially in the situations we are talking about, adding battery storage or including export controls to increase the capacity factor of the facility.

To limit the MN DIP to systems with a Nameplate Rating of 10 MWs or less would be ignoring the plain language of the statute and reading words into the statute, which the Legislature obviously knows how to use, that are not there. It would also be inconsistent with the purpose of Minn. Stat. 216B.1611. This would violate the Minnesota canons of construction found in Minn. Stat. 645.08 and Minn. Stat. 645.16.

In addition, it is likely relevant to consider that Minn. Stat. 216B.164 defines distributed generation as a facility that "(1) has a capacity of ten megawatts or less; (2) is interconnected with a utility's distribution system, over which the commission has jurisdiction; and (3) generates electricity from natural gas, renewable fuel, or a similarly clean fuel, and may include waste heat, cogeneration, or fuel cell technology."[16] And capacity under Minn. Stat. § 216B.164 is defined as "the number of megawatts alternating current (AC) at the point of interconnection between a distributed generation facility and a utility's electric system."[17] As discussed below, the Commission has determined that "point of interconnection between a distributed generation facility

[15] Minn. Stat. 216B.1611, subd. 1(5).
[16] Minn. Stat. § 216B.164, subd. 2a(h).
[17] Minn. Stat. § 216B.164, subd. 2a(c).

and a utility's electric system" is "the point of common coupling between a qualifying facility and a utility's electric system."[18] And the "point of common coupling between a qualifying facility and a utility's electric system" is defined in the MN DIP and TIIR, consistent with IEEE 1547, as the Point of Common Coupling.[19] And, of course, Export Capacity is proposed to be defined under both the MN DIP and TIIR as "The amount of power that can be delivered from the DER to the Area EPS as measured at the Point of Common Coupling." One would likely consider it unreasonable to determine that the capacity of a facility at the Point of Interconnection/Common Coupling is determined one way under Minn. Stat. § 216B.1611, and another way under Minn. Stat. § 216B.164. Therefore, the only reasonable position appears to be that the MN DIP applies to facilities with an Export Capacity of 10 MWs or less.

As Xcel and many other stakeholders have recognized in their recent filings in the Distributed Capacity Procurement and other dockets, battery storage provides many benefits to the grid. As such, it will make it more difficult to interconnect DERs, including battery storage, that are necessary for utilities to meet the growing demand for energy that is expected in a safe, reliable and cost-effective manner and, thus, limit or eliminate Minnesota's ability to meet its clean energy goals, including the Distributed Solar Energy Standard, if the MN DIP cannot be used for projects that want to increase their capacity factor by adding battery storage and/or using export controls.

**B. Section 1.1.5.1.2 Must be Modified to Comply with Minnesota Law.**

Section 1.1.5.1.2 currently states that the Uniform Statewide Contract (USC) can be used if, among other conditions, the proposed system has "20 kWac or less of a qualifying DER Capacity."[20]

[18] *See* Minn. R. 7835.0100, subp. 4.
[19] *See* MN DIP, Glossary of Terms, p. 4 ("The point where the Interconnection Facilities connect with the Area EPS Operator's Distribution System. See figure 1. Equivalent, in most cases, to "service point" as specified by the Area EPS Operator and described in the National Electrical Code and the National Electrical Safety Code."); TIIR, Section 3.2, p. 15 ("The point of connection between the Area EPS and the Local EPS. NOTE 1—See MN DIP Glossary of Terms or Figure 2 in IEEE 1547. NOTE 2—Equivalent, in most cases, to "service point" as specified in the National Electrical Code and the National Electrical Safety Code.").
[20] *See* MN DIP § 1.1.5 (citing Minn. R. 7835.9910).

