

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben  
Dan Lipschultz  
Matthew Schuerger  
John A. Tuma

Chair  
Commissioner  
Commissioner  
Commissioner

In the Matter of Updating the Generic Standards for the Interconnection and Operation of Distributed Generation Facilities Established Under Minn. Stat. § 216B.1611

ISSUE DATE: April 19, 2019

DOCKET NO. E-999/CI-16-521

In the Matter of Dakota Electric Association's Compliance with August 13, 2018 Order Establishing Updated Interconnection Process and Standard Interconnection Agreement

DOCKET NO. E-111/M-18-711

In the Matter of Otter Tail Power Company's Compliance with August 13, 2018 Order Establishing Updated Interconnection Process and Standard Interconnection Agreement

DOCKET NO. E-017/M-18-712

In the Matter of Minnesota Power's Compliance with August 13, 2018 Order Establishing Updated Interconnection Process and Standard Interconnection Agreement

DOCKET NO. E-015/M-18-713

ORDER APPROVING TARIFFS WITH MODIFICATIONS AND REQUIRING COMPLIANCE FILINGS

**PROCEDURAL HISTORY**

On August 13, 2018, the Commission issued its *Order Establishing Updated Interconnection Process and Standard Interconnection Agreement* in Docket No. E-999/CI-16-521. The order adopted a statewide standard for the interconnection and parallel operation of distributed energy resources with a capacity of no more than ten megawatts, in the form of two documents: (1) a Distributed Energy Resources Interconnection Process (MN DIP) and (2) a Distributed Energy Resource Interconnection Agreement (MN DIA).<sup>1</sup>

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<sup>1</sup> A “distributed energy resource,” or “DER,” is a source of electric power that is not directly connected to a bulk power system but is connected to a utility’s distribution system. As used in this order, DER is synonymous with “distributed generation.” Technically, DER is broader than distributed generation because it includes both generation and storage resources.

The August 13 order required three rate-regulated utilities—Dakota Electric Association (Dakota Electric or the cooperative), Otter Tail Power Company (Otter Tail), and Minnesota Power—to file updated tariffs consistent with the MN DIP and MN DIA.<sup>2</sup>

The August 13 order also delegated to the Commission’s Executive Secretary the authority to further refine certain aspects of the MN DIP and MN DIA with the input of a stakeholder group known as the Distributed Generation Workgroup.<sup>3</sup>

By November 13, Minnesota Power had filed updated tariffs, and the other two utilities had filed copies of the MN DIP and MN DIA with revisions to reflect utility-specific information.

On November 30, Commission staff filed a notice attaching final drafts of the MN DIP and MN DIA that incorporated the Distributed Generation Workgroup’s resolution of the issues referred to it by the August 13 order.

By January 4, 2019, both Dakota Electric and Otter Tail had filed further revisions to the MN DIP and MN DIA.

Between January 15 and 23, the Commission issued information requests to the three utilities regarding their tariff filings.

By February 1, the Minnesota Department of Commerce (the Department) had filed comments on the utilities’ filings. The Department recommended that Minnesota Power further revise its tariffs to include more details about the MN DIP and DIA, and that Otter Tail file tariffs that incorporate the MN DIP and DIA. It recommended that the Commission approve Dakota Electric’s version of the MN DIP and DIA.

By February 7, the utilities filed responses to the Commission’s information requests.

On March 5, 2019, the Commission met to consider the matter.

## **FINDINGS AND CONCLUSIONS**

### **I. Final Standards Adopted**

The Commission has reviewed the Distributed Generation Workgroup’s final drafts of the MN DIP and MN DIA, finds that they appropriately address each issue referred to the Workgroup in the August 13 order, and will approve them. Further changes to the MN DIP and MN DIA, as well as utilities’ implementation of these standards, will require Commission approval.

The remainder of this order addresses Dakota Electric’s, Otter Tail’s, and Minnesota Power’s implementation of the MN DIP and MN DIA in their November 13 and January 4 tariff filings.

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<sup>2</sup> A fourth rate-regulated utility, Xcel Energy, was given more time to conform its tariffs to the new standards. Xcel filed updated tariffs on December 14, 2018, in Docket No. E-002/M-18-714.

<sup>3</sup> August 13 order, at 31.

## II. Dakota Electric's Filing

Dakota Electric filed versions of the MN DIP and MN DIA with a number of clerical revisions, such as changing “Area EPS Operator” to “Dakota Electric” throughout the documents. The cooperative did not file any corresponding revisions to its existing DER-related tariffs—Schedule 55 (Parallel Generation Rate), Schedule 60 (Rider for Standby Service), or Schedule 61 (Rider for Distributed Generation).

On January 23, the Commission issued information requests to the cooperative seeking clarification of certain aspects of its filing, including whether Dakota Electric intended to update its existing tariffs once the Commission has approved its versions of the DIP and DIA.

