MINNESOTA
PUBLIC UTILITIES COMMISSION

What is a Distributed Generation or Cogeneration and Small Power Producer Tariff?

A tariff includes the terms and conditions that apply to your service, i.e. rates, rules, and regulations. The terms may include times or seasons when prices will vary; systems that are eligible for the tariff; safety and technical requirements, what type of meter must be installed; and terms and conditions for continued participation. There are typically two tariffs relevant to distributed generation and storage: Distributed Generation tariffs (Minn. Stat. 216B.1611) and Cogeneration and Small Power Producer Tariffs (Minn. Stat. 216B.164).

Distributed Generation Example Tariff

Your Utility

Name of the Rate Code/Offering

Availability: Who can participate

Rates: Payment per kWh for excess electricity

Metering: Customer charge

Terms and Conditions of Service

This explains who qualifies for this specific tariff. For Distributed Generation tariffs, the customer is subject to a tariff outlining when they can purchase electricity from the utility (i.e. general service, farm, commercial, industrial, Time-of-Day, etc.)

The tariff shows any fees or charges the customer will see on their monthly bill. For public utilities, this is limited to any interconnection costs that are not recovered upfront, primarily metering. Minnesota law allows cooperative and municipal utilities to collect a fee "to recover the fixed costs not already paid for by the customer through their existing billing arrangement."

In a Distributed Generation tariff, the rate is the amount the customer is compensated (i.e. compensation rate) for excess electricity purchased by the utility. The compensation rate for the Cogeneration and Small Power Producer Tariffs is subject to update in the utility's annual reports (YR-9; ex. 18-9 for 2018).

The tariff will show the responsibilities of the utility and the customer. This includes details on billing; reliability and safety requirements; and other requirements related to that rate code or schedule.

Sections on Distributed Energy Resources in Public Utility Rate Books

- Xcel Energy – Section 9: Cogeneration
- Xcel Energy – Section 10: Distributed Resources
- Otter Tail Power – Section 12: Purchase Power Riders for DG
- Minnesota Power – Section 5: Rider for Parallel Generation