As referenced by Section 1.1.5, the USC is found at Minn. R. 7835.9910. The USC was required to be established pursuant to Minn. Stat. § 216B.164, subd. 6(a), which states, "The commission shall promulgate rules to implement the provisions of this section. The commission shall also establish a uniform statewide form of contract for use between utilities and a net metered or qualifying facility having less than 1,000-kilowatt capacity if interconnected to a public utility or less than 40-kilowatt capacity if interconnected to a cooperative electric association or municipal utility." Subdivision 6(c) goes on to state, "**The uniform statewide form of contract shall be applied to all new and existing interconnections established between a utility and a net metered or qualifying facility having less than 40-kilowatt capacity**, except that existing contracts may remain in force until terminated by mutual agreement between both parties."[21] Capacity is defined by subdivision 2a(c) to mean "the number of megawatts alternating current (AC) at the point of interconnection between a distributed generation facility and a utility's electric system."[22] Accordingly, this MN DIP provision must be changed to comply with Minnesota law.

The Minnesota Rules also explicitly state that the USC is available to any facility with a capacity of 40 kW or less.[23] And, consistent with Minn. Stat. § 216B.164, subd. 2a(c), capacity is defined under Minn. R. 7835.0100, to mean "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 between a qualifying facility and a utility's electric system." This is effectively the definition of Export Capacity that the DGWG subgroup proposes that the Commission adopt for the MN DIP and the TIIR. Which is reasonable because both the Rule and the statute measure capacity

[21] Emphasis added.
[22] Minn. Stat. § 216B.164, subd. 2a(c).
[23] *See* Minn. R. 7835.6100 ("The form of the uniform statewide contract for use between a utility and a qualifying facility having less than 40 kilowatts of capacity must be as shown in part 7835.9910."); *see also* Minn. R. 7835.9910 (The form for the uniform statewide contract must be applied to all new and existing interconnections between a utility and cogeneration and small power production facilities having less than 1,000 kilowatts of capacity, except as described in part 7835.5900.").

at a particular location, the point where the facility interconnects to the utility's electric system, which is its Export Capacity, not the Nameplate Rating of the equipment.

It must also be modified to be consistent with the current definition of the USC in the MN DIP, which states:

> **Uniform Statewide Contract –** State of Minnesota's standard, uniform contract that must be applied to all qualifying new and existing interconnections between a utility and DER having capacity less than 40 kilowatts if interconnecting with a cooperative or municipal utility, and 1,000 kilowatts if interconnecting with a public utility. (Minn. Rules 7835.9910)

Changing the language of Section 1.1.5.1.2 to make it consistent with Minn. Stat. § 216B.164, the current USC definition in the MN DIP, and Minnesota Rules 7835.6100 and 7835.9910 is also consistent with the rulemaking proceeding when the definition of capacity in the Minnesota Rules was adopted by the Commission in 2015. In that proceeding, the Staff Briefing Papers start by noting that the draft rule language, which is the language that is ultimately adopted and cited above, "incorporates much of the statutory language while retaining existing rule language" and then provides the amendments as:

> **Capacity.** "Capacity" means the capability to produce, transmit, or deliver energy and is measured by the number of megawatts alternating current at the point of common coupling between a qualifying facility and a utility's electric system.[24]

Commission Staff then stated that "[t]he draft uses the term 'qualifying facility' (instead of 'distributed generation facility') to make the rule applicable to all facilities. The draft also uses the term 'point of common coupling,' *which is used in the Commission's interconnection standards as the point where the customer's electric power system connects to the utility's power system*."[25] The Statement of Need and Reasonableness issued by the Commission reiterated where capacity is measured, stating:

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[24] *In the Matter of Possible Amendments to Rules Governing Cogeneration and Small Power Production, Minnesota Rules, Chapter 7835*, Dkt. 13-729, Minn. Pub. Util. Comm., STAFF BRIEFING PAPERS, p. 5 (Oct. 30, 2014).
[25] *Id*. (Emphasis added).

> It is also reasonable to use the term "point of common coupling," which is used in the Commission's interconnection standards as the point where the customer's electric power system connects to the utility's power system. *Although the "point of interconnection" and the "point of common coupling" are commonly used interchangeably*, the proposed rule's use of "point of common coupling" is consistent with earlier Commission decisions.[26]

The Commission again reiterated the location of where capacity is measured in its order adopting the rule changes stating:

> To address the issue raised, however, the Commission will separately define "point of common coupling." Use of this term is consistent with recent Commission decisions, including the Commission's decision establishing interconnection standards, which define "point of common coupling" *as the point where the local area electric power system (the customer's system) is connected to an area electric power system (the utility's system)*.[27]

In summary, it was repeated so many times that no reasonable person could argue that, consistent with the Commission's interconnection standards, and the changes the DGWG subgroup now propose, the capacity of a system is measured at the point where the customer's system is connected to the utility's system, which is referred to as the Point of Interconnection in Minnesota statute and the Point of Common Coupling in Minnesota Rules. And that is the Export Capacity of a system under the MN DIP and TIIR.

