



STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

July 17, 2015

The Honorable James Mortenson  
Administrative Law Judge  
Office of Administrative Hearings  
600 North Robert Street  
P.O. Box 64620  
Saint Paul, Minnesota 55164-0620

Re: In the Matter of the Adopted Rules of the Public Utilities Commission Governing  
Cogeneration and Small Power Production; OAH Docket No. 5-2500-32078; Revisor's ID  
Number R-04214

Dear Judge Mortenson:

On June 12, 2015, the Commission adopted the above-named rules governing Cogeneration and Small Power Production. The Commission now requests that the Office of Administrative Hearings review and approve the rules under Minnesota Statutes, section 14.26. Enclosed for your review are the documents required by Office of Administrative Hearings Rules, part 1400.2310, items A to P. Paragraphs A to P of this letter are keyed to items A to P of part 1400.2310. Each paragraph states whether the document is enclosed and, if the document is not enclosed, the reason that the document is not applicable.

- A. Enclosed: the Request for Comments as published in the State Register on August 26, 2013.
- B. Not enclosed: a petition for rulemaking. This is not enclosed because no petition was filed regarding these rules.
- C. Enclosed: the proposed rules dated December 5, 2014, with the Revisor's certificate of approval.
- D. Enclosed: the Statement of Need and Reasonableness.
- E. Enclosed: the Notice of Intent to Adopt Rules, as mailed, and the Notice of Intent to Adopt Rules, as published in the State Register on December 29, 2014.
- F. Not enclosed: a letter from the Chief Administrative Law Judge authorizing the Department to omit the text of the proposed rules from the Notice of Intent to Adopt Rules

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published in the State Register. This is not enclosed because the Commission included the text of the proposed rules with the Notice of Intent to Adopt Rules published in the State Register.

- G. Enclosed: the Certificate of Mailing the Notice of Intent to Adopt Rules and the Certificate of Accuracy of the Mailing List.
- H. Enclosed: the Certificate of Additional Notice or a copy of the transmittal letter.
- I. Enclosed: the Certificate of Mailing the Statement of Need and Reasonableness to the Legislative Reference Library.
- J. Enclosed: all written comments and submissions on the proposed rules that the Commission received during the comment period, requests for hearing and withdrawals of requests for hearing, except those that only requested copies of documents. Also included is the notice of cancellation of the hearing, dated February 6, which the Commission sent to all persons who requested a hearing.
- K. Not enclosed: a notice of withdrawal of hearing request, evidence that the Department sent its notice of withdrawal to all persons who requested a hearing, and any responsive comments received. These are not enclosed because Minnesota Statutes, section 14.25, subdivision 2, did not require the Department to send a notice of withdrawal of hearing request.
- L. Enclosed: a copy of the adopted rules dated July 14, 2015. The modifications to the proposed rules are reflected in the rules as adopted and are approved by the Revisor of Statutes.
- M. Not enclosed: a notice of adopting substantially different rules that was sent to persons or groups who commented during the comment period and evidence that the notice was sent to those persons or groups. This is not enclosed because the Commission did not adopt substantially different rules.
- N. Enclosed: the Order Adopting Rules that complies with the requirements in part 1400.2090.
- O. Not enclosed: a notice of submission of rules to the Office of Administrative Hearings and a copy of a transmittal letter or certificate of mailing the notice of submission of rules to the Office of Administrative Hearings. No persons requested notification of the submission of the rules to the Office of Administrative Hearings.
- P. Enclosed: any other document or evidence to show compliance with any other law or rule that the Department is required to follow in adopting these rules. These are:
  - A copy of the transmittal letter showing the agency sent notice to Legislators; and
  - A copy of the transmittal letter showing the agency consulted with the Department of MMB.

If you have questions or wish to discuss anything with me, please contact me at 651-201-2239.  
After you complete your review, please send any correspondence to me at the following address:

Kate Kahlert  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101

Sincerely,

A handwritten signature in cursive script, appearing to read "Kate Kahlert".

Kate Kahlert  
Commission Attorney

**A.**

**Request for Comments as Published in  
the State Register on August 26, 2013**

# Official Notices

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comments received in response to the rules after they are proposed. If you submitted comments during the development of the rules and you want to ensure that the Administrative Law Judge reviews the comments, you should resubmit the comments after the rules are formally proposed.

Dated: 14 August 2013

Lucinda Jesson, Commissioner  
Department of Human Services

## Minnesota Department of Public Safety (DPS) Bureau of Criminal Apprehension Notice of Information Meeting October 16, 2013

The Minnesota Bureau of Criminal Apprehension will hold a meeting from 9:00 a.m. to 11:30 a.m. on Wednesday, October 16, 2013 to discuss progress on several BCA initiatives regarding criminal justice information sharing in the state of Minnesota. Information on project architecture, the new crime reporting system and the new criminal history system will be provided. The meeting will take place at the Bureau of Criminal Apprehension offices at 1430 Maryland Ave. E. in St. Paul. In addition, limited participation may take place via web conference. (To make arrangements to participate remotely, please contact Jill Oliveira at the information listed below.)

Vendors, particularly those working with local agencies to manage records, as well as agency information technology staff are encouraged to attend this meeting. Please RSVP. For more information or to RSVP contact Jill Oliveira, Public Information Officer, at (651) 793-2726 or [jill.oliveira@state.mn.us](mailto:jill.oliveira@state.mn.us)

## Minnesota Public Utilities Commission (PUC) REQUEST FOR COMMENTS on Possible Amendments to Rules Governing Cogeneration and Small Power Production, *Minnesota Rules, Chapter 7835*; Revisor's ID Number R-04214; PUC Docket No. E-999/R-13-729

**Subject of Rules.** The Minnesota Public Utilities Commission requests comments on possible amendment to rules governing Cogeneration and Small Power Production. The Commission is considering rule amendments to incorporate recent statutory changes affecting cogeneration and small power production. These changes include, among others, the following:

- increasing the net-metering threshold capacity for a qualifying facility or *net metered facility* interconnecting to a public utility – under the changes, the threshold is “less than 1,000 kW” (from less than 40 kW);
- establishing a new annual billing/crediting method;
- prohibiting standby charges for facilities under 100 kW;
- requiring public utilities to aggregate meters for net metering at customers’ request;
- authorizing the Commission to limit cumulative generation from net-metered customers and permitting a public utility to request that the Commission set such limits;
- authorizing public utilities to limit capacity to 120 % of demand for wind customers and to 120 % of energy consumption for solar photovoltaic customers; and
- changing requirements governing the uniform statewide contract to incorporate the new net-metering threshold for facilities interconnecting to a public utility.

**Persons Affected.** The rule amendments would likely affect public utilities providing retail electric service, cogenerators, small power producers, municipal electric utilities, electric cooperatives, net metered customers, and persons wanting to interconnect with a public utility.

**Statutory Authority.** *Minnesota Statutes* § 216.05, subd. 1, gives the Commission general rulemaking authority. And *Minnesota Statutes* § 216B.164, subd. 6, authorizes the Commission to adopt rules governing cogeneration and small power production.

**Public Comment.** Interested persons or groups may submit comments or information on these possible rule amendments in writing until 4:30 p.m. on September 30, 2013. The Commission will not publish a notice of intent to adopt the rules until more than 60 days have elapsed from the date of this request for comments. **Please refer to PUC Docket No. E-999/R-13-729 in your comments.** You may also electronically file your comments using the Commission's electronic filing system located at: <https://www.edockets.state.mn.us/EFiling>.

**Advisory Committee.** The Commission has not determined whether to appoint an advisory committee under *Minnesota Statutes* § 14.101 to comment on the possible rules. Persons interested in this issue should address it in their comments. And persons interested in serving on an advisory committee should include a request to do so in their comments.

**Rules Drafts.** The Commission has not yet drafted the possible rules amendments.

**Agency Contact Person.** Written comments, questions, and requests for more information on these possible rules should be directed to:

Kate Kahlert, Staff Attorney  
Public Utilities Commission  
121 Seventh Place East, Suite 350  
Saint Paul, Minnesota 55101-2147

**Phone:** (651) 201-2239

**Fax:** (651) 297-7073;

**E-mail:** [kate.kahlert@state.mn.us](mailto:kate.kahlert@state.mn.us).

Persons with hearing loss or speech disabilities may call us through  
**Minnesota Relay** at 1-800-627-3529 or by dialing 711.

**Alternative Format.** Upon request, this information can be made available in an alternative format, such as large print, braille, or audio. To make such a request, please contact the agency contact person at the address or telephone number listed above.

**NOTE:** Comments received in response to this notice will not necessarily be included in the formal rulemaking record submitted to the Administrative Law Judge if and when a proceeding to adopt rules is started. The agency is required to submit to the judge only those written comments received in response to the rules after they are proposed. If you submit comments during the development of the rules and you want to ensure that the Administrative Law Judge reviews the comments, you should resubmit the comments after the rules are formally proposed.

## Minnesota Department of Transportation (Mn/DOT) Engineering Services Division, Office of Construction and Innovative Contracting Notices of Suspension and Debarment

### NOTICE OF SUSPENSION

**NOTICE IS HEREBY GIVEN** that the Department of Transportation ("MnDOT") has ordered that the following vendors be suspended for a period of sixty (60) days, effective May 6, 2013 until July 5, 2013:

- Marlon Louis Danner and his affiliates, South St. Paul, MN
- Danner, Inc. and its affiliates, South St. Paul, MN
- Bull Dog Leasing, Inc. and its affiliates, Inver Grove Heights, MN

**B.**

**Not Enclosed: Petition for Rulemaking**

**This is not enclosed because no petition was  
filed regarding these rules.**

**C.**

**The Proposed Rules dated December 5,  
2014, with the Revisor's certificate of  
approval**

1.1 **Public Utilities Commission**1.2 **Proposed Permanent Rules Relating to Cogeneration and Small Power Production**1.3 **7835.0100 DEFINITIONS.**1.4 [For text of subps 1 to 3, see M.R.]

1.5 Subp. 4. **Capacity.** "Capacity" means the capability to produce, transmit, or deliver  
1.6 electric energy, and is measured by the number of megawatts alternating current at the  
1.7 point of common coupling between a qualifying facility and a utility's electric system.

1.8 Subp. 5. **Capacity costs.** "Capacity costs" means the costs associated with providing  
1.9 the capability to deliver energy. ~~They consist of~~ The utility capital costs consist of  
1.10 facilities used to generate, transmit, and distribute electricity and the fixed operating  
1.11 and maintenance costs of these facilities.

1.12 [For text of subp 6, see M.R.]

1.13 Subp. 6a. **Customer.** "Customer" means the person named on the utility electric  
1.14 bill for the premises.

1.15 [For text of subps 7 to 15, see M.R.]

1.16 Subp. 15a. **Net metered facility.** "Net metered facility" means an electric generation  
1.17 facility constructed for the purpose of offsetting energy use through the use of renewable  
1.18 energy or high-efficiency distributed generation sources.

1.19 [For text of subps 16 and 17, see M.R.]

1.20 Subp. 17a. **Public utility.** "Public utility" has the meaning given in Minnesota  
1.21 Statutes, section 216B.02, subdivision 4.

1.22 [For text of subp 18, see M.R.]

1.23 Subp. 19. **Qualifying facility.** "Qualifying facility" means a cogeneration or small  
1.24 power production facility which satisfies the conditions established in Code of Federal

2.1 Regulations, title 18, ~~section 292.101 (b) (1), (1981), as applied when interpreted in~~  
2.2 ~~accordance with the amendments to Code of Federal Regulations, title 18, sections 292.201~~  
2.3 ~~to 292.207 adopted through Federal Register, volume 46, pages 33025-33027, (1981) part~~  
2.4 292. The initial operation date or initial installation date of a cogeneration or small power  
2.5 production facility must not prevent the facility from being considered a qualifying facility  
2.6 for the purposes of this chapter if it otherwise satisfies all stated conditions.

2.7 [For text of subp 20, see M.R.]

2.8 Subp. 20a. Standby charge. "Standby charge" means the rate or fee a utility charges  
2.9 for standby service or standby power.

2.10 Subp. 20b. Standby service. "Standby service" means:

2.11 A. for public utilities, service or power that includes backup, maintenance, and  
2.12 related services necessary to make electricity service available to the facility, as described  
2.13 in the public utility's commission-approved standby tariff; and

2.14 B. for a utility not subject to the commission's rate authority, the service  
2.15 associated with the applicable tariff in effect under Minnesota Statutes, section 216B.1611,  
2.16 subdivision 3, clause (2).

2.17 [For text of subs 21 to 24, see M.R.]

## 2.18 **7835.0200 SCOPE AND PURPOSE.**

2.19 The purpose of this chapter is to implement certain provisions of Minnesota Statutes,  
2.20 section 216B.164; the Public Utility Regulatory Policies Act of 1978, United States Code,  
2.21 title 16, section 824a-3 (~~Supplement III, 1979~~); and the Federal Energy Regulatory  
2.22 Commission regulations, Code of Federal Regulations, title 18, ~~sections 292.101 to~~  
2.23 ~~292.602 (1981) part 292~~. Nothing in this chapter excuses any utility from carrying out  
2.24 its responsibilities under these provisions of state and federal law. This chapter must  
2.25 at all times be applied in accordance with its intent to give the maximum possible

3.1 encouragement to cogeneration and small power production consistent with protection  
3.2 of the ratepayers and the public.

3.3 **7835.0400 FILING OPTION.**

3.4 If, after the ~~initial~~ January 1, 2015, filing, schedule C is the only change in the  
3.5 cogeneration and small power production tariff to be filed in a subsequent year, the utility  
3.6 may notify the commission in writing, by the date the tariff is due, that there is no other  
3.7 change in the tariff. This notification and new schedule C will serve as a substitute for the  
3.8 refiling of the complete tariff in that year.

3.9 **7835.0800 SCHEDULE E.**

3.10 Schedule E must contain the utility's safety standards, required operating procedures  
3.11 for interconnected operations, and the functions to be performed by any control and  
3.12 protective apparatus. ~~These standards and procedures must not be more restrictive than the~~  
3.13 ~~interconnection guidelines listed in parts 7835.4800 to 7835.5800.~~ The utility may include  
3.14 in schedule E suggested types of equipment to perform the specified functions. No standard  
3.15 or procedure may be established to discourage cogeneration or small power production.

3.16 **7835.1200 AVAILABILITY OF FILINGS.**

3.17 All filings required by parts 7835.0300 to 7835.1100 must be ~~made with~~ filed in  
3.18 ~~the commission~~ commission's electronic filing system and be maintained at the utility's  
3.19 general office and any other offices of the utility where rate case filings are kept. These  
3.20 filings must be available for public inspection at the commission and at the utility offices  
3.21 during normal business hours.

3.22 **7835.1300 GENERAL REPORTING REQUIREMENTS.**

3.23 Each utility interconnected with a qualifying facility must provide the commission  
3.24 with the information in parts 7835.1400 to 7835.1800 annually on or before ~~November~~  
3.25 March 1, 1984, and annually thereafter, and in such form as the commission may require.

4.1 **7835.2100 ELECTRICAL CODE COMPLIANCE WITH NATIONAL**  
4.2 **ELECTRICAL SAFETY CODE.**

4.3 Subpart 1. **Compliance; standards.** The interconnection between the qualifying  
4.4 facility and the utility must comply with the requirements of the National Electrical  
4.5 Safety Code, 1981 edition, issued by the Institute of Electrical and Electronics Engineers  
4.6 as American National Standards Institute Standard C2 (New York, 1980). The  
4.7 interconnection is subject to subparts 2 and 3.

4.8 Subp. 2. **Interconnection.** The interconnection customer is responsible for  
4.9 complying with all applicable local, state, and federal codes, including building codes, the  
4.10 National Electric Code (NEC), the National Electric Safety Code (NESC), and noise and  
4.11 emissions standards. The Area Electric Power System will require proof of complying  
4.12 with the NEC before the interconnection is made. The interconnection customer must  
4.13 obtain installation approval from an electrical inspector recognized by the Minnesota  
4.14 State Board of Electricity.

4.15 Subp. 3. **Generation system.** The interconnection customer's generation system and  
4.16 installation must comply with the American National Standards Institute/Institute of  
4.17 Electrical and Electronics Engineers (ANSI/IEEE) standards applicable to the installation.

4.18 **7835.2600 TYPES OF POWER TO BE OFFERED; STANDBY SERVICE.**

4.19 Subpart 1. **Service to be offered.** The utility must offer maintenance, interruptible,  
4.20 supplementary, and backup power to the qualifying facility upon request.

4.21 Subp. 2. **Standby service; public utility.** A public utility may not impose a standby  
4.22 charge for standby service on a qualifying facility having 100 kilowatt capacity or less. A  
4.23 utility imposing rates on a qualifying facility having more than 100 kilowatt capacity must  
4.24 comply with an order of the commission establishing allowable costs.

4.25 Subp. 3. **Standby service; cooperative or municipality.** A cooperative electric  
4.26 association or municipal utility must offer a qualifying facility standby power or service

5.1 consistent with its applicable tariff for such service adopted under Minnesota Statutes,  
 5.2 section 216B.1611, subdivision 3, clause (2).

5.3 **7835.3000 RATES FOR UTILITY SALES TO A QUALIFYING FACILITY TO**  
 5.4 **BE GOVERNED BY TARIFF.**

5.5 Except as otherwise provided in part 7835.3100, rates for sales to a qualifying facility  
 5.6 must be governed by the applicable tariff for the class of electric utility customers to  
 5.7 which the qualifying facility belongs or would belong were it not a qualifying facility.

5.8 **7835.3150 INTERCONNECTION WITH COOPERATIVE ELECTRIC**  
 5.9 **ASSOCIATION OR MUNICIPAL UTILITY.**

5.10 Parts 7835.3200 to 7835.4000 apply to interconnections between a qualifying facility  
 5.11 and a cooperative electric association or municipal utility.

5.12 **7835.3200 STANDARD RATES FOR PURCHASES IN GENERAL BY**  
 5.13 **COOPERATIVE ELECTRIC ASSOCIATIONS AND MUNICIPAL UTILITIES**  
 5.14 **FROM QUALIFYING FACILITIES.**

5.15 Subpart 1. Qualifying facilities with 100 kilowatt capacity or less. For qualifying  
 5.16 facilities with capacity of 100 kilowatts or less, standard purchase rates apply. ~~Qualifying~~  
 5.17 ~~facilities with capacity of more than 100 kilowatts may negotiate contracts with the~~  
 5.18 ~~utility or may be compensated under standard rates if they make commitments to provide~~  
 5.19 ~~firm power.~~ The utility must make available three types of standard rates, described in  
 5.20 parts 7835.3300, 7835.3400, and 7835.3500. The qualifying facility with a capacity of  
 5.21 100 kilowatts or less must choose interconnection under one of these rates, and must  
 5.22 specify its choice in the written contract required in part 7835.2000. Any net credit to the  
 5.23 qualifying facility must, at its option, be credited to its account with the utility or returned  
 5.24 by check within 15 days of the billing date. The option chosen must be specified in the  
 5.25 written contract required in part 7835.2000. Qualifying facilities remain responsible for  
 5.26 any monthly service charges and demand charges specified in the tariff under which  
 5.27 they consume electricity from the utility.