The cooperative responded on February 5 and proposed several, mostly minor, modifications to its DIP and DIA.<sup>4</sup> It confirmed that it would be updating its existing tariffs in a compliance filing once its DIP and DIA have been approved.

The Commission appreciates Dakota's confirmation that it will be filing updated versions of its DER-related tariffs. The Commission finds that the cooperative's proposed modifications to its January 4 DIP and DIA are reasonable and will approve them with the following change.

Dakota Electric has proposed to increase the capacity threshold for DER eligible to use the Uniform Statewide Contract<sup>5</sup> from 20 kilowatts (kW) to 40 kW.<sup>6</sup> Under the MN DIP, to qualify to use the Uniform Statewide Contract, a customer must submit the Simplified Application form, which applies to certified, inverter-based DER with a capacity of 20 kW or less.<sup>7</sup> The Simplified Application includes important terms and conditions that govern the interconnection of DER under 20 kW.<sup>8</sup>

Dakota Electric stated that it was fine with following the same terms and conditions for DER that qualify to use the Uniform Statewide Contract but are 20–40 kW in size. It proposed the following modification to the DIP to address these DER:

1.1.5.1.5 ~~Dakota Electric may propose in its tariff an increase to the size threshold for the application of the Uniform Statewide Contract as a replacement for the MN DIA-DEA in its tariff. There may also be situations where the Interconnection Customer would need to sign both the Uniform Statewide Contract and the MN DIA-DEA;~~

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<sup>4</sup> The modifications are summarized in Attachment A to this order.

<sup>5</sup> See Minn. Stat. § 216B.164, subd. 6 (requiring the Commission to establish a uniform statewide form of contract for use between utilities and DER having less than 1,000 kW capacity); Minn. R. 7835.9910 (setting forth the Uniform Statewide Contract).

<sup>6</sup> See Dakota's January 4 tariff filing, MN DIP – DEA § 1.1.5.1.2.

<sup>7</sup> See *id.* § 1.1.5.1.4.

<sup>8</sup> See *id.*, Attachment 2, Exhibit A (“Terms and Conditions for Interconnecting an Inverter-Based DER No Larger than 20 kW”).

~~such as, where the Nameplate Rating of the system is above the size threshold where the Uniform Statewide Contract replaces the MN DIA-DEA but the DER qualifies for net metering (Minn. Stat. § 216B.164 and Minn. R. Ch. 7835) under the Uniform Statewide Contract.~~If the DER application is for a qualifying DER which is 40kWac or less, utilizes a certified inverter and the Applicant chooses to use only the Uniform Statewide Contract, then the terms and conditions for the simplified process shall apply.

The Commission agrees that 20–40 kW DER that qualify for the Uniform Statewide Contract under MN DIP 1.1.5.1 should interconnect under the terms and conditions that govern simplified applications. However, the Commission will require Dakota to implement this modification as follows. Instead of replacing the language in Section 1.1.5.1.5 as shown above, that section should be renumbered as 1.1.5.2 consistent with the MN DIP, and the following modification made to Section 1.1.5.1.4:

1.1.5.1.4 Signed Uniform Statewide Contract and either Attachment 2: Simplified Application or Attachment 3: Interconnection Application with the terms and conditions as found in Exhibit A of the Simplified Application which shall apply for projects eligible to replace the DIA with the Uniform Statewide Contract that do not qualify for the Simplified Process.

This modification clarifies that a DER that qualifies for the Uniform Statewide Contract should use the appropriate application form based on its capacity but that, in either case, the terms and conditions for simplified applications will govern the DER.

The Commission will require Dakota Electric make a compliance filing that includes its final revisions to the MN DIP and MN DIA, as well as updated versions of the following tariffs: Schedule 55 (Parallel Generation Rate), Schedule 60 (Rider for Standby Service), or Schedule 61 (Rider for Distributed Generation).<sup>9</sup>

### **III. Otter Tail’s Filing**

Like Dakota Electric, Otter Tail’s filing included lightly revised copies of the MN DIP and MN DIA. And also like Dakota Electric, Otter Tail’s filing did not include revisions to its existing tariffs that govern the interconnection and parallel operation of DER—Section 11.01 (Standby Service), Section 12.01–.03 (Small Power Producer Riders), and Section 12.04 (Distributed Generation Service Rider).

The Commission issued information requests to Otter Tail seeking clarification of:

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<sup>9</sup> Dakota Electric made this compliance filing on March 14, 2019.

1. Whether Otter Tail intends to file updates to its existing DER-related tariffs once the Commission approves the final MN DIP and MN DIA.
2. Why the utility's DIP and DIA list one employee as filling three separate roles— Interconnection Coordinator, Principal Engineer, and Transmission Planning Principal Engineer—rather than referring to the employee by a single title such as Interconnection Coordinator.
3. Why the utility chose to list that employee's email address rather than a dedicated email address capable of being transferred or shared with other employees if needed.