With regard to retaining the existing rule language, which stated the "capability to produce, transmit, or deliver electric energy," the Staff Briefing Papers noted,

> The capability to produce, transmit, or deliver electric energy is existing rule language and *is relevant if the number of megawatts (output) cannot be measured, such as in situations where the customer's metering system reads only net input*. Retaining the existing language ensures that capacity can be determined by using nameplate capacity, i.e., the system's capability.[28]

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[26] *In the Matter of Possible Amendments to Rules Governing Cogeneration and Small Power Production, Minnesota Rules, Chapter 7835*, Dkt. 13-729, Minn. Pub. Util. Comm., STATEMENT OF NEED AND REASONABLENESS, p. 4 (Dec. 29, 2014) (citations omitted) (emphasis added).
[27] *In the Matter of Possible Amendments to Rules Governing Cogeneration and Small Power Production, Minnesota Rules, Chapter 7835*, Dkt. 13-729, Minn. Pub. Util. Comm., ORDER ADOPTING RULES, p. 4 (July 17, 2015).
[28] *In the Matter of Possible Amendments to Rules Governing Cogeneration and Small Power Production, Minnesota Rules, Chapter 7835*, Dkt. 13-729, Minn. Pub. Util. Comm., STAFF BRIEFING PAPERS, p. 4 (June 15, 2015) (emphasis added).

In other words, retaining the existing rule language was only meant to allow Nameplate Rating to be used in situations where a bi-directional meter was not present because it would not be possible to measure a system's capacity at the Point of Interconnection/Common Coupling between the customer's system and the utility's system. In situations where a bi-directional meter is present, the Point of Interconnection/Common Coupling between the customer's system and the utility's system is where the capacity of the customer's system is measured. Or, to put it another way, it is the customer's system's capability to produce, transmit and deliver electric energy to the utility's system, which, with a bi-directional meter, can only be measured at the Point of Interconnection/Common Coupling between the customer's system and the utility's system.

The Staff Briefing Papers also stated that "[t]he statute defines capacity as the number of megawatts alternating current at the point of interconnection between a facility and a utility's electric system. And although this requires measuring capacity *(rather than using nameplate capacity),* the statute does not prescribe whether capacity is measured over standard 15-minute intervals or in some other manner, such as using a daily or monthly average. Some committee members suggested a definition, or multiple definitions, that measure capacity based on standard 15-minute time intervals. Others suggested measuring capacity based on net input."[29] Staff noted that they did not incorporate a 15-minute interval for measuring capacity, "in part because a 15-minute standard is not applicable to all rule parts where the term is used and because it raises compliance issues that are not addressed in the draft. Further, industry practice is to specify in tariffs that standard 15-minute intervals are used for measuring capacity to determine applicable billing rates."[30] This discussion, of course, highlights that capacity under Minnesota law is measured as net

[29] *In the Matter of Possible Amendments to Rules Governing Cogeneration and Small Power Production, Minnesota Rules, Chapter 7835*, Dkt. 13-729, Minn. Pub. Util. Comm., STAFF BRIEFING PAPERS, p. 3-4 (Oct. 30, 2014).
[30] *In the Matter of Impacts of the "Capacity" Definition in Minn. Stat. § 216B.164 and Associated Rules on Net-Metering Eligibility for Rate-Regulated Utilities, Dkt. 24-200, Minn. Dept. of Commerce, INITIAL COMMENTS, p. 4 (Sept. 3, 2024)*.

output, in some time interval, not as nameplate capacity or the system's maximum capability unless the net output cannot be measured. This approach is exactly the same as the definition of Export Capacity proposed in the MN DIP and the TIIR.