6.1 Subp. 2. **Qualifying facilities over 100 kilowatt capacity.** A qualifying facility with  
6.2 more than 100 kilowatt capacity has the option to negotiate a contract with a utility or, if it  
6.3 commits to provide firm power, be compensated under standard rates.

6.4 **7835.4010 INTERCONNECTION WITH PUBLIC UTILITY.**

6.5 Parts 7835.4011 to 7835.4023 apply to interconnections between a qualifying facility  
6.6 and a public utility.

6.7 **7835.4011 STANDARD RATES FOR PURCHASES BY PUBLIC UTILITIES**  
6.8 **FROM QUALIFYING FACILITIES.**

6.9 Subpart 1. **Standard rates.** For qualifying facilities with less than 1,000 kilowatt  
6.10 capacity, standard rates apply. The utility must make available the types of standard rates  
6.11 described in parts 7835.4012 to 7835.4015. Qualifying facilities remain responsible for  
6.12 any monthly service charges and demand charges specified in the tariff under which  
6.13 they consume electricity from the utility.

6.14 Subp. 2. **Negotiated rates.** A qualifying facility with 1,000 kilowatt capacity or  
6.15 more has the option to negotiate a contract with a utility or, if it commits to provide firm  
6.16 power, be compensated under standard rates.

6.17 **7835.4012 COMPENSATION.**

6.18 Subpart 1. **Facilities with less than 40 kilowatt capacity.** A qualifying facility with  
6.19 less than 40 kilowatt capacity has the option to be compensated at the net energy billing  
6.20 rate, the simultaneous purchase and sale billing rate, or the time-of-day billing rate.

6.21 Subp. 2. **Facilities with at least 40 kilowatt capacity but less than 1,000 kilowatt**  
6.22 **capacity.** A qualifying facility with at least 40 kilowatt capacity but less than 1,000  
6.23 kilowatt capacity has the option to be billed at the simultaneous purchase and sale billing  
6.24 rate, or at the time-of-day billing rate.

7.1 **7835.4013 AVERAGE RETAIL ENERGY RATE.**

7.2 Subpart 1. Method of billing. The utility must bill the qualifying facility for the  
7.3 energy supplied by the utility that exceeds the amount of energy supplied by the qualifying  
7.4 facility during each billing period according to the utility's applicable retail rate schedule.

7.5 Subp. 2. Additional calculations for billing. When the energy generated by the  
7.6 qualifying facility exceeds that supplied by the utility during a billing period, the utility  
7.7 must compensate the qualifying facility for the excess energy at the average retail utility  
7.8 energy rate.

7.9 **7835.4014 SIMULTANEOUS PURCHASE AND SALE BILLING RATE.**

7.10 Subpart 1. Method of billing. The qualifying facility must be billed for all energy  
7.11 and capacity it consumes during a billing period according to the utility's applicable retail  
7.12 rate schedule.

7.13 Subp. 2. Compensation to qualifying facility. The utility must purchase all energy  
7.14 and capacity which is made available to it by the qualifying facility. At the option of the  
7.15 qualifying facility, its entire generation must be deemed to be made available to the utility.  
7.16 Compensation to the qualifying facility must be the sum of items A and B.

7.17 A. The energy component must be the appropriate system average incremental  
7.18 energy costs shown on schedule A; or if the generating utility has not filed schedule A,  
7.19 the energy component must be the energy rate of the retail rate schedule applicable to the  
7.20 qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has  
7.21 not filed schedule A, the energy component must be the energy rate shown on schedule H.

7.22 B. If the qualifying facility provides firm power to the utility, the capacity  
7.23 component must be the utility's net annual avoided capacity cost per kilowatt-hour  
7.24 averaged over all hours shown on schedule B; or if the generating utility has not filed  
7.25 schedule B, the capacity component must be the demand charge per kilowatt, if any, of the

8.1 retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B,  
8.2 divided by the number of hours in the billing period; or if the nongenerating utility has not  
8.3 filed schedule B, the capacity component must be the capacity cost per kilowatt shown on  
8.4 schedule H, divided by the number of hours in the billing period. If the qualifying facility  
8.5 does not provide firm power to the utility, no capacity component may be included in the  
8.6 compensation paid to the qualifying facility.

8.7 **7835.4015 TIME-OF-DAY PURCHASE RATES.**

8.8 Subpart 1. Method of billing. The qualifying facility must be billed for all  
8.9 energy and capacity it consumes during each billing period according to the utility's  
8.10 applicable retail rate schedule. Any utility rate-regulated by the commission may propose  
8.11 time-of-day retail rate tariffs which require qualifying facilities that choose to sell power  
8.12 on a time-of-day basis to also purchase power on a time-of-day basis.

8.13 Subp. 2. Compensation to qualifying facility. The utility must purchase all energy  
8.14 and capacity which is made available to it by the qualifying facility. Compensation to the  
8.15 qualifying facility must be the sum of items A and B.

8.16 A. The energy component must be the appropriate on-peak and off-peak system  
8.17 incremental costs shown on schedule A; or if the generating utility has not filed schedule  
8.18 A, the energy component must be the energy rate of the retail rate schedule applicable to  
8.19 the qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has  
8.20 not filed schedule A, the energy component must be the energy rate shown on schedule H.

8.21 B. If the qualifying facility provides firm power to the utility, the capacity  
8.22 component must be the utility's net annual avoided capacity cost per kilowatt-hour  
8.23 averaged over the on-peak hours as shown on schedule B; or if the generating utility has  
8.24 not filed schedule B, the capacity component must be the demand charge per kilowatt,  
8.25 if any, of the retail rate schedule applicable to the qualifying facility, filed in lieu of  
8.26 schedules A and B, divided by the number of on-peak hours in the billing period; or if

9.1 the nongenerating utility has not filed schedule B, the capacity component must be the  
9.2 capacity cost per kilowatt shown on schedule H, divided by the number of on-peak hours  
9.3 in the billing period. The capacity component applies only to deliveries during on-peak  
9.4 hours. If the qualifying facility does not provide firm power to the utility, no capacity  
9.5 component may be included in the compensation paid to the qualifying facility.

9.6 **7835.4016 INDIVIDUAL SYSTEM CAPACITY LIMITS.**

9.7 Subpart 1. **Applicability.** Individual system capacity limits are subject to the  
9.8 requirements in Minnesota Statutes, section 216B.164, subdivision 4c.

9.9 Subp. 2. **Usage history.** A facility subject to capacity limits with less than 12 calendar  
9.10 months of actual electric usage or no demand metering available is subject to limits based  
9.11 on data for similarly situated customers combined with any actual data for the facility.

9.12 **7835.4017 NET METERED FACILITY; BILL CREDITS.**

9.13 Subpart 1. **Kilowatt-hour credit.** A customer with a net metered facility can elect  
9.14 to be compensated for net input into the utility's system in the form of a kilowatt-hour  
9.15 credit on the customer's bill, subject to Minnesota Statutes, section 216B.164, subdivision  
9.16 3a, and the following conditions:

9.17 A. the customer is not receiving a value of solar rate under Minnesota Statutes,  
9.18 section 216B.164, subdivision 10;

9.19 B. the customer is interconnected with a public utility; and

9.20 C. the net metered facility has a capacity of at least 40 kilowatt capacity but  
9.21 less than 1,000 kilowatt capacity.

9.22 Subp. 2. **Notification to customer.** A public utility must notify the customer of the  
9.23 option to be compensated for net input in the form of a kilowatt-hour credit under subpart  
9.24 1. The public utility must inform the customer that if the customer does not elect to be  
9.25 compensated for net input in the form of a kilowatt-hour credit on the bill, the customer

10.1 will be compensated for the net input at the utility's avoided cost rate, as described in  
10.2 the utility's tariff for that customer class.

10.3 Subp. 3. **End-of-year net input.** A public utility must compensate the customer, in  
10.4 the form of a payment, for any net input remaining at the end of the calendar year at the  
10.5 utility's avoided cost rate, as described in the utility's tariff for that class of customer.

10.6 **7835.4018 AGGREGATION OF METERS.**

10.7 A public utility must aggregate meters at the request of a customer as described in  
10.8 Minnesota Statutes, section 216B.164, subdivision 4a.

10.9 **7835.4019 QUALIFYING FACILITIES OF 1,000 KILOWATT CAPACITY OR**  
10.10 **MORE.**

10.11 A qualifying facility with capacity of 1,000 kilowatt capacity or more must negotiate  
10.12 a contract with the utility to set the applicable rates for payments to the customer of  
10.13 avoided capacity and energy costs. Nothing in parts 7835.4010 to 7835.4015 prevents  
10.14 a utility from connecting qualifying facilities of greater than 1,000 kilowatt capacity  
10.15 under its avoided cost rates.

10.16 **7835.4020 AMOUNT OF CAPACITY PAYMENTS; CONSIDERATIONS.**

10.17 The qualifying facility which negotiates a contract under part 7835.4019 must be  
10.18 entitled to the full avoided capacity costs of the utility. The amount of capacity payments  
10.19 must be determined through consideration of:

10.20 A. the capacity factor of the qualifying facility;

10.21 B. the cost of the utility's avoidable capacity;

10.22 C. the length of the contract term;

10.23 D. reasonable scheduling of maintenance;

10.24 E. the willingness and ability of the qualifying facility to provide firm power  
10.25 during system emergencies;

11.1 F. the willingness and ability of the qualifying facility to allow the utility to  
11.2 dispatch its generated energy;

11.3 G. the willingness and ability of the qualifying facility to provide firm capacity  
11.4 during system peaks;

11.5 H. the sanctions for noncompliance with any contract term; and

11.6 I. the smaller capacity increments and the shorter lead times available when  
11.7 capacity is added from qualifying facilities.

11.8 **7835.4021 UTILITY TREATMENT OF COSTS.**

11.9 All purchases from qualifying facilities with capacity of less than 40 kilowatts and  
11.10 purchases of energy from qualifying facilities with capacity of 40 kilowatts or more must  
11.11 be considered an energy cost in calculating a utility's fuel adjustment clause.

11.12 **7835.4022 LIMITING CUMULATIVE GENERATION.**

11.13 A public utility requesting that the commission limit cumulative generation of net  
11.14 metered facilities under Minnesota Statutes, section 216B.164, subdivision 4b, must file  
11.15 its request with the commission under chapter 7829.

11.16 **7835.4023 ALTERNATIVE TARIFF FOR VALUE OF SOLAR.**

11.17 If a public utility has received commission approval of an alternative tariff for the  
11.18 value of solar under Minnesota Statutes, section 216B.164, subdivision 10, the tariff  
11.19 applies to new solar photovoltaic interconnections effective after the tariff approval date.

11.20 **7835.4750 INTERCONNECTION STANDARDS.**

11.21 Prior to signing the uniform statewide contract, a utility must distribute to  
11.22 each customer a copy of, or electronic link to, the commission's order establishing  
11.23 interconnection standards dated September 28, 2004, in docket number E-999/CI-01-1023.  
11.24 The utility must provide each customer a copy of, or electronic link to, subsequent changes  
11.25 made by the commission to any of those standards.

12.1 **7835.5900 EXISTING CONTRACTS.**

12.2 Any existing interconnection ~~contracts~~ contract executed between a utility and a  
12.3 qualifying facility with ~~installed~~ capacity of less than 40 kilowatts ~~before November~~  
12.4 ~~13, 1984~~, may be ~~canceled and replaced with the uniform statewide contract at the~~  
12.5 ~~option of either party by either party giving the other written notice~~ remains in force  
12.6 until terminated by mutual agreement of the parties. ~~The notice is effective upon the~~  
12.7 ~~shortest period permitted under the existing contract for termination, but not less than ten~~  
12.8 ~~nor more than 30 days.~~

12.9 **7835.5950 RENEWABLE ENERGY CREDIT; OWNERSHIP.**

12.10 A qualifying facility owns all renewable energy credits unless other ownership is  
12.11 expressly provided for in the contract between the qualifying facility and a utility under  
12.12 part 7835.9910.

12.13 **7835.9910 UNIFORM STATEWIDE CONTRACT; FORM.**

12.14 The form for the uniform statewide contract ~~for use~~ must be applied to all new and  
12.15 existing interconnections between a utility and cogeneration and small power production  
12.16 facilities having less than ~~40~~ 1,000 kilowatts of capacity ~~is as follows~~; except as described  
12.17 in part 7835.5900.

12.18 UNIFORM STATEWIDE CONTRACT FOR COGENERATION AND SMALL POWER  
12.19 PRODUCTION FACILITIES

12.20 THIS CONTRACT is entered into \_\_\_\_\_, \_\_\_\_\_, by  
12.21 \_\_\_\_\_ (hereafter called "Utility") and  
12.22 \_\_\_\_\_  
12.23 (hereafter called "QF").

12.24 RECITALS

12.25 The QF has installed electric generating facilities, consisting  
12.26 of \_\_\_\_\_  
12.27 \_\_\_\_\_

13.1 \_\_\_\_\_ (Description of facilities),  
 13.2 rated at ~~less than 40~~ \_\_\_\_\_ kilowatts of electricity, on property located  
 13.3 at \_\_\_\_\_  
 13.4 \_\_\_\_\_.

13.5 The QF is prepared to generate electricity in parallel with the Utility.

13.6 The QF's electric generating facilities meet the requirements of the Minnesota  
 13.7 Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and  
 13.8 Small Power Production and any technical standards for interconnection the Utility has  
 13.9 established that are authorized by those rules.

13.10 The Utility is obligated under federal and Minnesota law to interconnect with the QF  
 13.11 and to purchase electricity offered for sale by the QF.

13.12 A contract between the QF and the Utility is required by the Commission's rules.

13.13 **AGREEMENTS**

13.14 The QF and the Utility agree:

13.15 1. The Utility will sell electricity to the QF under the rate schedule in force for the  
 13.16 class of customer to which the QF belongs.

13.17 2. The Utility will buy electricity from the QF under the current rate schedule filed  
 13.18 with the Commission. The QF ~~has elected~~ elects the rate schedule category hereinafter  
 13.19 indicated (~~select one~~):

13.20 \_\_\_\_\_ a. Net energy billing rate under part 7835.3300.

13.21 \_\_\_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.3400.

13.22 \_\_\_\_\_ c. Time-of-day purchase rates under part 7835.3500.

13.23 A copy of the presently filed rate schedule is attached to this contract.

13.24 3. The Utility will buy electricity from the QF under the current rate schedule filed  
 13.25 with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the rate  
 13.26 schedule category hereinafter indicated:

13.27 \_\_\_\_\_ a. Net energy billing rate under part 7835.4013.

14.1       b. Simultaneous purchase and sale billing rate under part 7835.4014.

14.2       c. Time-of-day purchase rates under part 7835.4015.

14.3 A copy of the presently filed rate schedule is attached to this contract.

14.4 4. The Utility will buy electricity from the QF under the current rate schedule filed  
14.5 with the Commission. If the QF has at least 40 kilowatts capacity but less than 1,000  
14.6 kilowatt capacity, the QF elects the rate schedule category hereinafter indicated:

14.7       a. Simultaneous purchase and sale billing rate under part 7835.4014.

14.8       b. Time-of-day purchase rates under part 7835.4015.

14.9 A copy of the presently filed rate schedule is attached to this contract.

14.10 ~~3~~ 5. The rates for sales and purchases of electricity may change over the time this  
14.11 contract is in force, due to actions of the Utility or of the Commission, and the QF and the  
14.12 Utility agree that sales and purchases will be made under the rates in effect each month  
14.13 during the time this contract is in force.

14.14 ~~4~~ 6. The Utility will compute the charges and payments for purchases and sales for  
14.15 each billing period. Any net credit to the QF will be made under one of the following  
14.16 options as chosen by the QF:

14.17       1. Credit to the QF's account with the Utility.

14.18       2. Paid by check to the QF within 15 days of the billing date.

14.19 7. Renewable energy credits associated with generation from the facility are owned by:

14.20 \_\_\_\_\_

14.21 ~~5~~ 8. The QF must operate its electric generating facilities within any rules, regulations,  
14.22 and policies adopted by the Utility not prohibited by the Commission's rules on  
14.23 Cogeneration and Small Power Production which provide reasonable technical connection  
14.24 and operating specifications for the QF. This agreement does not waive the QF's right to  
14.25 bring a dispute before the Commission as authorized by Minnesota Rules, ~~parts 7835.4800,~~  
14.26 ~~7835.5800,~~ and part 7835.4500, and any other provision of the Commission's rules on  
14.27 Cogeneration and Small Power Production authorizing Commission resolution of a dispute.

15.1 ~~6~~ 9. The Utility's rules, regulations, and policies must conform to the Commission's  
15.2 rules on Cogeneration and Small Power Production.

15.3 ~~7~~ 10. The QF will operate its electric generating facilities so that they conform to  
15.4 the national, state, and local electric and safety codes, and will be responsible for the  
15.5 costs of conformance.

15.6 ~~8~~ 11. The QF is responsible for the actual, reasonable costs of interconnection  
15.7 which are estimated to be \$\_\_\_\_\_. The QF will pay the Utility in this  
15.8 way: \_\_\_\_\_  
15.9 \_\_\_\_\_.

15.10 ~~9~~ 12. The QF will give the Utility reasonable access to its property and electric  
15.11 generating facilities if the configuration of those facilities does not permit disconnection  
15.12 or testing from the Utility's side of the interconnection. If the Utility enters the QF's  
15.13 property, the Utility will remain responsible for its personnel.

15.14 ~~10~~ 13. The Utility may stop providing electricity to the QF during a system  
15.15 emergency. The Utility will not discriminate against the QF when it stops providing  
15.16 electricity or when it resumes providing electricity.

15.17 ~~11~~ 14. The Utility may stop purchasing electricity from the QF when  
15.18 necessary for the Utility to construct, install, maintain, repair, replace, remove,  
15.19 investigate, or inspect any equipment or facilities within its electric system.  
15.20 The Utility will notify the QF before it stops purchasing electricity in this  
15.21 way: \_\_\_\_\_  
15.22 \_\_\_\_\_.

15.23 ~~12~~ 15. The QF will keep in force liability insurance against personal or property  
15.24 damage due to the installation, interconnection, and operation of its electric generating  
15.25 facilities. The amount of insurance coverage will be \$\_\_\_\_\_ (The utility  
15.26 ~~may not require an amount greater than \$300,000~~ amount must be consistent with the  
15.27 Commission's interconnection standards under Minnesota Rules, part 7835.4750).

