

# Standby Rates

## Scoping for Generic Proceeding

Recap. of Sept. 11 Meeting for  
Sept 24 CHP workshop

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# Background

- 1978 PURPA
- 1983 Minn. Rules 7835
- 2001 DG Statute
- 2004 PUC Order on DG Tariffs
- 2013 Changes to MS § 216B.164

# Background

- **Jan 27, 2014** PUC Order Approving Tariff Amendments Governing Standby Service Charges for Net-Metered and Qualifying Facilities
- **May 15, 2014** PUC Order Setting Final Solar PV Standby Service Capacity Credit, Requiring Updates, and Requiring Compliance Filing

# Background

- **April 2014** **ERC Report** Analysis of Standby Rates and Net Metering Policy Effects on Combined Heat and Power (CHP) Opportunities in Minnesota
- **Sept 11, 2014** **Meeting on Standby Rates, Scoping for Generic Proceeding** – All DG – RAP, ERC + Panelists

# Commerce Comment Period: Need and Scope for a Generic Proceeding on Standby Rates

Written Comments **due October 1**

Send to: [DG.Energy@state.mn.us](mailto:DG.Energy@state.mn.us)

# PUC Order, Jan 27, 2014

## Order Approving Tariff Amendments Governing Standby Service Charges for Net-Metered and Qualifying Facilities

- Dockets: 13-609 (OTP), 13-642 (Xcel),  
13-667 (IPL), 13-770 (MN Power)
- PUC directed Commerce to engage in discussions with stakeholders on the need and appropriate scope for a generic proceeding on standby rates

# Discussion Points (13-609 et al)

Issues to consider **include, but are not limited to** whether a generic proceeding is needed to address:

- the methodology for standby rates,
- the appropriateness of existing standby rates,
- when standby rates should be applied,
- whether standby rates should be structured differently depending on the type of customer, and
- the terms and conditions for applying such rates.

# PUC Order, May 19, 2014

## Order Setting Final Solar PV Standby Service Capacity Credit, Requiring Updates, and Requiring Compliance Filing

- Docket: 13-315 (Xcel)
- PUC requested that the Department address additional considerations on the application of standby rates to solar PV projects

# Additional Considerations (Doc. 13-315)

- the appropriate calculation and application of the grace period to standby service, including standby service for solar customers,
- whether solar photovoltaic should be exempted from standby service charges, and
- whether it is appropriate to offer a fixed ten-year contract at existing rates to support financing of solar projects.

# Resources

**Analysis of Standby Rates and Net Metering Policy Effects on Combined Heat and Power (CHP) Opportunities in Minnesota, Energy Resources Center, April 2014**

**Standby Rates for Combined Heat and Power Systems, Regulatory Assistance Project and Brubaker & Associates, Inc., February 2014**

**Electric Utility Standby Rates: Updates for Today and Tomorrow, National Regulatory Research Institute, July 2012**

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