It is also consistent with the position that Commerce has taken on this issue in other dockets. In docket 24-200, Commerce filed comments stating:

> The definition of capacity under Minn. Stat. § 216B.164 and the associated rules in Minn. R. Ch. 7835 provide clear guidance that capacity is defined at the point of interconnection, also called the point of common coupling, with the utility system. For purposes of net-metered rates, then, capacity at the point of interconnection determines eligibility rather than nameplate capacity. Unlike in the context of interconnection requirements—discussed further below, and in which capacity is, at times, explicitly defined as nameplate capacity—Minn. Stat. § 216B.164 and Minn. R. Ch. 7835 consistently utilize the point of interconnection for purposes of defining capacity in the context of net-metered rate eligibility. In this context, then, utilities should abide by the definition of capacity provided in the governing statute.[31]

Commerce then states:

> The implication of applying the definition of capacity at the point of interconnection for purposes of net-metered rate eligibility allows systems with nameplate capacity higher than the statutory capacity limits to remain eligible, provided they limit capacity at the point of interconnection below the relevant threshold. [32]

This, of course, is also recognized in the TIIR, which notes that "[t]here are many possible reasons for implementing acceptable control methods, including meeting specific tariff terms or to mitigate the maximum level of power which can flow on the Local or Area EPS."[33] In the subsequent section, the TIIR again recognizes that "[s]ome of the reasons the DER Operator may choose to limit DER AC capacity include, to avoid system upgrades or to size the DER to be compatible with programs or tariffs."[34]

In its Reply Comments in the same docket, Commerce reiterated its position stating:

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[31] *Id*., p. 5.
[32] *Id*. at p. 5-6 (citations omitted).
[33] TIIR, Section 11.1 (This is the new proposed language. The current language uses "Power Controls" instead of "acceptable control methods.").
[34] TIIR, Section 11.2.

> The Department maintains its position from initial comments that the governing statute is clear that capacity is defined at the point of interconnection with the utility system with respect to net-metered rate eligibility. The Department wishes to clarify its recommendation from initial comments to read that utilities should apply the definition of capacity for purposes of net-metered rate eligibility as the maximum export capacity of the DER system at the point of interconnection, consistent with the governing statute.[35]

While this contested item is about eligibility to use the USC, not eligibility for net metering, the applicable law is the same. The definition of capacity under Minnesota law applies equally to both net metering and USC eligibility because both rely on the same definitions of capacity. Thus, if the MN DIP were to use the Nameplate Rating of a facility to determine the availability of the USC, the MN DIP would become inconsistent with the plain language of the Minnesota Statutes, Minnesota Rules and its own definition of the USC.

To the extent that anyone argues that Nameplate Rating should be used because the contract begins by asking for a description of the facilities and its rating, such an argument ignores the explicit language of the Minnesota Rules, the MN DIP's USC definition, and the remainder of the language in the USC. First, the language that uses the term "rated at" is found in the "Recitals," section of the USC, not the "Agreement" section. The relevant language states:

> The QF has installed electric generating facilities, consisting of
> _____
> _____
> _____ (Description of facilities), rated at ____
> kilowatts of electricity, on property located at
> _____
> _____.[36]

This language is no different than the Interconnection Application, including the proposed changes, which begin with asking for a description of the facilities, including their Nameplate Rating. The

[35] *In the Matter of Impacts of the "Capacity" Definition in Minn. Stat. § 216B.164 and Associated Rules on Net-Metering Eligibility for Rate-Regulated Utilities*, Dkt. 24-200, Minn. Dept. of Commerce, REPLY COMMENTS, p. 1 (Sept. 3, 2024).
[36] *See* Minn. R. 7835.9910.

Interconnection Application, however, also asks for what is actually going to be exported to the utility's distribution system, the facility's Export Capacity. Similarly, it is the Export Capacity of the facility that determines its compensation rate under the terms of the USC, which specifically references the sections of the Minnesota Rules regarding compensation rates.[37] For example, paragraph 3 states:

> 3. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated:
> ____ a. Average retail utility energy rate under part 7835.4013.
> ____ b. Simultaneous purchase and sale billing rate under part 7835.4014.
> ____ c. Time-of-day purchase rates under part 7835.4015.
> A copy of the presently filed rate schedule is attached to this contract.