16.1 ~~13~~ 16. This contract becomes effective as soon as it is signed by the QF and the  
 16.2 Utility. This contract will remain in force until either the QF or the Utility gives written  
 16.3 notice to the other that the contract is canceled. This contract will be canceled 30 days  
 16.4 after notice is given.

16.5 ~~14~~ 17. This contract contains all the agreements made between the QF and the Utility  
 16.6 except that this contract shall at all times be subject to all rules and orders issued by  
 16.7 the Public Utilities Commission or other government agency having jurisdiction over  
 16.8 the subject matter of this contract. The QF and the Utility are not responsible for any  
 16.9 agreements other than those stated in this contract.

16.10 THE QF AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE  
 16.11 TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY  
 16.12 HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT  
 16.13 THE BEGINNING OF THIS CONTRACT.

16.14 \_\_\_\_\_

16.15 QF

16.16 By: \_\_\_\_\_

16.17 \_\_\_\_\_

16.18 \_\_\_\_\_

16.19 UTILITY

16.20 By: \_\_\_\_\_

16.21 \_\_\_\_\_

16.22 (Title)

16.23 **7835.9920 NONSTANDARD PROVISIONS.**

16.24 A utility intending to implement provisions other than those included in the uniform  
 16.25 statewide form of contract must file a request for authorization with the commission. The  
 16.26 filing must conform with chapter 7829 and must identify all provisions the utility intends  
 16.27 to use in the contract with a qualifying facility.

- 17.1 **REPEALER.** Minnesota Rules, parts 7835.2300; 7835.2500; 7835.2700; 7835.2900;
- 17.2 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400;
- 17.3 7835.5500; 7835.5600; 7835.5700; and 7835.5800, are repealed.

# Office of the Revisor of Statutes

## Administrative Rules



**TITLE:** Proposed Permanent Rules Relating to Cogeneration and Small Power Production

**AGENCY:** Public Utilities Commission

**MINNESOTA RULES:** Chapter 7835

The attached rules are approved for  
publication in the State Register

A handwritten signature in blue ink, appearing to read "Ryan Inman", written over a horizontal line.

Ryan Inman  
Assistant Deputy Revisor

**D.**

**Statement of Need and Reasonableness**

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger  
David C. Boyd  
Nancy Lange  
Dan Lipschultz  
Betsy Wergin

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of Possible Amendments to  
Rules Governing Cogeneration and Small Power  
Production, *Minnesota Rules* Chapter 7835

ISSUE DATE: December 29, 2014

DOCKET NO. E-999/R-13-729

STATEMENT OF NEED AND  
REASONABLENESS

I.  
INTRODUCTION

The Commission currently has rules governing interconnections between utilities and qualifying facilities, cogeneration and small power production facilities, entitled under federal law to sell their output to utilities. The rules govern filing and reporting requirements, conditions of service, compensation rates, wheeling and exchange agreements, interconnection guidelines, and they also establish a uniform statewide contract.

During the 2013 legislative session, the Legislature amended Minn. Stat. § 216B.164 governing cogeneration and small power production. The statutory changes primarily affect interconnections between qualifying facilities and *public utilities*.

The changes increase the capacity threshold for facilities interconnecting to a public utility. Under the changes, the threshold increases from *less than 40 kilowatts (kW)* to *less than 1,000 kW*.

The statutory changes also include:

- establishing a new annual billing/accrediting method;
- prohibiting standby charges for facilities under 100 kW;
- requiring public utilities to aggregate meters for net metering at customer's request;
- authorizing the Commission to limit cumulative generation from net-metered facilities and permitting a public utility to request that the Commission set such limits;
- authorizing public utilities to limit capacity to 120% of demand for wind customers and to 120% of energy consumption for solar photovoltaic customers; and

- changing requirements governing the uniform statewide contract to incorporate the new net-metering threshold.

This rulemaking proceeding will update the rules to incorporate the recent statutory changes and to make housekeeping changes as necessary. On August 26, 2013, the Commission published a Request for Comments in the *State Register* and did a mass mailing to the rulemaking list, requesting comments on amending the rules to incorporate the statutory changes.

The Commission subsequently appointed an advisory committee, which met monthly between April and August 2014. The committee included the following stakeholders:

- Department of Commerce
- Xcel Energy
- Otter Tail Power Company
- Energy Systems Consulting Services, LLC
- Minnesota Power
- Interstate Power and Light Company
- Solar Rate Reform Group
- Fresh Energy
- Minnesota Rural Electric Association
- Southern Minnesota Municipal Power Agency
- Cummins Power Generation
- Midwest Cogeneration Association
- TransEnergy LLC on behalf of Midwest Cogeneration Association
- Minnesota Municipal Utilities Association.

Several other interested stakeholders also attended committee meetings, including Great River Energy, Steele Waseca Cooperative Electric, Dakota Electric Association, Connexus Energy, and the Metropolitan Council.

## II.

### THIS MATERIAL IS AVAILABLE IN ALTERNATIVE FORMAT

This document can be made available in alternative formats (i.e., large print or audio tape) by calling 651.296.0406 or 1.800.657.3782 (voice). Persons with hearing or speech disabilities may call us through their preferred telecommunications relay service.

## III.

### STATUTORY AUTHORITY

The Commission's statutory authority to adopt these rules is set forth at Minn. Stat. §§ 216A.05, 216B.08, and 216B.164.

**IV.  
STATEMENT OF NEED**

The Administrative Procedure Act, Minn. Stat. Ch. 14, requires the Commission to establish the need for the proposed rules by an affirmative presentation of facts. Minn. Stat. §§ 14.14 subd. 2 and 14.23.

In this case, the proposed rules are necessary to ensure that the Commission's rules governing cogeneration and small power production are consistent with recent statutory changes made to Minn. Stat. § 216B.164.

**V.  
STATEMENT OF REASONABLENESS**

The Minnesota Administrative Procedure Act also requires the Commission to establish that the proposed rules are a reasonable solution to the problems they are intended to address, that the Commission relied on evidence in choosing the approach adopted in the rules, and that the evidence relied upon is rationally related to the approach the Commission chose to adopt. Minn. Stat. §§ 14.14, subd. 2 and 14.23. Minn. R. 1400.2070, subp. 1.

**A. The Process Used to Develop the Rules Facilitated Informed Decision-making and was the Most Efficient Method for Establishing Reasonable Rules**

The proposed rules are a reasonable means of incorporating recent statutory changes governing cogeneration and small power production. The Commission notified all persons who could be identified as potentially interested in or affected by the rules. After issuing a Request for Comments that resulted in recommendations made by stakeholders, the Commission established an advisory committee. The committee recommended, and the Commission incorporated, several changes that were reasonable and responsive to the needs of diverse stakeholders.

**B. The Rules' Approach to Implementing Policy Goals is Reasonable**

The Commission has determined that the proposed rules are needed and are the most reasonable way to implement the recent statutory changes. Without rule changes, the Commission's rules would be inconsistent with the amended statute, which could hinder the Commission's ability to enforce the rules and could hinder regulated parties' knowledge and understanding of the laws governing cogeneration and small power production.

**VI.  
ANALYSIS OF INDIVIDUAL RULES**

**7835.0100 – Definitions**

The statutory changes include newly defined terms, some of which are included in the proposed rule changes, as explained below.

#### **Subp. 4. “Capacity”**

**Capacity.** “Capacity” means the capability to produce, transmit, or deliver electric energy, and is measured by the number of megawatts alternating current at the point of common coupling between a qualifying facility and a utility’s electric system.

This proposed rule incorporates the statutory language in addition to retaining existing rule language.

It is necessary to update the rules to incorporate the recent statutory changes, which define capacity as the “number of megawatts alternating current at the point of interconnection between a distributed generation facility and the utility’s electric system.” Under this definition, capacity is, in effect, the amount of electricity actually produced. It is therefore reasonable to incorporate this language into the rules by stating that capacity is the capability to produce, transmit, or deliver electric energy and is measured by the amount produced.

Further, it is reasonable to include in the definition of capacity the term “qualifying facility,” rather than “distributed generation facility,” which is a type of qualifying facility. Capacity is used in statutory provisions and rule parts governing interconnections between utilities and all qualifying facilities; without use of “qualifying facility,” the term capacity could be unreasonably excluded from applying to rule parts where the term is used.

It is also reasonable to use the term “point of common coupling,” which is used in the Commission’s interconnection standards as the point where the customer’s electric power system connects to the utility’s power system. Although the “point of interconnection” and the “point of common coupling” are commonly used interchangeably, the proposed rule’s use of “point of common coupling” is consistent with earlier Commission decisions.<sup>1</sup>

Some advisory committee members suggested further clarifying capacity by requiring that it be measured based on standard 15-minute time intervals. Others suggested measuring capacity based on net input. The statute does not prescribe whether capacity is measured over standard 15-minute intervals or other time interval, such as a daily or monthly average.

The proposed rule does not incorporate a 15-minute interval for measuring capacity, in part because a 15-minute standard is not applicable to all rule parts where the term is used and also because it raises compliance issues that the proposed rules do not address. Further, industry practice is to specify in Commission-approved utility tariffs that standard 15-minute intervals are used for measuring capacity to determine applicable billing rates, making the suggested specificity unnecessary.

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<sup>1</sup> *In the Matter of Establishing Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities under Minnesota Laws 2001, Chapter 212*, Docket No. E-999/CI-01-1023, Order Establishing Standards (September 28, 2004); and *In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy for Approval of its Proposed Community Solar Garden Program*, E-002/M-13-867, Order Approving Solar Garden Plan with Modifications (September 17, 2014).

**Subp. 5. "Capacity costs."**

**Capacity costs.** "Capacity costs" means the costs associated with providing the capability to deliver energy. ~~They consist of~~ The utility capital costs consist of facilities used to generate, transmit, and distribute electricity and the fixed operating and maintenance costs of these facilities.

"Capacity costs" is not defined by the statute, but the draft includes a minor modification to clarify that "capital costs" are the costs of a *utility*. This proposed rule change is necessary and reasonable to make the rule clearer.

**Subp. 6a. "Customer."**

Customer. "Customer" means the person named on the utility electric bill for the premises.

The statutory changes include a definition of this term. It is necessary and reasonable to define the term, which is used in subsequent rule parts, consistent with the statutory definition.

**Subp. 15a. "Net metered facility."**

Net metered facility. Net metered facility means an electric generation facility constructed for the purpose of offsetting energy use through the use of renewable energy or high-efficiency distributed generation sources.

The statutory changes include a definition of this term. It is necessary and reasonable to define the term, which is used in subsequent rule parts, consistent with the statutory definition.

**Subp. 17a. "Public utility."**

Public Utility. "Public utility" has the meaning given in Minnesota Statutes, section 216B.02, subdivision 4.

The statutory changes affect interconnections with a public utility, but the statute does not define the term. To increase clarity and avoid ambiguity, it is necessary to define the term and reasonable to do so using the definition contained in Minn. Stat. § 216B.02, subd. 4, which excludes electric cooperative associations and municipal electric utilities. This distinction is relevant to implementing the statutory changes that apply to interconnections with *public* utilities but do not apply to interconnections with cooperative electric associations or municipal electric utilities.

**Subp. 19. "Qualifying facility."**

**Qualifying facility.** "Qualifying facility" means a cogeneration or small power production facility which satisfies the conditions established in Code of Federal Regulations, title 18, ~~section 292.101 (b) (1), (1981), as applied when interpreted in accordance with the amendments to Code of Federal Regulations, title 18, sections 292.201 to 292.207 adopted through Federal Register, volume 46, pages 33025-33027, (1981) part 292.~~ The initial operation date or initial installation date of a cogeneration or small power production facility must not prevent the facility from being considered a qualifying facility for the purposes of this chapter if it otherwise satisfies all stated conditions.

The statute uses this term but does not define it. The proposed rule is necessary and reasonable to update the existing rule definition, which includes a citation to the federal rule definition.

**Subp. 20a. "Standby charge."**

**Standby charge.** "Standby charge" means the rate or fee a utility charges for standby service or standby power.

**Subp. 20b "Standby service."**

**Standby service.** "Standby service" means:

A. for public utilities, service or power that includes backup, maintenance, and related services necessary to make electricity service available to the facility, as described in the public utility's commission-approved standby tariff.

B. for a utility not subject to the commission's rate authority, the service associated with the applicable tariff in effect under Minnesota statutes, section 216B.1611, subdivision 3, clause (2).

The statute defines "standby *charge*," as follows:

"Standby charge" means a charge imposed by an electric utility upon a distributed generation facility for the recovery of costs for the provision of standby services, as provided for in a utility's tariffs approved by the commission, necessary to make electricity service available to the distributed generation facility.

Within the statutory definition of standby *charge* is a description of standby *service*. Subsequent rule parts use both terms, and it is therefore reasonable and necessary for the proposed rules to define both terms, consistent with the statutory language.

### **7835.0200 – Scope and Purpose**

The purpose of this chapter is to implement certain provisions of Minnesota Statutes, section 216B.164; the Public Utility Regulatory Policies Act of 1978, United States Code, title 16, section 824a-3 (~~Supplement III, 1979~~); and the Federal Energy Regulatory Commission regulations, Code of Federal Regulations, title 18, ~~sections 292.101 to 292.602 (1981)~~ part 292. Nothing in this chapter excuses any utility from carrying out its responsibilities under these provisions of state and federal law. This chapter must at all times be applied in accordance with its intent to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the ratepayers and the public.

This proposed rule part includes an update to the federal citation, which is both necessary and reasonable to increase clarity.

### **7835.0400 – Filing Option**

If, after the initial January 1, 2015 filing, schedule C is the only change in the cogeneration and small power production tariff to be filed in a subsequent year, the utility may notify the commission in writing, by the date the tariff is due, that there is no other change in the tariff. This notification and new schedule C will serve as a substitute for the refiling of the complete tariff in that year.

The proposed rule includes a clarification that will apply the rule to filings made after January 1, 2015. The current rules require each utility to make an annual filing unless schedule C is the only change to the tariff. Under the proposed rule change, each utility will be required to make a filing in 2015 and only subsequently will the exception in the rule apply. This rule is necessary and reasonable to ensure that the Commission will receive new and updated utility tariff filings, consistent with the statutory and rule changes, and will ensure that the exception to filing the full tariff will apply only to filings made after the January 1, 2015.

### **7835.0800 – Schedule E**

Schedule E must contain the utility's safety standards, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus. ~~These standards and procedures must not be more restrictive than the interconnection guidelines listed in parts 7835.4800 to 7835.5800.~~ The utility may include in schedule E suggested types of equipment to perform the specified functions. No standard or procedure may be established to discourage cogeneration or small power production.

The proposed rule strikes language referring to the rule's interconnection guidelines. This proposed rule change is necessary and reasonable to eliminate inconsistencies with interconnection standards separately set forth by the Commission, by order, in 2004.<sup>2</sup>

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<sup>2</sup> *In the Matter of Establishing Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities under Minnesota Laws 2001, Chapter 212, Docket No. E-999/CI-01-1023, Order Establishing Standards (September 28, 2004).*

The Commission considered incorporating by reference the Commission's order setting forth the interconnection standards but did not pursue that approach in anticipation of changes to those standards in the reasonably foreseeable future.

#### **7835.1200 – Availability of Filings**

All filings required by parts 7835.0300 to 7835.1100 must be ~~made with~~ filed in the commission's electronic filing system and be maintained at the utility's general office and any other offices of the utility where rate case filings are kept. These filings must be available for public inspection at the commission and at the utility offices during normal business hours.

It is necessary and reasonable to amend the current rule language to include language on the Commission's electronic filing system, consistent with Minn. Stat. § 216.17, which requires utilities to file documents with the Commission using the Commission electronic filing system.

#### **7835.1300 – General Reporting Requirements**

Each utility interconnected with a qualifying facility must provide the commission with the information in parts 7835.1400 to 7835.1800 annually on or before ~~November~~ March 1, 1984, and annually thereafter, and in such form as the commission may require.

It is necessary and reasonable to amend this rule provision to require filings to be made by March 1, instead of November 1, consistent with the Commission's recent decision varying the rule.<sup>3</sup> In that case, the Commission varied this rule part so that the reporting date would coincide with the reporting deadline for the annual distributed generation interconnection report, which is required under Minn. Stat. § 216B.1611.

The March date enables utilities to report information on a calendar year basis, by giving them sufficient time to prepare and file an annual report for the preceding calendar year. Further, using the same reporting deadlines for related reports increases efficiency and clarity. The rule variance granted by the Commission applies indefinitely, and amending this rule part makes it clear that the deadline is, in fact, is March 1.

#### **7835.2100 – Electrical Code Compliance with National Electrical Safety Code.**

Subpart 1. Compliance; standards. The interconnection between the qualifying facility and the utility must comply with the requirements of the National Electrical Safety Code, ~~1981 edition~~, issued by the Institute of Electrical and Electronics Engineers as ~~American National Standards Institute Standard C2 (New York, 1980).~~ The interconnection is subject to subparts 2 and 3.

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<sup>3</sup> This draft change is consistent with the Commission's decision granting a rule variance request to change the deadline for submitting the required reports from November 1 to March 1. See *In the Matter of Missouri River Energy Services Request for Approval of a Variance to Commission Rules Regarding Qualified Facilities Reporting*; Docket No. E-999/M-13-671 (Order dated September 25, 2013).

**Subpart 2. Interconnection.**

The interconnection customer is responsible for complying with all applicable Local, state, and federal codes, including building codes, the National Electric Code (NEC), the National Electric Safety Code (NESC), and noise and emissions standards. The Area Electric Power System will require proof of complying with the NEC before the interconnection is made. The interconnection customer must obtain installation approval from an electrical inspector recognized by the Minnesota State Board of Electricity.

**Subp. 2. Generation system.**

The Interconnection customer's generation system and installation must comply with the American National Standards Institute/Institute of Electrical and Electronics Engineers(ANSI/IEEE) standards applicable to the installation.

This proposed rule is necessary to include a more accurate citation to the National Electrical Safety Code. Further, it is necessary and reasonable to add two new subparts to more specifically describe the customer's responsibilities under that code, and it is reasonable to do so using language that references the code.

**7835.2600 – Types of Power to be Offered; Standby Service.**

Subp. 1. Service to be offered. The utility must offer maintenance, interruptible, supplementary, and backup power to the qualifying facility upon request.

Subp. 2. Standby service; public utility. A public utility may not impose a standby charge for standby service on a qualifying facility having 100 kilowatt capacity or less. A utility imposing rates on a qualifying facility having more than 100 kilowatt capacity must comply with an order of the commission establishing allowable costs.

Subp. 3. Standby service; cooperative or municipality. A cooperative electric association or municipal utility must offer a qualifying facility standby power or service consistent with its applicable tariff for such service adopted under Minnesota statutes, section 216B.1611, subdivision 3, clause (2).

This proposed rule incorporates recent statutory changes that prohibit standby charges on facilities with 100 kilowatts capacity or less.