Otter Tail confirmed that it plans to update its tariffs after the Commission approves the MN DIP and DIA. The utility also stated that it is open to referring to its interconnection coordinator by a single title and to establishing a separate email account that would forward to the appropriate employee.

The Commission appreciates Otter Tail's clarifications. The Commission finds that the utility's DIP and DIA filed on January 4 are reasonable and will approve them with modifications to (1) include a single title for the Interconnection Coordinator and (2) a separate email for distributed generation that may be forwarded to the appropriate employee. The Commission will require Otter Tail to make a compliance filing that includes updated tariffs consistent with the final MN DIP and DIA, as well as copies of its versions of the MN DIP and MN DIA consistent with this order.<sup>10</sup>

#### **IV. Minnesota Power's Filing**

Unlike Dakota and Otter Tail, Minnesota Power did not file revised copies of the MN DIP and DIA, but instead filed its existing DER-related tariffs with revisions intended to make them consistent with the MN DIP and MN DIA. The utility proposed revisions to the following tariffs: Rider for Parallel Generation, Rider for Standby Service, Rider for Distributed Generation Service, and Electric Service Regulations of Minnesota Power.

The Commission issued information requests seeking clarification of certain aspects of the utility's filing, including whether Minnesota Power intends to file copies of the MN DIP and MN DIA with utility-specific information.

Minnesota Power responded and proposed several additional modifications to the tariffs. It confirmed that it would be filing its own copies of the MN DIP and MN DIA prior to the Commission-ordered effective date of June 17, 2019.

The Commission appreciates Minnesota Power's confirmation that it plans to file utility-specific versions of the MN DIP and DIA. Further, the Commission finds that the additional tariff modifications that Minnesota Power proposed in response to the Commission's information requests are reasonable. The Commission will approve the tariffs with these additional modifications, with the following two changes:

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<sup>10</sup> Otter Tail made this compliance filing on March 18, 2019.

- ***Rider for Standby Service.*** Replace the reference to “Minnesota Distributed Energy Resource Interconnection Agreement” with “Minnesota Power’s standard interconnection agreement.”<sup>11</sup>
- ***Rider for Distributed Generation Service.*** Replace the reference to “Minnesota Distributed Energy Resource Interconnection Agreement” with “Minnesota Power’s standard interconnection agreement.”<sup>12</sup>

Using the general phrase “standard interconnection agreement” will make clear that these tariffs apply to customers with existing interconnection agreements that are not specifically titled “Minnesota Distributed Energy Resource Interconnection Agreement.”

Like Dakota Electric, Minnesota Power proposed to increase the MN DIP’s capacity threshold for facilities eligible to use the Uniform Statewide Contract from 20 kW to 40 kW.<sup>13</sup> The Commission will approve this change and will require Minnesota Power to add language to the MN DIP at Section 1.1.5.1.4 to address the terms and conditions that apply to interconnecting DER with a capacity between 20 and 40 kW.

Minnesota Power will be required to make a compliance filing that includes copies of both (1) its DER-related tariffs, updated to reflect the changes required by this order, and (2) the MN DIP and MN DIA with Minnesota Power’s contact information, fee amounts, and other revisions consistent with this order.<sup>14</sup>

## **ORDER**

1. The Commission adopts the MN DIP and MN DIA as attached to its November 30, 2018 notice.

### *Dakota Electric Association*

2. The Commission approves the MN DIP and MN DIA as filed by Dakota Electric on January 4, 2019, with format corrections and the modifications set forth in Attachment A to this order (including Staff Alternative to item 1).
3. Within ten days of the Commission’s meeting, Dakota Electric shall make a compliance filing with the modified MN DIP and MN DIA and references updated in Schedule 55 (Parallel Generation Rate), Schedule 60 (Rider for Standby Service), and Schedule 61 (Rider for Distributed Generation).

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<sup>11</sup> See attachment to Minnesota Power’s November 13 filing (Electric Rate Book - Volume I), at section V, page 61.0.

<sup>12</sup> See *id.*, section V, page 82.0.

<sup>13</sup> See *id.*, section V, page 60.7.

<sup>14</sup> Minnesota Power made this compliance filing on March 18, 2019.

*Otter Tail Power*

4. The Commission approves the MN DIP and MN DIA as filed by Otter Tail on January 4, 2019, modified to include a single title for the Interconnection Coordinator and a separate email for distributed generation that may be forwarded to the appropriate employee.
5. Within ten days of the Commission’s meeting, Otter Tail shall make a compliance filing, including:
  - a. Revisions to, at minimum, the following tariffs consistent with the MN DIP/DIA: Section 11.01 (Standby Service), Section 12.01–.03 (Small Power Producer Riders), and Section 12.04 (Distributed Generation Service Rider).
  - b. A copy of the MN DIP/MN DIA with Otter Tail Power’s contact information, fee amounts, and any other revisions necessary for consistency with this order.