Thus, it is the capacity of the facility that determines it compensation rate, not its rating. Its rating is just part of its description.

Second, as discussed above, the existing definition of the USC in the MN DIP explicitly states that the USC can be used with cooperative and municipal utilities if the facility that is proposed to be interconnected has capacity of less than 40 kW, and, if proposed to be interconnected to a public utility, a capacity of less than 1 MW.

Last, Minn. R. 7835.6100 states, "The form of the uniform statewide contract for use between a utility and a qualifying facility having less than 40 kilowatts of capacity must be as shown in part 7835.9910." And, consistent with Minn. Stat. § 216B.164, subd. 6, Minn. R. 7835.9910 begins by stating, "The form for the uniform statewide contract must be applied to all new and existing interconnections between a utility and cogeneration and small power production facilities having less than 1,000 kilowatts of capacity, except as described in part 7835.5900." One would reasonably assume that this language is the basis for the definition of the USC found in the MN DIP.

[37] *See id*, paragraphs 2, 3, 4, and 5.

### C. Include the Language "The Export Capacity specified by the Interconnection Customer in the Interconnection Application will be applicable as a limitation in the Interconnection Agreement" in MN DIP Section 5.14.3.

Under the MN DIP, the term Interconnection Agreement includes both the USC and the MN DIA.[38] As discussed above, under Minnesota law, the USC is for systems with a capacity at the Point of Interconnection/Common Coupling with the utility's electric system of less than 40 kW.[39] Also as noted above, the terms of the USC are codified in the rule and, thus, cannot be changed without going through a rulemaking proceeding. The USC does not contain any provision with regard to limiting the export of the facility at the Point of Interconnection/Common Coupling with the utility's electric system. It, however, does state "This contract contains all the agreements made between the QF and the Utility except that this contract shall at all times be subject to all rules and orders issued by the Public Utilities Commission or other government agency having jurisdiction over the subject matter of this contract."[40] The Commission adopts changes to the MN DIP through an order. Thus, adoption of Alternative A would effectively incorporate any export capacity limitation listed in the Interconnection Application into the relevant Interconnection Agreement, both the USC and MN DIA.

However, if Alternative B[41] is adopted, the USC will not be able to be used by owners whose facility has a capacity of 40 kW or less at the Point of Interconnection/Common Coupling with the utility's electric system because, as noted above, that term is not currently "included as a limitation

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[38] *See* MN DIP, Section 1.1.5, p. 3 ("References in these procedures to an Interconnection Agreement are to the Uniform Statewide Contract or Minnesota Distributed Energy Resource Interconnection Agreement (MN DIA)."); MN DIP Glossary of Terms, p. 2 ("**Interconnection Agreement** – The terms and conditions between the Area EPS Operator and Interconnection Customer (Parties). See MN DIP Section 1.1.5 for when the Uniform Statewide Contract or MN DIA applies.")

[39] *See* Minn. Stat. § 216B.164, subd. 6; Minn. R. 7835.6100 ("The form of the uniform statewide contract for use between a utility and a qualifying facility having less than 40 kilowatts of capacity must be as shown in part 7835.9910.").

[40] Minn. R. 7835.9100, paragraph 18.

[41] Alternative B states, **"**A DER using an acceptable control method is required to execute an Interconnection Agreement and the Export Capacity specified by the Interconnection Customer in the Interconnection Agreement will subsequently be included as a limitation in the Interconnection Agreement."

in the" USC. Thus, adoption of Alternative B would result in a violation of Minnesota law because use of the USC would no longer be allowed for facilities with a capacity at the Point of Interconnection/Common Coupling with the utility's electric system of 40 kW or less simply because export limiting equipment was being used.