Subpart 1 contains existing rule language requiring the utility to offer maintenance, interruptible, supplementary, and backup power to the qualifying facility upon request. Two of these (backup and maintenance) are included in the proposed rule definition of standby service.

Subpart 2 is necessary and reasonable to incorporate the statutory language that prohibits a public utility from imposing a standby charge on facilities with 100 kilowatt capacity or less.

This subpart also incorporates the statutory change that prohibits a public utility from imposing a standby charge on customers with more than 100 kilowatt capacity, except in accordance with an order of the Commission establishing allowable costs.

Subpart 3 is necessary and reasonable to set forth the requirements of a cooperative electric association or a municipal utility. The proposed rule clarifies that cooperatives and municipalities must offer standby service consistent with their applicable tariffs.

#### **7835.3000 – Rates for Utility Sales to a Qualifying Facility to be Governed by Tariff**

Except as otherwise provided in part 7835.3100, rates for sales to a qualifying facility must be governed by the applicable tariff for the class of electric utility customers to which the qualifying facility belongs or would belong were it not a qualifying facility.

This proposed rule includes a necessary and reasonable clarification stating that the applicable rate is the rate for the customer class to which the qualifying facility “belongs,” or the class to which it would belong if it were not a qualifying facility.

#### **7835.3150 Interconnection with Cooperative Electric Association or Municipal Utility**

Parts 7835.3200 to 7835.4000 apply to interconnections between a qualifying facility and a cooperative electric association or municipal utility.

This proposed rule is necessary and reasonable to clarify that the rule parts identified govern interconnections between a qualifying facility and either a cooperative electric association or municipal utility (not interconnections with a *public* utility, which are governed by separate proposed rule changes).

#### **7835.3200 – Standard Rates for Purchases by Cooperative Electric Associations and Municipal Utilities from Qualifying Facilities.**

##### **7835.3200 STANDARD RATES FOR PURCHASES IN GENERAL BY COOPERATIVE ELECTRIC ASSOCIATIONS AND MUNICIPAL UTILITIES FROM QUALIFYING FACILITIES.**

**Supb. 1. Qualifying facilities with 100 kilowatt capacity or less.** For qualifying facilities with capacity of 100 kilowatts or less, standard purchase rates apply. ~~Qualifying facilities with capacity of more than 100 kilowatts may negotiate contracts with the utility or may be compensated under standard rates if they make commitments to provide firm power.~~ The utility must make available three types of standard rates, described in parts 7835.3300, 7835.3400, and 7835.3500. The qualifying facility with a capacity of 100 kilowatts or less must choose interconnection under one of these rates, and must specify its choice in the written contract required in part 7835.2000. Any net credit to the qualifying facility must, at its option, be credited to its account with the utility or returned by check within 15 days of the billing date. The option chosen must be specified in the written contract required in part 7835.2000. Qualifying facilities remain responsible for any monthly service charges and demand charges specified in the

tariff under which they consume electricity from the utility.

**Subp. 2. Qualifying facilities over 100 kilowatt capacity.** A qualifying facility with more than 100 kilowatt capacity has the option to negotiate a contract with a utility, or if it commits to provide firm power, be compensated under standard rates.

This proposed rule includes a necessary and reasonable clarification under subpart 1 to more specifically state that the standard rates that apply are standard *purchase* rates. Further, it is necessary and reasonable to clarify the existing rule language by reorganizing the rule using two subparts, without amending the existing rule language now located in subpart 2.

### **7835.4010 through 7835.4015 – Interconnection with Public Utility.**

#### **7835.4010 INTERCONNECTION WITH PUBLIC UTILITY.**

Parts 7835.4011 to 7835.4023 apply to interconnections between a qualifying facility and a public utility.

#### **7835.4011 STANDARD RATES FOR PURCHASES BY PUBLIC UTILITIES FROM QUALIFYING FACILITIES.**

Subp. 1. Standard rates. For qualifying facilities with less than 1,000 kilowatt capacity, standard rates apply. The utility must make available the types of standard rates described in parts 7835.4012 to 7835.4015. Qualifying facilities remain responsible for any monthly service charges and demand charges specified in the tariff under which they consume electricity from the utility.

Subp. 2. Negotiated rates. A qualifying facility with 1,000 kilowatt capacity or more has the option to negotiate a contract with a utility, or if it commits to provide firm power, be compensated under standards rates.

#### **7835.4012 COMPENSATION.**

Subp. 1. Facilities with less than 40 kilowatt capacity. A qualifying facility with less than 40 kilowatt capacity has the option to be compensated at the net energy billing rate, the simultaneous purchase and sale billing rate, or the time-of-day billing rate.

Subp. 2. Facilities with at least 40 kilowatt capacity but less than 1,000 kilowatt capacity. A qualifying facility with at least 40 kilowatt capacity but less than 1,000 kilowatt capacity has the option to be billed at the simultaneous purchase and sale billing rate or at the time-of-day billing rate.

#### **7835.4013 AVERAGE RETAIL ENERGY RATE.**

Subp. 1. Method of billing. The utility must bill the qualifying facility for the energy supplied by the utility that exceeds the amount of energy supplied by the qualifying facility during each billing period according to the utility's applicable retail rate schedule.

Subp. 2. Additional calculations for billing. When the energy generated by the qualifying facility exceeds that supplied by the utility during a billing period, the utility must compensate the qualifying facility for the excess energy at the average retail utility energy rate.

#### **7835.4014 SIMULTANEOUS PURCHASE AND SALE BILLING RATE.**

Subp. 1. Method of billing. The qualifying facility must be billed for all energy and capacity it consumes during a billing period according to the utility's applicable retail rate schedule.

Subp. 2. Compensation to qualifying facility. The utility must purchase all energy and capacity which is made available to it by the qualifying facility. At the option of the qualifying facility, its entire generation must be deemed to be made available to the utility. Compensation to the qualifying facility must be the sum of items A and B.

A. The energy component must be the appropriate system average incremental energy costs shown on schedule A; or if the generating utility has not filed schedule A, the energy component must be the energy rate of the retail rate schedule, applicable to the qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has not filed schedule A, the energy component must be the energy rate shown on schedule H.

B. If the qualifying facility provides firm power to the utility, the capacity component must be the utility's net annual avoided capacity cost per kilowatt-hour averaged over all hours shown on schedule B; or if the generating utility has not filed schedule B, the capacity component must be the demand charge per kilowatt, if any, of the retail rate schedule, applicable to the qualifying facility, filed in lieu of schedules A and B, divided by the number of hours in the billing period; or if the nongenerating utility has not filed schedule B, the capacity component must be the capacity cost per kilowatt shown on schedule H, divided by the number of hours in the billing period. If the qualifying facility does not provide firm power to the utility, no capacity component may be included in the compensation paid to the qualifying facility.

#### **7835.4015 TIME-OF-DAY PURCHASE RATES.**

Subp. 1. Method of billing. The qualifying facility must be billed for all

energy and capacity it consumes during each billing period according to the utility's applicable retail rate schedule. Any utility rate-regulated by the commission may propose time-of-day retail rate tariffs which require qualifying facilities that choose to sell power on a time-of-day basis to also purchase power on a time-of-day basis.

Subp. 2. Compensation to qualifying facility. The utility must purchase all energy and capacity which is made available to it by the qualifying facility. Compensation to the qualifying facility must be the sum of items A and B.

A. The energy component must be the appropriate on-peak and off-peak system incremental costs shown on schedule A; or if the generating utility has not filed schedule A, the energy component must be the energy rate of the retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has not filed schedule A, the energy component must be the energy rate shown on schedule H.

B. If the qualifying facility provides firm power to the utility, the capacity component must be the utility's net annual avoided capacity cost per kilowatt-hour averaged over the on-peak hours as shown on schedule B; or if the generating utility has not filed schedule B, the capacity component must be the demand charge per kilowatt, if any, of the retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B, divided by the number of on-peak hours in the billing period; or if the nongenerating utility has not filed schedule B, the capacity component must be the capacity cost per kilowatt shown on schedule H, divided by the number of on-peak hours in the billing period. The capacity component applies only to deliveries during on-peak hours. If the qualifying facility does not provide firm power to the utility, no capacity component may be included in the compensation paid to the qualifying facility.

These proposed rules govern interconnections between a public utility and a qualifying facility with less than 1,000 kilowatt capacity. They set forth the applicable compensation rates for a customer's monthly energy production. The language comes from existing rules, which – prior to the proposed rule changes – apply these rates to all interconnections.<sup>4</sup> As a result of the recent statutory changes that increase the capacity limit to *up to 1,000 kilowatts* for qualifying facilities that interconnect to a *public* utility, it is necessary and reasonable to apply these rates to the larger facilities.

Customer compensation is based on the size of the system, for which there are two size categories: less than 40 kilowatt capacity; and at least 40 kilowatt capacity but less than 1,000 kilowatt capacity. The statute authorizes compensation at either the avoided cost rate or the average retail energy rate. The avoided cost rate is available to all qualifying facilities. But

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<sup>4</sup> See Minn. R. 7835.3200 through 7835.3500.

smaller facilities with less than 40 kW capacity and interconnected to a public utility have the option to be compensated for input into the utility's system at the average retail energy rate.

Under the proposed rule changes, the average retail energy rate (generally higher than the avoided cost rate) is described as the net energy billing rate. The avoided cost rate is made available using either the simultaneous purchase and sale billing rate, or the time-of-day purchase rate. Consistent with the statutory changes, a larger qualifying facility (with at least 40 kilowatt capacity but less than 1,000 kilowatt capacity) does not have the option to be compensated at the average retail energy rate and must be compensated at the avoided cost rate.

There is, however, an exception for larger facilities *if* the facility is a *net metered facility* with capacity of 40 kilowatts or greater but less than 1,000 kilowatts. A net metered facility is a facility that generates electricity from natural gas, renewable fuel, or a similarly clean fuel (which may include waste heat, cogeneration, or fuel cell technology). Under the statute, a customer with a net metered facility has the option to be compensated in the form of a kilowatt-hour credit on the customer's bill, which is, in effect, the average retail energy rate. This exception is further addressed in the discussion of rule parts 7835.4016 and 7835.4017 below.

Further, some comments from the committee suggested including compliance provisions to govern situations where the customer's production reaches 40 kW capacity or greater. The proposed rules do not, however, reach compliance issues. It is not clear to what extent compliance issues might arise under the statutory and rule changes, and further experience with these issues will assist informed decision-making. It is therefore not necessary at this time to include compliance provisions without experience to illustrate what provisions would be reasonable. Additionally, any compliance issues brought to the Commission can be decided on a case-by-case basis, using either the Commission's informal review process under Minn. R. Ch. 7829 or using contested case proceedings under Minn. Stat. Ch. 14.

#### **7835.4016– Individual System Capacity Limits.**

Subp 1. Applicability. Individual system capacity limits are subject to the requirements in Minnesota Statutes, section 216B.164, subdivision 4c.

Subp. 2. Usage history. A facility subject to capacity limits with less than 12 calendar months of actual electric usage or no demand metering available is subject to limits based on data for similarly situated customers combined with any actual data for the facility.

The statute authorizes a public utility to limit the total generation capacity of individual distributed generation systems, including wind and solar generation systems.<sup>5</sup> The limits apply to customers with a system having at least 40 kilowatt capacity but less than 1,000 kilowatt capacity. A customer governed by this provision has the option to be compensated for net input in the form of a kilowatt-hour credit on the customer's bill, which is, in effect, the retail rate.

For wind, the capacity limit is based on maximum electric demand. For solar and all other distributed generation, the capacity limit is based on annual electric energy consumption. These

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<sup>5</sup> Minn. Stat. § 216B.164, subd. 4c.

limits are based on usage during the previous 12 calendar months or based on a reasonable estimate if there is less than 12 calendar months of actual electric usage or if there is no demand metering available.

The proposed rule language is necessary and reasonable to incorporate the statutory changes. Further, the proposed rule clarifies the statute's use of a reasonable estimate for a facility with less than 12 calendar months of actual electric usage. It is necessary and reasonable to incorporate a standard method of determining an estimate.

Some advisory committee members suggested including compliance provisions to govern situations where the customer's production exceeds capacity limits. The proposed rules do not, however, reach compliance issues. It is not clear to what extent compliance issues might arise under the statutory and rule changes, and further experience with these issues will assist informed decision-making. It is therefore not necessary at this time to include compliance provisions without experience to illustrate what provisions would be reasonable. Additionally, any compliance issues brought to the Commission can be decided on a case-by-case basis, using either the Commission's informal review process under Minn. R. Ch. 7829 or using contested case proceedings under Minn. Stat. Ch. 14.

#### **7835.4017 – Net Metered Facility. Bill Credits.**

Subp. 1. Kilowatt-hour credit. A customer with a net metered facility can elect to be compensated for net input into the utility's system in the form of a kilowatt-hour-credit on the customer's bill, subject to Minnesota Statutes, section 216B.164, subdivision 3a, and the following conditions:

- A) the customer is not receiving a value of solar rate under Minnesota Statutes, section 216B.164, subdivision. 10;
- B) the customer is interconnected with a public utility; and
- C) the net metered facility has a capacity of at least 40 kilowatt capacity but less than 1,000 kilowatt capacity.

Subp. 2. Notification to customer. A public utility must notify the customer of the option to be compensated for net input in the form of a kilowatt-hour credit under subpart 1. The public utility must inform the customer that if the customer does not elect to be compensated for net input in the form of a kilowatt-hour credit on the bill, the customer will be compensated for the net input at the utility's avoided cost rate, as described in the utility's tariff for that customer class.

Subp. 3. End-of-year net input. A public utility must compensate the customer, in the form of a payment, for any net input remaining at the end of the calendar year at the utility's avoided cost rate, as described in the utility's tariff for that class of customer.

This proposed rule incorporates statutory changes governing net metered facilities. The statute permits a customer participating in net metering to be compensated for net input into the utility's system in the form of a kilowatt-hour credit on the customer's bill.

While the statute states that the customer has the option to be compensated for the customer's net input into the utility system in the form of a kilowatt-hour credit on the bill carried forward and applied to subsequent energy bills, the statute also states that any net input supplied by the customer during a calendar year must be compensated at the *applicable* rate.

Compensation in the form of a kilowatt-hour credit on the bill is, in effect, the retail rate. The statute does not, however, clarify what rate applies to a customer's remaining net input balance at the end of a calendar year. The Commission received comments suggesting that the rules clarify the applicable rate. Some comments recommended using the avoided cost rate as the "applicable rate" and suggested that a utility's tariff prescribing applicable avoided cost billing rates would apply. Other comments stated that the applicable rate should be the retail rate, which is usually higher than the avoided cost rate.

It is necessary to clarify at what rate a utility must compensate a customer, and it is reasonable to limit compensation for net input at the end of a calendar year to the avoided cost rate applicable to that class of customer. This approach strikes an even balance between furthering the statutory goal of encouraging customers to offset their energy use and limiting incentives to produce energy beyond what is needed by the customer.

#### **7835.4018 – Aggregation of Meters**

A public utility must aggregate meters at the request of a customer as described in Minnesota Statutes, section 216B.164, subdivision 4a.

This proposed rule includes a necessary and reasonable reference to the statutory provision governing aggregation of meters to clarify that regulated entities are subject to the statutory provision cited.

#### **7835.4019 – Qualifying Facilities of 1,000 Kilowatt Capacity or More**

A qualifying facility with capacity of 1,000 kilowatt capacity or more must negotiate a contract with the utility to set the applicable rates for payments to the customer of avoided capacity and energy costs. Nothing in parts 7835.4010 to 7835.4015 prevents a utility from connecting qualifying facilities of greater than 1,000 kilowatt capacity under its avoided cost rates.

This proposed rule adds language governing facilities with 1,000 kilowatt capacity or more. The proposed language extends existing rule language that is applicable to smaller facilities.<sup>6</sup> Prior to the statutory changes, a facility with 40 kilowatts capacity or more was required to negotiate a contract with the utility to set applicable rates. The proposed rule is necessary and reasonable to apply the same standard to larger facilities by requiring the parties to negotiate a contract that

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<sup>6</sup> See Minn. R. 7835.3600.

sets the applicable rates for facilities interconnected to a public utility with a capacity of 1,000 kilowatts or more.

**7835.4020 – Amount of Capacity Payments; Considerations.**

The qualifying facility which negotiates a contract under part 7835.4019 must be entitled to the full avoided capacity costs of the utility. The amount of capacity payments must be determined through consideration of:

- A. the capacity factor of the qualifying facility;
- B. the cost of the utility's avoidable capacity;
- C. the length of the contract term;
- D. reasonable scheduling of maintenance;
- E. the willingness and ability of the qualifying facility to provide firm power during system emergencies;
- F. the willingness and ability of the qualifying facility to allow the utility to dispatch its generated energy;
- G. the willingness and ability of the qualifying facility to provide firm capacity during system peaks;
- H. the sanctions for noncompliance with any contract term; and
- I. the smaller capacity increments and the shorter lead times available when capacity is added from qualifying facilities.

This proposed rule is necessary and reasonable to extend existing rule language governing capacity payments (applicable to cooperative electric associations and municipal utilities) to interconnections between a public utility and facilities with 1,000 kilowatts or more.<sup>7</sup>

**7835.4021 – Utility Treatment of Costs**

All purchases from qualifying facilities with capacity of less than 40 kilowatt and purchases of energy from qualifying facilities with capacity of 40 kilowatt or more must be considered an energy cost in calculating a utility's fuel adjustment clause.

This proposed rule is necessary and reasonable to extend existing rule language governing utility treatment of costs (applicable to cooperative electric associations and municipal utilities) to interconnections with a public utility.<sup>8</sup>

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<sup>7</sup> See Minn. R. 7835.3700.

<sup>8</sup> See Minn. R. 7835.4000.

### **7835.4022 – Limiting Cumulative Generation**

A public utility requesting that the commission limit cumulative generation of net metered facilities under Minnesota Statutes, section 216B.164, subdivision 4b, must file its request with the commission under chapter 7829.

This proposed rule includes a reference to the statutory provision governing cumulative generation. It is necessary and reasonable to clarify that limits on cumulative generation are subject to the statutory provision cited.

### **7835.4023 – Alternative Tariff for Value of Solar**

If a public utility has received commission approval of an alternative tariff for the value of solar under Minnesota Statutes, section 216B.164, subdivision 10, the tariff applies to new solar photovoltaic interconnections effective after the tariff approval date.

This proposed rule includes a reference to the statutory provision governing the value of solar. It is necessary and reasonable to clarify that applying a value of solar rate is subject to the statutory provision cited.

### **7835.4750 – Interconnection Standards**

Prior to signing the uniform statewide contract, a utility must distribute to each customer a copy of, or electronic link to, the commission's order establishing interconnection standards dated September 28, 2004 in docket number E-999/CI-01-1023. The utility must provide each customer a copy of, or electronic link to, subsequent changes made by the commission to any of those standards.

