

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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August 5, 2020

**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

COMMENTS OF FRESH ENERGY

Fresh Energy submits these comments in response to the Minnesota Public Utilities Commission's ("the Commission's") July 22, 2020 *Notice of Comment Period* ("*Notice*") regarding Distributed Generation Workgroup ("DGWG") Membership and upcoming review of the Minnesota Distributed Energy Resource Interconnection Process and Agreement ("MN DIP/DIA").

The Commission's *Notice* requests feedback on the list and scope of topics that the DGWG should review during the group's September MN DIP/DIA Review and updates to the DGWG member roster. Fresh Energy confirms that Isabel Ricker will continue to represent our organization at the DGWG as a Lead Participant.

Topics for DGWG review:

The Commission's *Notice* asks for feedback on the list of topics provided in Attachment A, "including whether topics are missing, proposed solutions, additional details not already in the record, and willingness to present at the meeting." Fresh Energy offers feedback on two of the listed topics, which we believe have caused the greatest degree of market disruption and should be high priorities for resolution, and adds one topic for consideration.

1. Treatment of small, later in queue projects while awaiting results of larger projects (Row 13)

As the Commission's Attachment A notes, this issue has been brought up by multiple parties in multiple forums. Xcel is currently managing their interconnection queue such that each

project behind a project going through a System Impact Study (SIS) and/or Facilities Study at the same substation is put “on hold” as soon as their application is deemed complete.¹ As Xcel’s Figure 2 in the recent Solar*Rewards Community Quarterly Report shows this hold could be as long as 300 days (not including missed deadlines by either party) for each project ahead-in-queue that requires a SIS.² For Simplified projects in queue behind one or more study projects, this can quickly become an unreasonable wait time. The indefinite nature of the “on hold” phase means that in practice, MNDIP timeframes do not apply to projects that have a SIS ahead in queue. In the past year, 96 projects were put on hold including two Simplified projects as of July 1, 2020.³

Fresh Energy believes this is an important issue for the DGWG to address and offers the following subtopics for consideration during this discussion.

- At what level (e.g. substation, feeder, or other) is it appropriate to put projects on hold while awaiting study ahead in queue?
- Is it necessary to put projects “on hold” at the application deemed complete stage, or can projects proceed through initial and supplemental screens?
- Should Simplified projects be expedited in queue? Xcel recently instituted a new process which moves Simplified projects through review even if there is a study ahead in queue, if the total installed and queued capacity is lower than feeder and substation ratings. Is this an appropriate process for other utilities?

2. Penalty for utilities missing timeframes (Row 17)

Fresh Energy recommends that the DGWG discuss potential accountability measures – including financial penalties, partial interconnection fee refunds, and acceleration of work to make up time for delayed projects – for utilities that repeatedly miss MNDIP tariff deadlines. It has become clear that a large number of Xcel customers are experiencing interconnection delays, and that in some cases, the delays are lengthy. The purpose of MNDIP timelines is to provide customers, developers, and the utility, a degree of timing certainty to aid in planning, project finance, and processing efficiency. Missed deadlines frequently cause direct financial harm to the impacted customers and developers. If missed deadlines become the norm, the lack of timing certainty could have widespread detrimental impacts on the distributed energy resources (DER) market in Minnesota.

Fresh Energy has previously raised the issue of Xcel’s poor performance in timely interconnection study delivery for community solar gardens (“CSGs”) in Docket 13-867. Our

¹ Xcel response to Fresh Energy IR 2 (Included with this filing)

² Xcel, Quarterly Compliance Report filed July 22, 2020, in Docket No. 13-867, p. 5 ([link](#)) and Xcel Revised Response to Fresh Energy IR 3 (Included with this filing)

³ Xcel response to Fresh Energy IR 4 (Included with this filing)

concerns have only grown since we and our joint commenters raised this issue in April 2019.⁴ Xcel's most recent quarterly report on the CSG program indicates that **just 20%** of pre-MNDIP studies we delivered on time over the 17 months from January 2019-May 2020. Of the MNDIP track studies due in Q2 2020, **just 12%** (4 out of 33) were delivered on time (another 11 were delivered in Q2 but were late).⁵ This completion rate – and the lack of improvement in study delivery over the past year and a half – is not acceptable.

Study delivery timeframes are not the only deadlines being missed, but they do appear to cause the longest delay. As developers have discussed at the DGWG and in the current service quality proceeding (dockets 02-2034 and 12-383) Xcel is missing timeframes throughout the MNDIP process for Simplified as well as Study track projects. The deadlines established in MNDIP were set such that all of Minnesota's utilities could meet them. It is not reasonable that Xcel, the state's largest and best-resourced utility, is unable to meet them – especially as the state and many localities expect increasing levels of DER penetration in the coming decade. To minimize the potential for widespread delays, Fresh Energy believes it would be appropriate for MNDIP to include accountability and/or enforcement measures corresponding to the severity of the problem.

Fresh Energy recommends the DGWG discuss whether and under what circumstances accountability measures are appropriate, including:

- Should accountability measures be differentiated by size of utility or number of annual interconnection applications?
- Should accountability measures only apply after a certain percentage of deadlines are missed?
- What types of accountability measures would be most feasible and effective?
- Could accountability measures include acceleration of interconnection or construction work by the utility to make up for previous delays?

3. Should any of the MNDIP timelines be adjusted?

In light of the issues described above Fresh Energy believes it would be appropriate for the DGWG to discuss whether any adjustments should be made to the timeframes provided for each stage of the MNDIP process. These timelines were developed thoughtfully and after much stakeholder input and adjusting them could create new challenges. However, it appears clear that the customer experience does not yet reflect a streamlined, efficient process and it would be worth engaging the group in discussion around potential timeline adjustments.

⁴ ELPC, Fresh Energy, ILSR, and MNSEIA, *Comments* filed April 12, 2019 in Docket No. 13-867, pp. 3-4, ([link](#))

⁵ Xcel, Quarterly Compliance Report filed July 22, 2020, in Docket No. 13-867, p. 4 ([link](#))

We greatly appreciate the Commission's work facilitating the DGWG and your consideration of these comments.

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