In addition, Alternative B would also appear to create an internal conflict with Section 1.1.5.1 of the MN DIP because that section states that the USC "replaces the need to use the MN DIA if all of the following conditions are met and the Interconnection Customer does not request the MN DIA." The conditions include using certified equipment; no Area EPS system modifications being required to accommodate the DER; a signed Uniform Statewide Contract and Attachment 2: Simplified Application; AND the DER has 20 or 40 kWac or less (this a contested item) of Export Capacity or Nameplate Rating (another aspect of the contested item). While using 40 kW of Export Capacity is necessary to comply with the Minnesota Rules as discussed above, even if 20 kW of Nameplate Rating is used, adoption of Alternative B would create a conflict because Section 1.1.5.1 would say that at DER with a Nameplate Rating of 20 kW, but an Export Capacity of less than 20 kW, should be able to use the USC. However, because the USC does not include "a limitation" in its language, the DER owner will not be able to use that Interconnection Agreement if he or she limits the export of his or her system in any way, even when its Nameplate Rating is 20 kW or less. And while it is reasonable to expect DERs with Nameplate Ratings over 40 kW to limit their capacity to less than 40 kW to meet certain program requirements, including the ability to use the USC, it is also likely that DERs with a Nameplate Rating of 20 kW or less will limit their Export Capacity to less than their Nameplate Rating to avoid system upgrade costs or for other reasons. Again, under Alternative B, those small systems would not be able to use the USC

because they do not contain the limitation language required by that alternative, even though Section 1.1.5.1 states that the DER should be able to use the USC.

And, of course, as discussed above, it would also create a conflict with the existing definition of the USC in the MN DIP, which explicitly states that the USC can be used with cooperative and municipal utilities if the facility's capacity is less than 40 kW, and public utilities if the facility's capacity is less than 1 MW

**4. Should the Commission extend the temporary annual reporting on interconnection through at least 2030 by modifying the requirement in the August 13, 2018 Order (paragraph 20)?**

In light of the ongoing interconnection problems in Minnesota and the fact that installation of DERs has dropped significantly in Minnesota since 2017, from 333 MWs to just over 100 MWs in 2024,[42] and that solar overall in Minnesota has dropped by over 120 MWs between 2024 and 2025 to just 264 MWs in 2025,[43] at a time of increasing energy demand and the need for more renewable energy production, continued annual reporting is likely advisable.

## CONCLUSION

Installation of solar, both DERs and larger systems, in Minnesota has stagnated at a time of increasing demand.[44] Generation by coal has increased.[45] If Minnesota wants to meet the growing energy demand in a way that also allows it to meet Minnesota's clean energy goals, then something

[42] *See* Minnesota Public Utilities Commission, DERs Data Dashboard, Cumulative Capacity (MW) of Interconnected Systems, (333 MWs added in 2017 to just 104 MWs added in 2024), available at https://www.canva.com/design/DAGSij7u6pM/7J_LZh90SGbXYNSNuuIyJQ/view?utm_content=DAGSij7u6pM&utm_campaign=designshare&utm_medium=embeds&utm_source=link.

[43] *See* Minnesota Star Tribune, Nuclear and coal expand in Minnesota's energy mix as renewables stagnate (April 30, 2026) (https://www.startribune.com/report-nuclear-and-coal-expand-in-minnesotas-energy-mix-as-renewables-plateau/601804566).

[44] *See* footnotes 41 and 42.

[45] *See* Minnesota Star Tribune, Nuclear and coal expand in Minnesota's energy mix as renewables stagnate (April 30, 2026) (https://www.startribune.com/report-nuclear-and-coal-expand-in-minnesotas-energy-mix-as-renewables-plateau/601804566).

needs to change. Interconnecting small DERS has been a problem in Minnesota for years and is getting worse, not better. The items that stakeholders have agreed on should help with the interconnection of small DERs in a manner consistent with the principles and purpose of Sections 216B.164 and 216B.1611. However, attempts to limit the size of DERs by using Nameplate Rating for the contested items or adopting language that will make the USC unavailable to small DERs that are using export controls is inconsistent with Minnesota law and will continue the stagnation in renewable energy development, especially small DERs, that is occurring in Minnesota. As MnSEIA has stated in previous comments, we need everyone, utilities, businesses, public institutions, non-profits and individuals, to produce as much energy as they can at every scale if we hope to meet the growing demand for energy in a way that meets Minnesota's clean energy goals in a fair, cost-effective, and equitable way.

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

Sincerely,

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