Several existing rule provisions contain interconnection standards or guidelines. The rule standards are not, however, nearly as extensive as the interconnection standards set by the Commission in 2004.<sup>9</sup> The Commission's 2004 standards were implemented consistent with a statutory directive under Minn. Stat. § 216B.1611 and apply to each public utility. Cooperative electric associations and municipal electric utilities were required to adopt tariffs consistent with those standards.

The Commission considered incorporating by reference the Commission's order setting forth the current interconnection standards but did not pursue that approach in anticipation of changes to those standards in the reasonably foreseeable future. The proposed rule therefore requires the utility to provide a customer a copy of, or link to, the Commission's standards and any subsequent changes.

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<sup>9</sup> *In the Matter of Establishing Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities under Minnesota Laws 2001, Chapter 212, Docket No. E-999/CI-01-1023, Order Establishing Standards (September 28, 2004).*

The draft therefore also repeals the following rules that include interconnection standards and that were codified prior to the Commission's order establishing interconnection standards: 7835.2300; 7835.2500; 7835.2700; 7835.2900 and parts 7835.4800 through .5800.

Some advisory committee members identified two other issues for further development: whether to require a production meter at every customer site and whether to require that the customer's system be sized based on customer consumption. The proposed rules do not reach these issues, and the statute does not address them.

The Commission's 2004 interconnection standards set forth generation metering, monitoring, and reporting requirements, which vary depending on the method of interconnection and size of the generation system. They do not require a production meter at every site, and revisiting the Commission's interconnection standards would appear to be the most appropriate method for further exploring this issue.

There were concerns that without any system sizing requirement, production could exceed consumption and increase net input to unanticipated levels, possibly raising safety and reliability issues for the utility's system, and some committee members therefore suggested including a system size requirement in the rules. The statute, however, incentivizes limits on production by making available the retail compensation rate to customers operating within applicable limits. The lower, avoided cost rate applies if the customer's production exceeds those limits. Further, revisiting the Commission's interconnection standards would appear to be the most appropriate method for addressing issues governing technical requirements and specifications for facility size.

#### **7835.5900 – Existing Contracts**

Any existing interconnection ~~contracts~~ ~~contract~~ executed between a utility and a qualifying facility with installed capacity of less than 40 kilowatts before November 13, 1984, may be canceled and replaced with the uniform statewide contract at the option of either party by either party giving the other written notice remains in force until terminated by mutual agreement of the parties. ~~The notice is effective upon the shortest period permitted under the existing contract for termination, but not less than ten nor more than 30 days.~~

This proposed rule incorporates the recent statutory changes governing use of the uniform statewide contract. It is both necessary and reasonable to clarify that an existing contract remains in force until terminated by mutual agreement of the parties.

#### **7835.5950 – Renewable Energy Credit. Ownership**

A qualifying facility owns all renewable energy credits unless other ownership is expressly provided for in the contract between the generator and a utility under part 7835.9910.

This proposed rule incorporates the Commission's recent decision on Renewable Energy Credits ownership.<sup>10</sup> It is reasonable and necessary to include rule language on renewable energy credit ownership and to do so consistent with the Commission's recent decision on the issue.

### 7835.9910 – Uniform Statewide Contract; Form

The form for the uniform statewide contract ~~for use~~ must be applied to all new and existing interconnections between a utility and cogeneration and small power production facilities having less than 40 1,000 kilowatts of capacity: ~~is as follows:~~ except as described in part 7835.5900.

#### UNIFORM STATEWIDE CONTRACT FOR COGENERATION AND SMALL POWER PRODUCTION FACILITIES

THIS CONTRACT is entered into \_\_\_\_\_, \_\_\_\_\_, by  
\_\_\_\_\_ (hereafter called "Utility") and

\_\_\_\_\_ (hereafter called "QF").

#### RECITALS

The QF has installed electric generating facilities, consisting of

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (Description of facilities), rated at less than 40 \_\_\_\_\_ kilowatts of electricity, on property located at

\_\_\_\_\_

The QF is prepared to generate electricity in parallel with the Utility.

The QF's electric generating facilities meet the requirements of the Minnesota Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and Small Power Production and any technical standards for interconnection the Utility has established that are authorized by those rules.

The Utility is obligated under federal and Minnesota law to interconnect with the QF and to purchase electricity offered for sale by the QF.

A contract between the QF and the Utility is required by the Commission's rules.

#### AGREEMENTS

The QF and the Utility agree:

1. The Utility will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.

2. The Utility will buy electricity from the QF under the current rate schedule filed with the Commission. The QF ~~has elected~~ elects the rate schedule category hereinafter indicated (~~select one~~):

\_\_\_\_ a. Net energy billing rate under part 7835.3300.

<sup>10</sup> *In the Matter of a Commission Inquiry into Ownership of Renewable Energy Credits Used to Meet Minnesota Requirements*, Docket No. E-999/C1-13-720, Order Determining Renewable Energy Credit Ownership Under Minn. Stat. § 216B.164 (July 22, 2014).

- \_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.3400.
- \_\_\_ c. Time-of-day purchase rates under part 7835.3500.

A copy of the presently filed rate schedule is attached to this contract.

3. The Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated:

- \_\_\_ a. Net energy billing rate under part 7835.4013.
- \_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.4014.
- \_\_\_ c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

4. The Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has at least 40 kilowatts capacity but less than 1,000 kilowatt capacity, the QF elects the rate schedule category hereinafter indicated:

- \_\_\_ a. Simultaneous purchase and sale billing rate under part 7835.4014.
- \_\_\_ b. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

3 5. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Utility or of the Commission, and the QF and the Utility agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.

4 6. The Utility will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF will be made under one of the following options as chosen by the QF:

- \_\_\_ 1. Credit to the QF's account with the Utility.
- \_\_\_ 2. Paid by check to the QF within 15 days of the billing date.

7. Renewable energy credits associated with generation from the facility are owned by:

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5 8. The QF must operate its electric generating facilities within any rules, regulations, and policies adopted by the Utility not prohibited by the Commission's rules on Cogeneration and Small Power Production which provide reasonable technical connection and operating specifications for the QF. This agreement does not waive the QF's right to bring a dispute before the Commission as authorized by Minnesota Rules, ~~parts 7835.4800, 7835.5800, and, part 7835.4500~~; and any other provision of the Commission's rules on Cogeneration and Small Power Production authorizing Commission resolution of a dispute.

6 9. The Utility's rules, regulations, and policies must conform to the Commission's rules on Cogeneration and Small Power Production.

7 10. The QF will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance.

8 11. The QF is responsible for the actual, reasonable costs of interconnection which are estimated to be \$\_\_\_\_\_. The QF will pay the Utility in this way:

\_\_\_\_\_

9 12. The QF will give the Utility reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Utility's side of the interconnection. If the Utility enters the QF's property, the Utility will remain responsible for its personnel.

10 13. The Utility may stop providing electricity to the QF during a system emergency. The Utility will not discriminate against the QF when it stops providing electricity or when it resumes providing electricity.

11 14. The Utility may stop purchasing electricity from the QF when necessary for the Utility to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Utility will notify the QF before it stops purchasing electricity in this way:

\_\_\_\_\_

12 15. The QF will keep in force liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be \$\_\_\_\_\_ (~~The utility may not require an amount greater than \$300,000~~ amount must be consistent with the Commission's interconnection standards under rule part 7835.4750).).

13 16. This contract becomes effective as soon as it is signed by the QF and the Utility. This contract will remain in force until either the QF or the Utility gives written notice to the other that the contract is canceled. This contract will be canceled 30 days after notice is given.

14 17. This contract contains all the agreements made between the QF and the Utility except that this contract shall at all times be subject to all rules and orders issued by the Public Utilities Commission or other government agency having jurisdiction over the subject matter of this contract. The QF and the Utility are not responsible for any agreements other than those stated in this contract.

THE QF AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT THE BEGINNING OF THIS CONTRACT.

QF

By: \_\_\_\_\_

UTILITY

By: \_\_\_\_\_

(Title)

This proposed rule contains necessary and reasonable changes to the uniform statewide contract that correspond to proposed rule changes affecting the terms and conditions contained in the contract. Specifically, under "Recitals," the description of a facility with "less than 40 kilowatts" is changed to ensure that interconnections with facilities having less than 1,000 kilowatt capacity

are governed by the contract, consistent with the recent statutory changes. The customer will instead specify the size of the facilities.

There are necessary and reasonable clarifications to Agreement terms 2 through 4 of the contract. These changes list the billing options available to larger facilities, consistent with the statutory changes and proposed rule changes to parts 7835.4013 through 7835.4015. Agreement term 7 is new and requires that the contract list the owner of renewable energy credits, consistent with proposed rule part 7835.5950, which governs ownership of renewable energy credits. Agreement term 15 includes a necessary and reasonable clarification to strike language setting a limit on liability insurance. Liability insurance is governed by the Commission's order setting interconnection standards, and those standards are referred to in proposed rule part 7835.4750.

### **7835.9920 – Non-standard Provisions**

A utility intending to implement provisions other than those included in the uniform statewide form of contract must file a request for authorization with the commission. The filing must conform to chapter 7829 and must identify all provisions the utility intends for use in its contract with a qualifying facility.

This proposed rule is necessary and reasonable to permit a utility to implement non-standard provisions approved by the Commission. It is reasonable to require the filing to be made consistent with the Commission's rules of practice and procedure.

## **VII. REGULATORY ANALYSIS**

The Administrative Procedure Act requires the statement of need and reasonableness to address the regulatory issues set forth and addressed below.

**(1) A description of the class of persons who will probably be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule. Minn. Stat. § 14.131 (1).**

The following persons will probably be affected by the proposed rules:

- Minnesota utilities providing retail electric service.
- Retail electric customers installing cogeneration or distributed generation facilities to offsetting their energy use.
- Retail electric customers whose utility providers will purchase energy production, including renewable energy production, from qualifying facilities.

The following persons will probably bear the costs of the proposed rules:

- Minnesota electric retail utilities, which must implement the rule's requirements.
- Public utility ratepayers, whose rates could ultimately reflect any long-term cost increases resulting from compliance.

The following persons will probably benefit from the proposed rule:

- Retail electric customers, who will offset their energy costs by producing their own electricity.
- Retail electric customers, who will offset reliability concerns during outages by using electricity they are producing.
- Utilities providing retail electric service and their customers, who will benefit from increased energy efficiency, including increased use of renewable energy resources.
- Utilities providing retail electric service and their customers, who will experience environmental benefits from increased energy efficiency, including increased use of renewable energy resources.
- Government agencies with regulatory responsibilities whose enforcement responsibilities will be clearer under rules consistent with recent statutory changes.

**(2) The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues. Minn. Stat. § 14.131 (2).**

The proposed rules will make claims on the resources of the Commission and the Department of Commerce, the agencies with regulatory responsibilities for utilities implementing the proposed changes, and possibly on the Antitrust and Utilities Division of the Office of the Attorney General, which represents the interests of residential and small business ratepayers. In relation to existing rules, however, the probable costs to these agencies to implement and enforce the proposed rules are negligible.

The Commission does not expect this rule to have any effect on state revenues.

**(3) A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule. Minn. Stat. § 141.131 (3).**

The proposed rules were developed to comply with recent statutory changes, and no less costly or less intrusive methods were identified by stakeholders or the Commission in the course of rule development.

**(4) A description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule. Minn. Stat. § 141.131 (4)**

The Commission concluded that the statutory changes required amending the rules to comply with those changes, precluding use of other less intrusive or less costly approaches.

**(5) The probable costs of complying with the proposed rules. Minn. Stat. § 14.131. (5)**

The proposed rules do not impose costs on anyone. Without the proposed rule changes, compliance with, and enforcement of, the rules could ultimately result in increased costs by creating uncertainty as to how the rules apply or by requiring frequent rule variances.

**(6) The probable costs or consequences of not adopting the proposed rule, including those costs or consequences borne by identifiable categories of affected parties, such as separate classes of government units, businesses, or individuals; Minn. Stat. § 14.131. (6)**

The rules are necessary to incorporate recent statutory changes, which the Legislature implemented in 2013. In the absence of a rule change, the existing rules would not comply with the changes made to Minn. Stat. § 216B.164. This could hinder both enforcement and compliance with applicable law. Only through this rulemaking proceeding can the Commission's rules be updated to effectively incorporate the legislative changes, and therefore the Commission has determined there is no other less costly or less intrusive method for achieving the purpose of the proposed rule.

**(7) An assessment of any differences between the proposed rule and existing federal regulations and a specific analysis of the need for and reasonableness of each difference. Minn. Stat. § 14.131 (7)**

The Commission has examined the federal regulations and is not aware of any differences between the proposed rules and any federal regulations.

**(8) An assessment of the cumulative effect of the rule with other federal and state regulations related to the specific purpose of the rule. Minn. Stat. § 14.131 (8)**

The Commission is not aware of any cumulative effects of the rule with other federal and state regulations related to the specific purpose of the rule, which is to govern interconnections with qualifying facilities having less than 1,000 kilowatt capacity consistent with recent statutory changes. The Commission worked with an advisory committee during this rulemaking proceeding and no one on the committee or attending the advisory committee meetings identified any such cumulative effects.

## **VIII. CONSIDERATION OF PERFORMANCE BASED REGULATORY SYSTEMS**

Minn. Stat. § 14.002 requires agencies to develop rules and regulatory programs that emphasize superior achievement in meeting regulatory goals while retaining maximum flexibility for agencies and regulated parties in meeting those goals. Minn. Stat. § 14.131 requires agencies to explain in their statements of need and reasonableness how they have taken this legislative policy into account.

The Commission was guided by performance-based regulatory principles as it developed these rules. The rules incorporate recent statutory changes and extend duties and burdens no further than is necessary to incorporate the legislative changes.

## IX. COST OF RULE COMPLIANCE

The Commission has consulted with the Department of Minnesota Management and Budget (MMB), as required by Minnesota Statutes § 14.131, to help evaluate the fiscal impact and fiscal benefits of the proposed rule on local units of government. MMB stated that it did not appear that the proposed rule changes would result in significant costs to local units of government.

MMB stated that the potential fiscal impacts on local units of government relate to their status as ratepayers of a utility. As a customer, a local unit of government could offset its energy usage, resulting in cost savings, depending on the investments (such as solar panels) made to produce its own energy. The proposed rule changes could also affect local units of governments as ratepayers, whose rates could ultimately reflect any long-term cost increases resulting from compliance. Requested rate changes by a public utility are, however, subject to contested case proceedings and Commission review.

MMB also stated that the proposed rule amendments could possibly impact municipal electric utilities and cooperative electric associations, who will be affected by changes that, for example, amend filing requirements to increase efficiency.

While Minnesota Statutes § 14.127 directs agencies to evaluate the cost its rules will impose on small businesses or cities, the proposed rules are exempt from this requirement. See Minnesota Statutes § 14.127, subdivision 4(d).

## X. EFFECTS ON LOCAL GOVERNMENTS

The Commission has determined, under Minn. Stat. § 14.128, that no local unit of government will be required to adopt or amend an ordinance or other regulation to comply with the proposed rule changes governing cogeneration and small power production.

The Commission makes this determination based on its Statement of Need and Reasonableness (SONAR), the comments received, the review conducted by the Commissioner of Management and Budget, and the input and feedback provided by the advisory committee.

On pages 23 and 24 of the SONAR, the Commission identified persons who would likely be affected by and bear the costs of the rules. These include utilities providing retail electric service and their ratepayers. The rules do not impose specific requirements, administrative burdens, or costs on local units of government. The Commission has therefore determined that local governments will not be required to adopt or amend ordinances or other regulations to comply with the proposed rules.

Furthermore, the Commission consulted with the Commissioner of Management and Budget, as required by Minn. Stat. § 14.131. The Commissioner of Management and Budget determined that it does not appear that there will be a significant cost to local units of government.

Additionally, neither the comments received from stakeholders nor the feedback from the advisory committee indicated that local governments would be significantly affected by, or required to adopt or amend local regulations to comply with, the proposed rules.

## XI. LIST OF WITNESSES

The Commission does not plan to rely on any non-agency witnesses at any rule hearing.

## XII. ADDITIONAL NOTICE PLAN

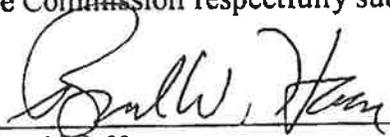
To ensure the public has sufficient notice to participate in a proposed rulemaking, the Administrative Procedure Act requires agencies to take certain prescribed steps to publicize their rulemakings. In addition, Minnesota Statutes § 14.14, subdivision 1a requires agencies to make unspecified additional efforts to notify persons who might be affected by proposed rules, and § 14.131 requires agencies to describe these efforts in their Statements of Need and Reasonableness.

The Commission plans to publicize its proposed rule changes in the following manner:

- Publishing the Notice of Intent to Adopt Rules, and text of the proposed rule changes, in the *State Register*.
- Mailing a copy of the Notice of Intent to Adopt Rules to everyone who has requested to receive it pursuant to Minnesota Statutes § 14.14, subdivision 1a.
- Giving notice to the Legislature as required by Minnesota Statutes § 14.116.
- Publishing the Notice of Intent to Adopt Rules and this Statement of Need and Reasonableness, including the text of the proposed rules, on the Commission's website at <http://mn.gov/puc/index.html>.
- Mailing the Notice of Intent to Adopt Rules to Minnesota's electric utilities.
- Mailing the Notice of Intent to Adopt Rules to everyone on the Commission's official service list for this proceeding.
- Issuing a press release to all newspapers of general circulation throughout the state.

## XIII. CONCLUSION

For all the reasons set forth above, the Commission respectfully submits that the proposed rules are both needed and reasonable.

  
\_\_\_\_\_  
Burl W. Haar  
Executive Secretary

**E.**

**Notice of Intent to Adopt Rules as Mailed  
and as Published in the State Register  
on December 29, 2014**

## Minnesota Public Utilities Commission

**DUAL NOTICE: Notice of Intent to Adopt Rules Without a Public Hearing Unless 25 or More Persons Request a Hearing, and Notice of Hearing if 25 or More Requests for Hearing Are Received; Revisor's ID Number R-04214**

**Proposed Amendment to Rules Governing Cogeneration and Small Power Production, *Minnesota Rules*, Chapter 7835, Including Repeal of Minn. R. parts 7835.2300; 7835.2500; 7835.2700; 7835.2900; 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400; 7835.5500; 7835.5600; 7835.5700; and 7835.5800.**

**Introduction.** The Public Utilities Commission intends to adopt rules without a public hearing following the procedures in the rules of the Office of Administrative Hearings, *Minnesota Rules*, parts 1400.2300 to 1400.2310, and the Administrative Procedure Act, *Minnesota Statutes*, sections 14.22 to 14.28. If, however, 25 or more persons submit a written request for a hearing on the rules by 4:30 p.m. on February 4, 2015, the Commission will hold a public hearing in the Large Hearing Room, Suite 350, 121 Seventh Place East, Saint Paul, Minnesota 55101, starting at 10:00 a.m. on Wednesday, February 25, 2015. To find out whether the Commission will adopt the rules without a hearing or if it will hold the hearing, you should contact the agency contact person after February 4, 2015 and before February 25, 2015.