*Minnesota Power*

6. The Commission approves Minnesota Power’s November 13, 2018 revisions to its Rider for Parallel Generation (at Sec. V, pp. 60.0, 60.7), with the utility’s proposed modifications from its January 28, 2019 response to Commission IR #1.
7. The Commission approves Minnesota Power’s November 30, 2018 revisions to its Rider for Standby Service (at Sec. V, p. 61.0), replacing the proposed edit “Minnesota Distributed Energy Resource Interconnection Agreement” with “Minnesota Power’s standard interconnection agreement.”
8. The Commission approves Minnesota Power’s November 13, 2018 revisions to its Rider for Distributed Generation Service (at Sec. V, pp. 82.0–82.3), with the utility’s proposed modifications from its January 28, 2019 response to Commission IR #2, and replacing “Minnesota Distributed Energy Resource Interconnection Agreement” with “Minnesota Power’s standard interconnection agreement” at page 82.0.
9. The Commission approves Minnesota Power’s November 13, 2018 revisions to its Electric Service Regulations (at Section VI, pp. 3.9–3.10).
10. Minnesota Power shall add language to the MN DIP at Section 1.1.5.1.4 to address the size-threshold increase for DER systems that may use the Uniform Statewide Contract in lieu of the MN DIA.
11. Within ten days of the Commission’s meeting, Minnesota Power shall make a compliance filing that includes:
  - a. Revised copies of the following tariffs consistent with this order: Rider for Parallel Generation, Rider for Standby Service, Rider for Distributed Generation Service, and Electric Service Regulations of Minnesota Power.

- b. A copy of the MN DIP/MN DIA with Minnesota Power’s contact information, fee amounts, and any other revisions necessary for consistency with this order.
- 12. Minnesota Power shall update the footers of the revised tariffs to show this docket and date only on pages of the tariff that include edits approved by this order.
- 13. This order shall become effective immediately.

BY ORDER OF THE COMMISSION

Daniel P. Wolf  
Executive Secretary



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## Dakota Electric Association's Proposed Edits to January 4, 2019 MN DIP-DEA and MN DIA-DEA<sup>51</sup>

1. Replace MN DIP-DEA 1.1.5.1.5 with: "If the DER application is for a qualifying DER which is 40kWac or less, utilizes a certified inverter and the Applicant chooses to use only the Uniform Statewide Contract, then the terms and conditions for the simplified process shall apply."

**Staff Alternative:** Move MN DIP-DEA 1.1.5.1.5 to 1.1.5.2 consistent with the MN DIP, and amend MN DIP-DEA 1.1.5.1.4 as follows:

Signed Uniform Statewide Contract and either Attachment 2: Simplified Application or Attachment 3: Interconnection Application with the terms and conditions as found in Exhibit A of the Simplified Application which shall apply for projects eligible to replace the DIA with the Uniform Statewide Contract that do not qualify for the Simplified Process.

2. MN DIP-DEA 4.4.1: Change the "local transmission supplier" to the defined term of "Transmission Provider."
3. MN DIP-DEA 5.6.5 and 5.6.6: Add the word "Distribution" before the word "Upgrades" in three different locations within 5.6.6. Add the word "Distribution" before the word "Upgrades" in 5.6.5.
4. DIP – DEA; Att. 1 Pre-Application Report Request Form.
  - a. Include the question about existing DER from MN DIP; Att. 1 Pre-Application Report Request Form.
  - b. Replace references to "Point of Interconnection" with "Point of Common Coupling."
5. DIP – DEA; Att. 2 & 3 Simplified Application and Interconnection Application:
  - a. Replace references to "Utility's Agreement for Cogeneration and Small Power Production" with "Uniform Statewide Contract."
  - b. Replace references to "Utility's Distribution Interconnection Agreement" with "Utility's Distributed Energy Resource<sup>52</sup> Interconnection Agreement."
6. DIP – DEA; Att. 2.Simplified Application: Remove non-applicable reference to when a licensed Minnesota Professional Engineer is required.
7. DIP – DEA; Exhibit B: Energy Storage
  - a. Add: "Additional information in the application may be required. See Minnesota Technical Requirements. (An application to interconnect is required only for storage designed to operate in parallel with the grid. Backup generators and electric vehicles that do not parallel need not apply.)"
  - b. Replace "Address of Generating Facility" with "Address of DER"

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<sup>51</sup> DEA, Response to PUC IR #1

<sup>52</sup> Staff notes using DER for Distributed Energy Resource is consistent with the rest of the document.