

Minnesota PUC Issues Order Establishing Working Groups and Schedule Interconnection Docket

In August 2001, the Minnesota Legislature directed the Public Utilities Commission to establish "generic standards for utility tariffs for the interconnection and parallel operation of distributed generation...."

A proceeding was opened by the PUC later that month and a round of comments were filed by stakeholders including the Minnesota Chamber of Commerce, the Minnesota Department of Commerce, Missouri River Energy Services (MRES), the Minnesota Municipal Utilities Association, Reliant Energy Minnegasco (Minnegasco), and the "Regulated Utilities" consisting of Dakota Electric Association, Interstate Power Company, Minnesota Power, Otter Tail Power Company, and Northern States Power Company d/b/a Xcel Energy.

The matter came before the Commission on April 25, 2002. Staff's briefing papers including the positions of the stakeholders are available on the PUC website (http://www.puc.state.mn.us/docs/briefing_papers/b02-0060.pdf). At the hearing the MN Department of Commerce, agreed to lead work groups to further develop the record of this docket (Docket No. E-999/CI-01-1023), and to file reports on the work group recommendations.

On June 19, 2002 the MN PUC formalized the role of the Minnesota Department of Commerce, issuing an order (<http://www.puc.state.mn.us/docs/orders/02-0097.pdf>) that the Department shall organize and lead two work groups - a Technical Work Group and a Rate Work Group.

The Technical Work Group shall draft documents and guidelines for tariffs so that a person interested in developing distributed generation can apply for interconnection to any electric utility in the state with the expectation that the requirements for making interconnection:

- are uniform across electric utilities;
- are clear, concise, understandable and easy to follow;
- impose obligations only if they are reasonably necessary for the safety of persons and equipment or for the reliable operation of the electric distribution system;
- require no more than the minimum studies necessary for the safe and reliable interconnection of the unit with the electric distribution system; and
- provide for conducting any necessary studies quickly and efficiently.

The Rate Work Group shall draft documents and guidelines for tariffs so that a person interested in developing distributed generation can apply for interconnection to any electric utility in the state with the expectation that:

- prices for electric services provided by the electric utility to the generator - including supplemental, maintenance, and backup power services - will be reasonable and non-discriminatory; and
- prices charged for power supplied by the generator to the electric utility will reflect the value of the power to the utility.

The Commission specified that every three months up to February 1, 2003, the Department shall file reports to the Commission regarding the progress of the working groups. The Commission expects the groups shall file their final reports by February 1, 2003.

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