**Agency Contact Person.** Submit any comments or questions on the rules or written requests for a public hearing to the agency contact person. The agency contact person is: Kate Kahlert, Public Utilities Commission, 121 Seventh Place East, Suite 350, Saint Paul, Minnesota 55101; Phone: 651-201-2239; Fax: 651-297-7073; and *email* at: [kate.kahlert@state.mn.us](mailto:kate.kahlert@state.mn.us).

**Subject of Rules and Statutory Authority.** The proposed rules govern Cogeneration and Small Power Production. The following rule parts will be repealed: Minn. R. parts 7835.2300; 7835.2500; 7835.2700; 7835.2900; 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400; 7835.5500; 7835.5600; 7835.5700; and 7835.5800.

The proposed rules incorporate recent statutory changes to Minn. Stat. § 216B.164, which governs interconnections between utilities and cogeneration or small power producer facilities (qualifying facilities). Specifically, the proposed rule amendments increase the capacity limit on qualifying facilities interconnected with a public utility to *less than 1,000 kilowatt capacity* from less than *40 kilowatt capacity*.

The proposed rules also incorporate statutory changes that affect: standby charges on facilities under 100 kW; billing compensation rates for facilities; limits on cumulative generation; requirements for aggregating customers' meters; capacity limits on wind, solar, and other distributed generation facilities; and the uniform statewide contract. The proposed rules also repeal rules governing interconnection guidelines and include housekeeping changes to increase clarity.

The statutory authority to adopt the rules is *Minnesota Statutes*, sections 216A.05, 216B.08, and 216B.164. A copy of the proposed rules is published in the *State Register* and attached to this notice as mailed.

**Comments.** You have until 4:30 p.m. on Wednesday, February 4, 2015, to submit written comment in support of or in opposition to the proposed rules or any part or subpart of the rules. Your comment must be in writing and received by the agency contact person by the due date. Comment is encouraged. Your comments should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed. You are encouraged to propose any change that you desire. Any comments that you have about the legality of the proposed rules must also be made during this comment period. Please refer to Docket No. E-999/R-13-729 in your comments. You may also electronically file your comments using the Commission's electronic filing system located at: <https://www.edockets.state.mn.us/EFiling>.

**Request for a Hearing.** In addition to submitting comments, you may also request that the Commission hold a hearing on the rules. You must make your request for a public hearing in writing, which the agency contact person must receive by 4:30 p.m. on February 4, 2015. You must include your name and address in your written request. In addition, you must identify the portion of the proposed rules that you object to or state that you oppose the entire set of rules. Any request that does not comply with these requirements is not valid and the agency cannot count it when determining whether it must hold a public hearing. You are also encouraged to state the reason for the request and any changes you want made to the proposed rules.

**Withdrawal of Requests.** If 25 or more persons submit a valid written request for a hearing, the Commission will hold a public hearing unless a sufficient number of persons withdraw their requests in writing. If enough requests for hearing are withdrawn to reduce the number below 25, the agency must give written notice of this to all persons who requested a hearing, explain the actions the agency took to effect the withdrawal, and ask for written comments on this action. If a public hearing is required, the agency will follow the procedures in *Minnesota Statutes*, sections 14.131 to 14.20.

**Alternative Format/Accommodation.** Upon request, this information can be made available in an alternative format, such as large print, braille, or audio. To make such a request or if you need an accommodation to make this hearing accessible, please contact the agency contact person at the address or telephone number listed above.

**Modifications.** The Commission might modify the proposed rules, either as a result of public comment or as a result of the rule hearing process. It must support modifications by data and views submitted to the agency or presented at the hearing. The adopted rules may not be substantially different than these proposed rules unless the Commission follows the procedure under *Minnesota Rules*, part 1400.2110. If the proposed rules affect you in any way, the Commission encourages you to participate in the rulemaking process.

**Cancellation of Hearing.** The Commission will cancel the hearing scheduled for February 25, 2015, if the agency does not receive requests for a hearing from 25 or more persons. If you requested a public hearing, the agency will notify you before the scheduled hearing whether the hearing will be held. You may also call the agency contact person at 651-201-2239 after February 4, 2015 to find out whether the hearing will be held. On the scheduled day, you may check for whether the hearing will be held by calling 651-201-2239 or going on-line at: <http://mn.gov/puc/index.html>.

**Notice of Hearing.** If 25 or more persons submit valid written requests for a public hearing on the rules, the Commission will hold a hearing following the procedures in *Minnesota Statutes*, sections 14.131 to 14.20. The Commission will hold the hearing on the date and at the time and place listed above. The hearing will continue until all interested persons have been heard. Administrative Law Judge James Mortenson is assigned to conduct the hearing. Judge Mortenson's Legal Assistant Denise Collins can be reached at the Office of Administrative Hearings, 600 North Robert Street, P.O. Box 64620, Saint Paul, Minnesota 55164-0620, telephone 651-361-7900, and FAX 651-361-7936.

**Hearing Procedure.** If the Commission holds a hearing, you and all interested or affected persons, including representatives of associations or other interested groups, will have an opportunity to participate. You may present your views either orally at the hearing or in writing at any time before the hearing record closes. All evidence presented should relate to the proposed rules. You may also submit written material to the Administrative Law Judge to be recorded in the hearing record for five working days after the public hearing ends. At the hearing the Administrative Law Judge may order that this five-day comment period is extended for a longer period but not more than 20 calendar days. Following the comment period, there is a five-working-day rebuttal period when the agency and any interested person may respond in writing to any new information submitted. No one may submit additional evidence during the five-day rebuttal period. The Office of Administrative Hearings must receive all comments and responses submitted to the Administrative Law Judge no later than 4:30 p.m. on the due date. All comments or responses received will be available for review at the Office of Administrative Hearings. This rule hearing procedure is governed by *Minnesota Rules*, parts 1400.2000 to 1400.2240, and *Minnesota Statutes*, sections 14.131 to 14.20. You may direct questions about the procedure to the Administrative Law Judge.

The agency requests that any person submitting written views or data to the Administrative Law Judge before the hearing or during the comment or rebuttal period also submit a copy of the written views or data to the agency contact person at the address stated above.

**Statement of Need and Reasonableness.** The statement of need and reasonableness summarizes the justification for the proposed rules, including a description of who will be affected by the proposed rules and an estimate of the probable cost of the proposed rules. It is now available from the agency contact person. You may review or obtain copies for the cost of reproduction by contacting the agency contact person or on the Commission website at: <http://mn.gov/puc/index.html>.

**Lobbyist Registration.** *Minnesota Statutes*, chapter 10A, requires each lobbyist to register with the State Campaign Finance and Public Disclosure Board. Ask any questions about this requirement of the Campaign Finance and Public Disclosure Board at: Suite #190, Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155, telephone 651-539-1180 or 1-800-657-3889.

**Adoption Procedure if No Hearing.** If no hearing is required, the agency may adopt the rules after the end of the comment period. The Commission will submit the rules and supporting documents to the Office of Administrative Hearings for a legal review. You may ask to be notified

of the date the rules are submitted to the office. If you want either to receive notice of this, to receive a copy of the adopted rules, or to register with the agency to receive notice of future rule proceedings, submit your request to the agency contact person listed above.

**Adoption Procedure After a Hearing.** If a hearing is held, after the close of the hearing record, the Administrative Law Judge will issue a report on the proposed rules. You may ask to be notified of the date that the Administrative Law Judge's report will become available, and can make this request at the hearing or in writing to the Administrative Law Judge. You may also ask to be notified of the date that the agency adopts the rules and the rules are filed with the Secretary of State by requesting this at the hearing or by writing to the agency contact person stated above.

**Order.** I order that the rulemaking hearing be held at the date, time, and location listed above.

December 18, 2014  
Date

  
\_\_\_\_\_  
Burl W. Haar  
Executive Secretary

1.1 **Public Utilities Commission**

1.2 **Proposed Permanent Rules Relating to Cogeneration and Small Power Production**

1.3 **7835.0100 DEFINITIONS.**

1.4 [For text of subps 1 to 3, see M.R.]

1.5 Subp. 4. **Capacity.** "Capacity" means the capability to produce, transmit, or deliver  
1.6 electric energy, and is measured by the number of megawatts alternating current at the  
1.7 point of common coupling between a qualifying facility and a utility's electric system.

1.8 Subp. 5. **Capacity costs.** "Capacity costs" means the costs associated with providing  
1.9 the capability to deliver energy. ~~They consist of~~ The utility capital costs consist of  
1.10 facilities used to generate, transmit, and distribute electricity and the fixed operating  
1.11 and maintenance costs of these facilities.

1.12 [For text of subp 6, see M.R.]

1.13 Subp. 6a. **Customer.** "Customer" means the person named on the utility electric  
1.14 bill for the premises.

1.15 [For text of subps 7 to 15, see M.R.]

1.16 Subp. 15a. **Net metered facility.** "Net metered facility" means an electric generation  
1.17 facility constructed for the purpose of offsetting energy use through the use of renewable  
1.18 energy or high-efficiency distributed generation sources.

1.19 [For text of subps 16 and 17, see M.R.]

1.20 Subp. 17a. **Public utility.** "Public utility" has the meaning given in Minnesota  
1.21 Statutes, section 216B.02, subdivision 4.

1.22 [For text of subp 18, see M.R.]

1.23 Subp. 19. **Qualifying facility.** "Qualifying facility" means a cogeneration or small  
1.24 power production facility which satisfies the conditions established in Code of Federal

2.1 Regulations, title 18, ~~section 292.101 (b) (1), (1981), as applied when interpreted in~~  
 2.2 ~~accordance with the amendments to Code of Federal Regulations, title 18, sections 292.201~~  
 2.3 ~~to 292.207 adopted through Federal Register, volume 46, pages 33025-33027, (1981) part~~  
 2.4 292. The initial operation date or initial installation date of a cogeneration or small power  
 2.5 production facility must not prevent the facility from being considered a qualifying facility  
 2.6 for the purposes of this chapter if it otherwise satisfies all stated conditions.

2.7 [For text of subp 20, see M.R.]

2.8 Subp. 20a. Standby charge. "Standby charge" means the rate or fee a utility charges  
 2.9 for standby service or standby power.

2.10 Subp. 20b. Standby service. "Standby service" means:

2.11 A. for public utilities, service or power that includes backup, maintenance, and  
 2.12 related services necessary to make electricity service available to the facility, as described  
 2.13 in the public utility's commission-approved standby tariff; and

2.14 B. for a utility not subject to the commission's rate authority, the service  
 2.15 associated with the applicable tariff in effect under Minnesota Statutes, section 216B.1611,  
 2.16 subdivision 3, clause (2).

2.17 [For text of subps 21 to 24, see M.R.]

## 2.18 **7835.0200 SCOPE AND PURPOSE.**

2.19 The purpose of this chapter is to implement certain provisions of Minnesota Statutes,  
 2.20 section 216B.164; the Public Utility Regulatory Policies Act of 1978, United States Code,  
 2.21 title 16, section 824a-3 (~~Supplement III, 1979~~); and the Federal Energy Regulatory  
 2.22 Commission regulations, Code of Federal Regulations, title 18, ~~sections 292.101 to~~  
 2.23 ~~292.602 (1981) part 292~~. Nothing in this chapter excuses any utility from carrying out  
 2.24 its responsibilities under these provisions of state and federal law. This chapter must  
 2.25 at all times be applied in accordance with its intent to give the maximum possible

3.1 encouragement to cogeneration and small power production consistent with protection  
3.2 of the ratepayers and the public.

3.3 **7835.0400 FILING OPTION.**

3.4 If, after the ~~initial~~ January 1, 2015, filing, schedule C is the only change in the  
3.5 cogeneration and small power production tariff to be filed in a subsequent year, the utility  
3.6 may notify the commission in writing, by the date the tariff is due, that there is no other  
3.7 change in the tariff. This notification and new schedule C will serve as a substitute for the  
3.8 refiling of the complete tariff in that year.

3.9 **7835.0800 SCHEDULE E.**

3.10 Schedule E must contain the utility's safety standards, required operating procedures  
3.11 for interconnected operations, and the functions to be performed by any control and  
3.12 protective apparatus. ~~These standards and procedures must not be more restrictive than the~~  
3.13 ~~interconnection guidelines listed in parts 7835.4800 to 7835.5800.~~ The utility may include  
3.14 in schedule E suggested types of equipment to perform the specified functions. No standard  
3.15 or procedure may be established to discourage cogeneration or small power production.

3.16 **7835.1200 AVAILABILITY OF FILINGS.**

3.17 All filings required by parts 7835.0300 to 7835.1100 must be ~~made with~~ filed in  
3.18 ~~the commission~~ commission's electronic filing system and be maintained at the utility's  
3.19 general office and any other offices of the utility where rate case filings are kept. These  
3.20 filings must be available for public inspection at the commission and at the utility offices  
3.21 during normal business hours.

3.22 **7835.1300 GENERAL REPORTING REQUIREMENTS.**

3.23 Each utility interconnected with a qualifying facility must provide the commission  
3.24 with the information in parts 7835.1400 to 7835.1800 annually on or before ~~November~~  
3.25 March 1, 1984, and annually thereafter, and in such form as the commission may require.

4.1 **7835.2100 ELECTRICAL CODE COMPLIANCE WITH NATIONAL**  
4.2 **ELECTRICAL SAFETY CODE.**

4.3 Subpart 1. Compliance; standards. The interconnection between the qualifying  
4.4 facility and the utility must comply with the requirements of the National Electrical  
4.5 Safety Code, 1981 edition, issued by the Institute of Electrical and Electronics Engineers  
4.6 as American National Standards Institute Standard C2 (New York, 1980). The  
4.7 interconnection is subject to subparts 2 and 3.

4.8 Subp. 2. Interconnection. The interconnection customer is responsible for  
4.9 complying with all applicable local, state, and federal codes, including building codes, the  
4.10 National Electric Code (NEC), the National Electric Safety Code (NESC), and noise and  
4.11 emissions standards. The Area Electric Power System will require proof of complying  
4.12 with the NEC before the interconnection is made. The interconnection customer must  
4.13 obtain installation approval from an electrical inspector recognized by the Minnesota  
4.14 State Board of Electricity.

4.15 Subp. 3. Generation system. The interconnection customer's generation system and  
4.16 installation must comply with the American National Standards Institute/Institute of  
4.17 Electrical and Electronics Engineers (ANSI/IEEE) standards applicable to the installation.

4.18 **7835.2600 TYPES OF POWER TO BE OFFERED; STANDBY SERVICE.**

4.19 Subpart 1. Service to be offered. The utility must offer maintenance, interruptible,  
4.20 supplementary, and backup power to the qualifying facility upon request.

4.21 Subp. 2. Standby service; public utility. A public utility may not impose a standby  
4.22 charge for standby service on a qualifying facility having 100 kilowatt capacity or less. A  
4.23 utility imposing rates on a qualifying facility having more than 100 kilowatt capacity must  
4.24 comply with an order of the commission establishing allowable costs.

4.25 Subp. 3. Standby service; cooperative or municipality. A cooperative electric  
4.26 association or municipal utility must offer a qualifying facility standby power or service

5.1 consistent with its applicable tariff for such service adopted under Minnesota Statutes,  
5.2 section 216B.1611, subdivision 3, clause (2).

5.3 **7835.3000 RATES FOR UTILITY SALES TO A QUALIFYING FACILITY TO**  
5.4 **BE GOVERNED BY TARIFF.**

5.5 Except as otherwise provided in part 7835.3100, rates for sales to a qualifying facility  
5.6 must be governed by the applicable tariff for the class of electric utility customers to  
5.7 which the qualifying facility belongs or would belong were it not a qualifying facility.

5.8 **7835.3150 INTERCONNECTION WITH COOPERATIVE ELECTRIC**  
5.9 **ASSOCIATION OR MUNICIPAL UTILITY.**

5.10 Parts 7835.3200 to 7835.4000 apply to interconnections between a qualifying facility  
5.11 and a cooperative electric association or municipal utility.

5.12 **7835.3200 STANDARD RATES FOR PURCHASES IN GENERAL BY**  
5.13 **COOPERATIVE ELECTRIC ASSOCIATIONS AND MUNICIPAL UTILITIES**  
5.14 **FROM QUALIFYING FACILITIES.**

5.15 Subpart 1. Qualifying facilities with 100 kilowatt capacity or less. For qualifying  
5.16 facilities with capacity of 100 kilowatts or less, standard purchase rates apply. ~~Qualifying~~  
5.17 ~~facilities with capacity of more than 100 kilowatts may negotiate contracts with the~~  
5.18 ~~utility or may be compensated under standard rates if they make commitments to provide~~  
5.19 ~~firm power.~~ The utility must make available three types of standard rates, described in  
5.20 parts 7835.3300, 7835.3400, and 7835.3500. The qualifying facility with a capacity of  
5.21 100 kilowatts or less must choose interconnection under one of these rates, and must  
5.22 specify its choice in the written contract required in part 7835.2000. Any net credit to the  
5.23 qualifying facility must, at its option, be credited to its account with the utility or returned  
5.24 by check within 15 days of the billing date. The option chosen must be specified in the  
5.25 written contract required in part 7835.2000. Qualifying facilities remain responsible for  
5.26 any monthly service charges and demand charges specified in the tariff under which  
5.27 they consume electricity from the utility.

6.1 Subp. 2. **Qualifying facilities over 100 kilowatt capacity.** A qualifying facility with  
6.2 more than 100 kilowatt capacity has the option to negotiate a contract with a utility or, if it  
6.3 commits to provide firm power, be compensated under standard rates.

6.4 **7835.4010 INTERCONNECTION WITH PUBLIC UTILITY.**

6.5 Parts 7835.4011 to 7835.4023 apply to interconnections between a qualifying facility  
6.6 and a public utility.

6.7 **7835.4011 STANDARD RATES FOR PURCHASES BY PUBLIC UTILITIES**  
6.8 **FROM QUALIFYING FACILITIES.**

6.9 Subpart 1. **Standard rates.** For qualifying facilities with less than 1,000 kilowatt  
6.10 capacity, standard rates apply. The utility must make available the types of standard rates  
6.11 described in parts 7835.4012 to 7835.4015. Qualifying facilities remain responsible for  
6.12 any monthly service charges and demand charges specified in the tariff under which  
6.13 they consume electricity from the utility.

6.14 Subp. 2. **Negotiated rates.** A qualifying facility with 1,000 kilowatt capacity or  
6.15 more has the option to negotiate a contract with a utility or, if it commits to provide firm  
6.16 power, be compensated under standard rates.

6.17 **7835.4012 COMPENSATION.**

6.18 Subpart 1. **Facilities with less than 40 kilowatt capacity.** A qualifying facility with  
6.19 less than 40 kilowatt capacity has the option to be compensated at the net energy billing  
6.20 rate, the simultaneous purchase and sale billing rate, or the time-of-day billing rate.

6.21 Subp. 2. **Facilities with at least 40 kilowatt capacity but less than 1,000 kilowatt**  
6.22 **capacity.** A qualifying facility with at least 40 kilowatt capacity but less than 1,000  
6.23 kilowatt capacity has the option to be billed at the simultaneous purchase and sale billing  
6.24 rate, or at the time-of-day billing rate.

7.1 **7835.4013 AVERAGE RETAIL ENERGY RATE.**

7.2 Subpart 1. Method of billing. The utility must bill the qualifying facility for the  
7.3 energy supplied by the utility that exceeds the amount of energy supplied by the qualifying  
7.4 facility during each billing period according to the utility's applicable retail rate schedule.

7.5 Subp. 2. Additional calculations for billing. When the energy generated by the  
7.6 qualifying facility exceeds that supplied by the utility during a billing period, the utility  
7.7 must compensate the qualifying facility for the excess energy at the average retail utility  
7.8 energy rate.

7.9 **7835.4014 SIMULTANEOUS PURCHASE AND SALE BILLING RATE.**

7.10 Subpart 1. Method of billing. The qualifying facility must be billed for all energy  
7.11 and capacity it consumes during a billing period according to the utility's applicable retail  
7.12 rate schedule.

7.13 Subp. 2. Compensation to qualifying facility. The utility must purchase all energy  
7.14 and capacity which is made available to it by the qualifying facility. At the option of the  
7.15 qualifying facility, its entire generation must be deemed to be made available to the utility.  
7.16 Compensation to the qualifying facility must be the sum of items A and B.

7.17 A. The energy component must be the appropriate system average incremental  
7.18 energy costs shown on schedule A; or if the generating utility has not filed schedule A,  
7.19 the energy component must be the energy rate of the retail rate schedule applicable to the  
7.20 qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has  
7.21 not filed schedule A, the energy component must be the energy rate shown on schedule H.

7.22 B. If the qualifying facility provides firm power to the utility, the capacity  
7.23 component must be the utility's net annual avoided capacity cost per kilowatt-hour  
7.24 averaged over all hours shown on schedule B; or if the generating utility has not filed  
7.25 schedule B, the capacity component must be the demand charge per kilowatt, if any, of the

8.1 retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B,  
8.2 divided by the number of hours in the billing period; or if the nongenerating utility has not  
8.3 filed schedule B, the capacity component must be the capacity cost per kilowatt shown on  
8.4 schedule H, divided by the number of hours in the billing period. If the qualifying facility  
8.5 does not provide firm power to the utility, no capacity component may be included in the  
8.6 compensation paid to the qualifying facility.

8.7 **7835.4015 TIME-OF-DAY PURCHASE RATES.**

8.8 Subpart 1. Method of billing. The qualifying facility must be billed for all  
8.9 energy and capacity it consumes during each billing period according to the utility's  
8.10 applicable retail rate schedule. Any utility rate-regulated by the commission may propose  
8.11 time-of-day retail rate tariffs which require qualifying facilities that choose to sell power  
8.12 on a time-of-day basis to also purchase power on a time-of-day basis.

8.13 Subp. 2. Compensation to qualifying facility. The utility must purchase all energy  
8.14 and capacity which is made available to it by the qualifying facility. Compensation to the  
8.15 qualifying facility must be the sum of items A and B.

8.16 A. The energy component must be the appropriate on-peak and off-peak system  
8.17 incremental costs shown on schedule A; or if the generating utility has not filed schedule  
8.18 A, the energy component must be the energy rate of the retail rate schedule applicable to  
8.19 the qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has  
8.20 not filed schedule A, the energy component must be the energy rate shown on schedule H.

8.21 B. If the qualifying facility provides firm power to the utility, the capacity  
8.22 component must be the utility's net annual avoided capacity cost per kilowatt-hour  
8.23 averaged over the on-peak hours as shown on schedule B; or if the generating utility has  
8.24 not filed schedule B, the capacity component must be the demand charge per kilowatt,  
8.25 if any, of the retail rate schedule applicable to the qualifying facility, filed in lieu of  
8.26 schedules A and B, divided by the number of on-peak hours in the billing period; or if

9.1 the nongenerating utility has not filed schedule B, the capacity component must be the  
9.2 capacity cost per kilowatt shown on schedule H, divided by the number of on-peak hours  
9.3 in the billing period. The capacity component applies only to deliveries during on-peak  
9.4 hours. If the qualifying facility does not provide firm power to the utility, no capacity  
9.5 component may be included in the compensation paid to the qualifying facility.

9.6 **7835.4016 INDIVIDUAL SYSTEM CAPACITY LIMITS.**

9.7 Subpart 1. **Applicability.** Individual system capacity limits are subject to the  
9.8 requirements in Minnesota Statutes, section 216B.164, subdivision 4c.

9.9 Subp. 2. **Usage history.** A facility subject to capacity limits with less than 12 calendar  
9.10 months of actual electric usage or no demand metering available is subject to limits based  
9.11 on data for similarly situated customers combined with any actual data for the facility.

9.12 **7835.4017 NET METERED FACILITY; BILL CREDITS.**

9.13 Subpart 1. **Kilowatt-hour credit.** A customer with a net metered facility can elect  
9.14 to be compensated for net input into the utility's system in the form of a kilowatt-hour  
9.15 credit on the customer's bill, subject to Minnesota Statutes, section 216B.164, subdivision  
9.16 3a, and the following conditions:

9.17 A. the customer is not receiving a value of solar rate under Minnesota Statutes,  
9.18 section 216B.164, subdivision 10;

9.19 B. the customer is interconnected with a public utility; and

9.20 C. the net metered facility has a capacity of at least 40 kilowatt capacity but  
9.21 less than 1,000 kilowatt capacity.

9.22 Subp. 2. **Notification to customer.** A public utility must notify the customer of the  
9.23 option to be compensated for net input in the form of a kilowatt-hour credit under subpart  
9.24 1. The public utility must inform the customer that if the customer does not elect to be  
9.25 compensated for net input in the form of a kilowatt-hour credit on the bill, the customer

10.1 will be compensated for the net input at the utility's avoided cost rate, as described in  
10.2 the utility's tariff for that customer class.

10.3 Subp. 3. End-of-year net input. A public utility must compensate the customer, in  
10.4 the form of a payment, for any net input remaining at the end of the calendar year at the  
10.5 utility's avoided cost rate, as described in the utility's tariff for that class of customer.

10.6 **7835.4018 AGGREGATION OF METERS.**

10.7 A public utility must aggregate meters at the request of a customer as described in  
10.8 Minnesota Statutes, section 216B.164, subdivision 4a.

10.9 **7835.4019 QUALIFYING FACILITIES OF 1,000 KILOWATT CAPACITY OR**  
10.10 **MORE.**

10.11 A qualifying facility with capacity of 1,000 kilowatt capacity or more must negotiate  
10.12 a contract with the utility to set the applicable rates for payments to the customer of  
10.13 avoided capacity and energy costs. Nothing in parts 7835.4010 to 7835.4015 prevents  
10.14 a utility from connecting qualifying facilities of greater than 1,000 kilowatt capacity  
10.15 under its avoided cost rates.

10.16 **7835.4020 AMOUNT OF CAPACITY PAYMENTS; CONSIDERATIONS.**

10.17 The qualifying facility which negotiates a contract under part 7835.4019 must be  
10.18 entitled to the full avoided capacity costs of the utility. The amount of capacity payments  
10.19 must be determined through consideration of:

10.20 A. the capacity factor of the qualifying facility;

10.21 B. the cost of the utility's avoidable capacity;

10.22 C. the length of the contract term;

10.23 D. reasonable scheduling of maintenance;

10.24 E. the willingness and ability of the qualifying facility to provide firm power  
10.25 during system emergencies;

11.1 F. the willingness and ability of the qualifying facility to allow the utility to  
11.2 dispatch its generated energy;

11.3 G. the willingness and ability of the qualifying facility to provide firm capacity  
11.4 during system peaks;

11.5 H. the sanctions for noncompliance with any contract term; and

11.6 I. the smaller capacity increments and the shorter lead times available when  
11.7 capacity is added from qualifying facilities.

11.8 **7835.4021 UTILITY TREATMENT OF COSTS.**

11.9 All purchases from qualifying facilities with capacity of less than 40 kilowatts and  
11.10 purchases of energy from qualifying facilities with capacity of 40 kilowatts or more must  
11.11 be considered an energy cost in calculating a utility's fuel adjustment clause.

11.12 **7835.4022 LIMITING CUMULATIVE GENERATION.**

11.13 A public utility requesting that the commission limit cumulative generation of net  
11.14 metered facilities under Minnesota Statutes, section 216B.164, subdivision 4b, must file  
11.15 its request with the commission under chapter 7829.

11.16 **7835.4023 ALTERNATIVE TARIFF FOR VALUE OF SOLAR.**

11.17 If a public utility has received commission approval of an alternative tariff for the  
11.18 value of solar under Minnesota Statutes, section 216B.164, subdivision 10, the tariff  
11.19 applies to new solar photovoltaic interconnections effective after the tariff approval date.

11.20 **7835.4750 INTERCONNECTION STANDARDS.**

11.21 Prior to signing the uniform statewide contract, a utility must distribute to  
11.22 each customer a copy of, or electronic link to, the commission's order establishing  
11.23 interconnection standards dated September 28, 2004, in docket number E-999/CI-01-1023.  
11.24 The utility must provide each customer a copy of, or electronic link to, subsequent changes  
11.25 made by the commission to any of those standards.

12.1 **7835.5900 EXISTING CONTRACTS.**

12.2 Any existing interconnection ~~contracts~~ contract executed between a utility and a  
12.3 qualifying facility with ~~installed~~ capacity of less than 40 kilowatts ~~before November~~  
12.4 ~~13, 1984, may be canceled and replaced with the uniform statewide contract at the~~  
12.5 ~~option of either party by either party giving the other written notice~~ remains in force  
12.6 until terminated by mutual agreement of the parties. ~~The notice is effective upon the~~  
12.7 ~~shortest period permitted under the existing contract for termination, but not less than ten~~  
12.8 ~~nor more than 30 days.~~

12.9 **7835.5950 RENEWABLE ENERGY CREDIT; OWNERSHIP.**

12.10 A qualifying facility owns all renewable energy credits unless other ownership is  
12.11 expressly provided for in the contract between the qualifying facility and a utility under  
12.12 part 7835.9910.

12.13 **7835.9910 UNIFORM STATEWIDE CONTRACT; FORM.**

12.14 The form for the uniform statewide contract ~~for use~~ must be applied to all new and  
12.15 existing interconnections between a utility and cogeneration and small power production  
12.16 facilities having less than ~~40~~ 1,000 kilowatts of capacity ~~is as follows:~~ except as described  
12.17 in part 7835.5900.

12.18 UNIFORM STATEWIDE CONTRACT FOR COGENERATION AND SMALL POWER  
12.19 PRODUCTION FACILITIES

12.20 THIS CONTRACT is entered into \_\_\_\_\_, \_\_\_\_\_, by  
12.21 \_\_\_\_\_ (hereafter called "Utility") and  
12.22 \_\_\_\_\_  
12.23 (hereafter called "QF").

12.24 RECITALS

12.25 The QF has installed electric generating facilities, consisting  
12.26 of \_\_\_\_\_  
12.27 \_\_\_\_\_

13.1 \_\_\_\_\_ (Description of facilities),  
 13.2 rated at ~~less than 40~~ \_\_\_\_\_ kilowatts of electricity, on property located  
 13.3 at \_\_\_\_\_  
 13.4 \_\_\_\_\_.

13.5 The QF is prepared to generate electricity in parallel with the Utility.

13.6 The QF's electric generating facilities meet the requirements of the Minnesota  
 13.7 Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and  
 13.8 Small Power Production and any technical standards for interconnection the Utility has  
 13.9 established that are authorized by those rules.

13.10 The Utility is obligated under federal and Minnesota law to interconnect with the QF  
 13.11 and to purchase electricity offered for sale by the QF.

13.12 A contract between the QF and the Utility is required by the Commission's rules.

13.13 **AGREEMENTS**

13.14 The QF and the Utility agree:

13.15 1. The Utility will sell electricity to the QF under the rate schedule in force for the  
 13.16 class of customer to which the QF belongs.

13.17 2. The Utility will buy electricity from the QF under the current rate schedule filed  
 13.18 with the Commission. The QF ~~has elected~~ elects the rate schedule category hereinafter  
 13.19 indicated (~~select one~~):

13.20 \_\_\_\_\_ a. Net energy billing rate under part 7835.3300.

13.21 \_\_\_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.3400.

13.22 \_\_\_\_\_ c. Time-of-day purchase rates under part 7835.3500.

13.23 A copy of the presently filed rate schedule is attached to this contract.

13.24 3. The Utility will buy electricity from the QF under the current rate schedule filed  
 13.25 with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the rate  
 13.26 schedule category hereinafter indicated:

13.27 \_\_\_\_\_ a. Net energy billing rate under part 7835.4013.

14.1       b. Simultaneous purchase and sale billing rate under part 7835.4014.

14.2       c. Time-of-day purchase rates under part 7835.4015.

14.3 A copy of the presently filed rate schedule is attached to this contract.

14.4 4. The Utility will buy electricity from the QF under the current rate schedule filed  
 14.5 with the Commission. If the QF has at least 40 kilowatts capacity but less than 1,000  
 14.6 kilowatt capacity, the QF elects the rate schedule category hereinafter indicated:

14.7       a. Simultaneous purchase and sale billing rate under part 7835.4014.

14.8       b. Time-of-day purchase rates under part 7835.4015.

14.9 A copy of the presently filed rate schedule is attached to this contract.

14.10 35. The rates for sales and purchases of electricity may change over the time this  
 14.11 contract is in force, due to actions of the Utility or of the Commission, and the QF and the  
 14.12 Utility agree that sales and purchases will be made under the rates in effect each month  
 14.13 during the time this contract is in force.

14.14 46. The Utility will compute the charges and payments for purchases and sales for  
 14.15 each billing period. Any net credit to the QF will be made under one of the following  
 14.16 options as chosen by the QF:

14.17       1. Credit to the QF's account with the Utility.

14.18       2. Paid by check to the QF within 15 days of the billing date.

14.19 7. Renewable energy credits associated with generation from the facility are owned by:

14.20 \_\_\_\_\_

14.21 58. The QF must operate its electric generating facilities within any rules, regulations,  
 14.22 and policies adopted by the Utility not prohibited by the Commission's rules on  
 14.23 Cogeneration and Small Power Production which provide reasonable technical connection  
 14.24 and operating specifications for the QF. This agreement does not waive the QF's right to  
 14.25 bring a dispute before the Commission as authorized by Minnesota Rules, ~~parts 7835.4800,~~  
 14.26 ~~7835.5800, and part~~ 7835.4500, and any other provision of the Commission's rules on  
 14.27 Cogeneration and Small Power Production authorizing Commission resolution of a dispute.

15.1 ~~6~~9. The Utility's rules, regulations, and policies must conform to the Commission's  
15.2 rules on Cogeneration and Small Power Production.

15.3 ~~7~~10. The QF will operate its electric generating facilities so that they conform to  
15.4 the national, state, and local electric and safety codes, and will be responsible for the  
15.5 costs of conformance.

15.6 ~~8~~11. The QF is responsible for the actual, reasonable costs of interconnection  
15.7 which are estimated to be \$\_\_\_\_\_. The QF will pay the Utility in this  
15.8 way: \_\_\_\_\_

15.9 \_\_\_\_\_.

15.10 ~~9~~12. The QF will give the Utility reasonable access to its property and electric  
15.11 generating facilities if the configuration of those facilities does not permit disconnection  
15.12 or testing from the Utility's side of the interconnection. If the Utility enters the QF's  
15.13 property, the Utility will remain responsible for its personnel.

15.14 ~~10~~13. The Utility may stop providing electricity to the QF during a system  
15.15 emergency. The Utility will not discriminate against the QF when it stops providing  
15.16 electricity or when it resumes providing electricity.

15.17 ~~11~~14. The Utility may stop purchasing electricity from the QF when  
15.18 necessary for the Utility to construct, install, maintain, repair, replace, remove,  
15.19 investigate, or inspect any equipment or facilities within its electric system.  
15.20 The Utility will notify the QF before it stops purchasing electricity in this  
15.21 way: \_\_\_\_\_

15.22 \_\_\_\_\_.

15.23 ~~12~~15. The QF will keep in force liability insurance against personal or property  
15.24 damage due to the installation, interconnection, and operation of its electric generating  
15.25 facilities. The amount of insurance coverage will be \$\_\_\_\_\_ (The utility  
15.26 ~~may not require an amount greater than \$300,000~~ amount must be consistent with the  
15.27 Commission's interconnection standards under Minnesota Rules, part 7835.4750).

16.1 ~~13~~ 16. This contract becomes effective as soon as it is signed by the QF and the  
 16.2 Utility. This contract will remain in force until either the QF or the Utility gives written  
 16.3 notice to the other that the contract is canceled. This contract will be canceled 30 days  
 16.4 after notice is given.

16.5 ~~14~~ 17. This contract contains all the agreements made between the QF and the Utility  
 16.6 except that this contract shall at all times be subject to all rules and orders issued by  
 16.7 the Public Utilities Commission or other government agency having jurisdiction over  
 16.8 the subject matter of this contract. The QF and the Utility are not responsible for any  
 16.9 agreements other than those stated in this contract.

16.10 THE QF AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE  
 16.11 TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY  
 16.12 HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT  
 16.13 THE BEGINNING OF THIS CONTRACT.

16.14 \_\_\_\_\_

16.15 QF

16.16 By: \_\_\_\_\_

16.17 \_\_\_\_\_

16.18 \_\_\_\_\_

16.19 UTILITY

16.20 By: \_\_\_\_\_

16.21 \_\_\_\_\_

16.22 (Title)

16.23 **7835.9920 NONSTANDARD PROVISIONS.**

16.24 A utility intending to implement provisions other than those included in the uniform  
 16.25 statewide form of contract must file a request for authorization with the commission. The  
 16.26 filing must conform with chapter 7829 and must identify all provisions the utility intends  
 16.27 to use in the contract with a qualifying facility.

- 17.1 **REPEALER.** Minnesota Rules, parts 7835.2300; 7835.2500; 7835.2700; 7835.2900;
- 17.2 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400;
- 17.3 7835.5500; 7835.5600; 7835.5700; and 7835.5800, are repealed.

# Office of the Revisor of Statutes

## Administrative Rules



**TITLE:** Proposed Permanent Rules Relating to Cogeneration and Small Power Production

**AGENCY:** Public Utilities Commission

**MINNESOTA RULES:** Chapter 7835

The attached rules are approved for  
publication in the State Register

A handwritten signature in black ink, appearing to read "Ryan Inman", written over a horizontal line.

Ryan Inman  
Assistant Deputy Revisor

## **CERTIFICATE OF SERVICE**

I, Margie DeLaHunt, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

### **Minnesota Public Utilities Commission STATEMENT OF NEED AND REASONABLENESS**

Docket Number **E-999/R-13-729**

Dated this **29th** day of **December, 2014**

/s/ Margie DeLaHunt

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_13-729_Official
Kenneth	Baker	N/A	Wal-Mart Stores, Inc.	2001 SE 10th St.  Bentonville, AZ 72716-5530	Paper Service	No	OFF_SL_13-729_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_13-729_Official
Michael	Greiveldinger	michaelgreiveldinger@alliantenergy.com	Interstate Power and Light Company	4902 N. Biltmore Lane  Madison, WI 53718	Electronic Service	No	OFF_SL_13-729_Official
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_13-729_Official
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Dennis	Chandler		City Of Two Harbors Municipal Gas	522 First Avenue  Two Harbors, MN 55616	Paper Service	No	SPL_SL__Rulemaking - Energy
Dave	Cluff	dcluff@aitkinutilities.com	Aitkin Public Utilities	120 First Street NW  Aitkin, MN 56431	Electronic Service	No	SPL_SL__Rulemaking - Energy
Patrick D	Crocker	contact@nationwideregulatorycompliance.com	CROCKER & CROCKER	The Kalamazoo Building 107 West Michigan, 4th Floor  Kalamazoo, MI 490074752	Electronic Service	No	SPL_SL__Rulemaking - Energy

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David	Dahlberg	davedahlberg@nweco.com	Northwestern Wisconsin Electric Company	P.O. Box 9 104 South Pine Street Grantsburg, WI 548400009	Electronic Service	No	SPL_SL__Rulemaking - Energy
Jeffrey A.	Daugherty	jeffrey.daugherty@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave Minneapolis, MN 55402	Electronic Service	No	SPL_SL__Rulemaking - Energy
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Mark	Erickson		City Of Lakefield	301 Main Street PO Box 1023 Lakefield, MN 561500900	Paper Service	No	SPL_SL__Rulemaking - Energy
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Douglas	Fingerson	df@gccea.com	Goodhue County Cooperative Electric	P.O. Box 99 1410 NorthStar Drive Zumbrota, MN 559921091	Electronic Service	No	SPL_SL__Rulemaking - Energy
Bruce	Gomm		Willmar Municipal Utilities	PO Box 937 700 SW Litchfield Avenue Willmar, MN 56201	Paper Service	No	SPL_SL__Rulemaking - Energy
Coleen	Gruis	BADEMAILrushmore@centurylink.net	Rushmore Electric Dept.	P.O. Box 227 136 N. Thopson Avenue Rushmore, MN 56168	Paper Service	No	SPL_SL__Rulemaking - Energy

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Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	SPL_SL__Rulemaking - Energy
Steven J.	Haaven	shaaven@minnkota.com	Wild Rice Electric Cooperative, Inc.	PO Box 438 502 North Main Mahnomen, MN 56557	Electronic Service	No	SPL_SL__Rulemaking - Energy
Dan	Hayes		Southern Minnesota Municipal Power	500 1st Avenue SW  Rochester, MN 559023303	Paper Service	No	SPL_SL__Rulemaking - Energy
Corey	Hintz	chintz@dakotaelectric.com	Dakota Electric Association	4300 220th Street  Farmington, MN 550249583	Electronic Service	No	SPL_SL__Rulemaking - Energy
Tiffany	Hughes	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	SPL_SL__Rulemaking - Energy
Eric	Jensen	ejensen@iwla.org	Izaak Walton League of America	Suite 202 1619 Dayton Avenue St. Paul, MN 55104	Electronic Service	No	SPL_SL__Rulemaking - Energy
Ronnie	Kennedy		Red Lake Electric Cooperative Inc.	PO Box 430 412 - 8th St. SW Red Lake Falls, MN 567500430	Paper Service	No	SPL_SL__Rulemaking - Energy
Donna	Klay	adrian_admin@iw.net	City of Adrian/Adrian PUC	P.O. Box 190 209 Maine Avenue, Suite 106 Adrian, MN 56110	Electronic Service	No	SPL_SL__Rulemaking - Energy
Don	Kleinschmidt	publicworks@mtiron.com	City Of Mountain Iron	8586 Enterprise Drive South  Mountain Iron, MN 55768	Paper Service	No	SPL_SL__Rulemaking - Energy

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
John	Knofczynski		Heartland Consumers Power District	PO Box 248 203 W. Center Street Madison, SD 570420248	Paper Service	No	SPL_SL__Rulemaking - Energy
Heidi	Konynenbelt	hkynnenbelt@otpco.com	Otter Tail Power Company	215 S. Cascade Street, PO Box 496  Fergus Falls, MN 565380496	Electronic Service	No	SPL_SL__Rulemaking - Energy
Larry J.	Koshire	lkoshire@rpu.org	Rochester Public Utilities	4000 East River Road NE  Rochester, MN 559062813	Electronic Service	No	SPL_SL__Rulemaking - Energy
Brian	Krambeer	bkrambeer@tec.coop	Tri-County Electric Cooperative	PO Box 626 31110 Cooperative Way Rushford, MN 55971	Electronic Service	No	SPL_SL__Rulemaking - Energy
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	SPL_SL__Rulemaking - Energy
Bill aka WP	Lavin	bill.lavin@granitefalls.com	City of Granite Falls	641 Prentice Street  Granite Falls, MN 56241-1598	Electronic Service	No	SPL_SL__Rulemaking - Energy
Jon	Leerar	jleerar@heartlandpower.com	Heartland Power Cooperative	P.O. Box 70  Thompson, IA 50478	Electronic Service	No	SPL_SL__Rulemaking - Energy
Jeff	Legge	jlegge@otpco.com	Otter Tail Power Company	215 South Cascade St. P.O. Box 496 Fergus Falls, MN 565380496	Electronic Service	No	SPL_SL__Rulemaking - Energy
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	SPL_SL__Rulemaking - Energy
Cynthia	Lindeman	c.lindeman@cityofbrownton.com	Brownton Municipal Light Plant	335 Third Street PO Box 238 Brownton, MN 55312-0238	Electronic Service	No	SPL_SL__Rulemaking - Energy

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	SPL_SL__Rulemaking - Energy
Kate	McBride	ksmcbride@comcast.net		18705 37th Ave, N. Plymouth, MN 55446	Paper Service	No	SPL_SL__Rulemaking - Energy
Brian	Meloy	brian_meloy@stinsonleonard.com	Stinson, Leonard, Street LLP	150 S 5th St Ste 2300 Minneapolis, MN 55402	Electronic Service	No	SPL_SL__Rulemaking - Energy
Michael	Monsrud	N/A	Bagley Public Utilities	18 Main Ave. S. PO Box M Bagley, MN 56621	Paper Service	No	SPL_SL__Rulemaking - Energy
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	SPL_SL__Rulemaking - Energy
Robert	Neison	rnelson.calcity@acegroup.com	City Of Caledonia Electric Utility	P.O. Box 232 231 East Main Street Caledonia, MN 55921	Paper Service	No	SPL_SL__Rulemaking - Energy
DeeAnne	Newville	dnewville@renville-sibley.coop	Renville-Sibley Cooperative Power Assn	103 Oak Street Box 68 Danube, MN 56230	Electronic Service	No	SPL_SL__Rulemaking - Energy
Lynette	Nieuwsma		Beltrami Electric Cooperative, Inc.	411 Technology Drive PO Box 488 Bemidji, MN 566190488	Paper Service	No	SPL_SL__Rulemaking - Energy
Darrell	Nitschke	dnitschk@nd.gov	North Dakota Public Service Commission	600 E. Boulevard Avenue State Capital, 12th Floor, Dept 408 Bismarck, ND 585050480	Electronic Service	No	SPL_SL__Rulemaking - Energy
Vernell	Roberts		Wadena Light And Water	104 Jefferson Street North Wadena, MN 56402	Paper Service	No	SPL_SL__Rulemaking - Energy

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Joseph	Roy		Northwest Gas	1608 NW 4th Street  Grand Rapids, MN 55744	Paper Service	No	SPL_SL__Rulemaking - Energy
Mrg	Simon	mrgsimon@mrenergy.com	Missouri River Energy Services	3724 W. Avera Drive P.O. Box 88920 Sioux Falls, SD 571098920	Electronic Service	No	SPL_SL__Rulemaking - Energy
Ron	Spangler, Jr.	rspangler@otpc.com	Otter Tail Power Company	215 So. Cascade St. PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	SPL_SL__Rulemaking - Energy
Patrick E.	Spethman		Hutchinson Utilities Commission	225 Michigan St. SE  Hutchinson, MN 55350	Paper Service	No	SPL_SL__Rulemaking - Energy
Tim	Stoner	timothy.stoner@belw.org	Blue Earth Light & Water Dept.	125 East Seventh Street  Blue Earth, MN 56013	Electronic Service	No	SPL_SL__Rulemaking - Energy
Tim	Thompson	tthompson@lrec.coop	Lake Region Electric Cooperative	PO Box 643 1401 South Broadway Pelican Rapids, MN 56572	Electronic Service	No	SPL_SL__Rulemaking - Energy
David	Thompson	dthompson@sherbtel.net	Princeton Public Utilities	907 1st Street  Princeton, MN 55371	Electronic Service	No	SPL_SL__Rulemaking - Energy
Lowell	Thompson		City Of Ada	Public Works Box 32 Ada, MN 56510	Paper Service	No	SPL_SL__Rulemaking - Energy
Steve	Thompson	stevet@cmmpa.org	Central Minnesota Municipal Power Agency	459 S Grove St  Blue Earth, MN 56013-2629	Electronic Service	No	SPL_SL__Rulemaking - Energy
Darryl	Tveitbakk		Northern Municipal Power Agency	123 Second Street West  Thief River Falls, MN 56701	Paper Service	No	SPL_SL__Rulemaking - Energy

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Frank	Welter	fwelter@peoplesrec.com	People's Energy Cooperative	1775 Lake Shady Ave S Oronoco, MN 55960-2351	Electronic Service	No	SPL_SL__Rulemaking - Energy
Ray H.	Wigern		Wells Public Utilities	101 First Street SE PO Box 96 Wells, MN 56097	Paper Service	No	SPL_SL__Rulemaking - Energy
Sherry	Wold		Blooming Prairie Public Utilities	146 Third Avenue SE Post Office Box 55 Blooming Prairie, MN 55917	Paper Service	No	SPL_SL__Rulemaking - Energy

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Stephanie	Abentroth	rasanava@rrv.net	City of Nielsville	PO Box 68  Nielsville, MN 56568	Electronic Service	No	SPL_SL__Electric Utilities
Annie	Aberle	annia@h-delectric.coop	Hamlin (HD) Electric Coop.	423 3rd Avenue So PO Box 1007 Clear Lake, SD 57226	Electronic Service	No	SPL_SL__Electric Utilities
Mark	Anderson	manderson@southcentralelectric.com	South Central Electric Association	PO Box 150 71176 Tietl Drive St. James, MN 56081	Electronic Service	No	SPL_SL__Electric Utilities
Roger	Avelsgard	ravelsgard@breckenridgenet	City of Breckenridge Utilities	420 Nebraska Avel  Breckenridge, MN 56520	Electronic Service	No	SPL_SL__Electric Utilities
Rick	Banke	bademailrkckb@rea--alp.com	Stearns Electric Assn.	900 E Kraft Dr, PO Box 40 Melrose, MN 56532	Paper Service	No	SPL_SL__Electric Utilities
Rick	Banke	rickb@rea-alp.com	Runestone Electric Association	6875 Country Rd 28 SW  Alexandria, MN 56308	Electronic Service	No	SPL_SL__Electric Utilities
Nancy	Basara	nancyb@connexusenergy.com	CONNEXUS ENERGY	14601 Ramsey Boulevard  Ramsey, MN 55303	Electronic Service	No	SPL_SL__Electric Utilities
Hal	Becker	hbecker@delanomn.us	Delano Municipal Utilities	P.O. Box 65 11 Bridge Ave W Delano, MN 55328	Electronic Service	No	SPL_SL__Electric Utilities
Doug	Bendorf	dbendorf@ci.staples.mn.us	Staples Munic. Water & Light Dept.	Staples Government Center 301 2nd Ave NE Staples, MN 56479-2537	Electronic Service	No	SPL_SL__Electric Utilities
P.	Benson	N/A	Peterson Electric Dept.	118 Fillmore St PO Box 67 Peterson, MN 55962	Paper Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kevin	Berg	keberg@arvig.net	Hawley Public Utilities	PO Box 69  Hawley, MN 565490069	Electronic Service	No	SPL_SL__Electric Utilities
Bruce	Bjerke	bbjerke@minnkota.com	Clearwater-Polk Electric	315 Main Avenue North PO Box O Bagley, MN 566211001	Electronic Service	No	SPL_SL__Electric Utilities
Jodi	Boneschans	N/A	Bigelow Electric Dept.	1537 Broadway PO Box 38 Bigelow, MN 56117-0038	Paper Service	No	SPL_SL__Electric Utilities
Jeremy	Boogerd	BADEMAILjeremy-boogerd@mnenergy.com	Jackson Electric Light Dept.	80 West Ashley St.  Jackson, MN 56143	Paper Service	No	SPL_SL__Electric Utilities
Dan	Boyce	dboyce@ci.east-grand-forks.mn.us	East Grand Forks Water & Light Dept.	600 DeMers Ave. NW PO Box 322 East Grand Forks, MN 567210322	Electronic Service	No	SPL_SL__Electric Utilities
Michael	Brethorst	mbrethorst@bvillemn.net	Barnesville Telephone Company	Box 550 101 Front Street South Barnesville, MN 56514	Electronic Service	No	SPL_SL__Electric Utilities
Sydney R.	Briggs	sbriggs@swce.coop	Steele-Waseca Cooperative Electric	2411 W. Bridge St PO Box 485 Owatonna, MN 55060-0485	Electronic Service	No	SPL_SL__Electric Utilities
Loren	Brorby	Lbrorby@Minnkota.com	Red River Valley Coop Power Assn	PO Box 358 109 2nd Ave East Halstad, MN 565480358	Electronic Service	No	SPL_SL__Electric Utilities
Richard G.	Burud	burud@federatedrea.coop	Federated Rural Electric Assoc.	PO Box 69 77100 US Highway 71 Jackson, MN 56143	Electronic Service	No	SPL_SL__Electric Utilities
Richard G	Burud	rburud@noblesce.com	Nobles Cooperative Electric	22636 US HIGHWAY 59 PO Box 788 Worthington, MN 56187	Electronic Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
John	Call	jcall@cityofluverne.org	Luverne Municipal Utilities	305 East Luverne Street PO Box 659 Luverne, MN 56156	Electronic Service	No	SPL_SL__Electric Utilities
Brian	Christensen	BADEMAILbrian@wiktel.com	Stephen Electric Light Dept.	PO Box 630  Stephen, MN 56757	Paper Service	No	SPL_SL__Electric Utilities
City	Clerk	winthrop@mchsi.com	Winthrop Municipal Electric Plant	305 North Main Street  Winthrop, MN 55396	Electronic Service	No	SPL_SL__Electric Utilities
Dave	Cluff	dcluff@aitkinutilities.com	Aitkin Public Utilities	120 First Street NW  Aitkin, MN 56431	Electronic Service	No	SPL_SL__Electric Utilities
Sandy	Consoer	cityhall@roundlk.net	Round Lake Municipal Utility	PO Box 72  Round Lake, MN 561670072	Electronic Service	No	SPL_SL__Electric Utilities
Allen	Crowser	acrowser@rea-alp.com	Alexandria Light and Power	316 Fillmore Street P. O. Box 609 Alexandria, MN 563080609	Electronic Service	No	SPL_SL__Electric Utilities
Ken	Dagoberg	N/A	Alvarado Electric Dept.	PO Box 935  Alvarado, MN 56710	Paper Service	No	SPL_SL__Electric Utilities
David	Dahlberg	davedahlberg@nweco.com	Northwestern Wisconsin Electric Company	P.O. Box 9 104 South Pine Street Grantsburg, WI 548400009	Electronic Service	No	SPL_SL__Electric Utilities
Judy	Davis	Juditpu@frontier.com	Truman Municipal Light Plant	118 North 1st Avenue PO Box 397 Truman, MN 56088-0037	Electronic Service	No	SPL_SL__Electric Utilities
Steve	DeVinck	sdevinck@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 55802	Electronic Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Finance	Dept	N/A	Waseca Electric Utility	508 South State Street  Waseca, MN 56093	Paper Service	No	SPL_SL__Electric Utilities
Spring	Dettefsen	Sdettefsen@CLPower.com	Cooperative Light and Power	1554 Hwy 2  Two Harbors, mn 55616	Electronic Service	No	SPL_SL__Electric Utilities
Robin	Doege	rdoege@toddwadana.coop	Todd Wadena Electric Cooperative	PO Box 431  Wadena, MN 56482	Electronic Service	No	SPL_SL__Electric Utilities
Liza	Donabauer	ldonabauer@arlingtonmn.com	City of Arlington	204 Shamrock Drive  Arlington, MN 55307	Electronic Service	No	SPL_SL__Electric Utilities
Greg	Drent	gdrent@cityofesueur.com	LeSueur Municipal Utilities	228 N. Main Street PO Box 176 LeSueur, MN 560580176	Electronic Service	No	SPL_SL__Electric Utilities
Debbie	Ebert	debert@mcleodcoop.com	McLeod Cooperative Power Association	1231 Ford Avenue PO Box 70 Glencoe, MN 55336	Electronic Service	No	SPL_SL__Electric Utilities
Randy	Eggert	utility@cityofkenyon.com	Kenyon Municipal Utilities	709 Second Street  Kenyon, MN 55946	Electronic Service	No	SPL_SL__Electric Utilities
Douglas	Fingerson	df@gccea.com	Goodhue County Cooperative Electric	P.O. Box 99 1410 NorthStar Drive Zumbrota, MN 559921091	Electronic Service	No	SPL_SL__Electric Utilities
Brian	Frandle	brian.frandle@ci.north-saint-paul.mn.us	North St. Paul City Hall	2400 Margaret St. N.  St. Paul, MN 55109-3020	Electronic Service	No	SPL_SL__Electric Utilities
Elaine	Garry	egarry@peoplesrec.com	Peoples Energy Cooperative	1775 Lake Shady Ave S  Oronoco, MN 55960-2351	Electronic Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
L.G.	Geisking	lewisg@saintpetermn.gov	St. Peter Municipal Utilities	227 S. Front Street  St. Peter, MN 56082	Electronic Service	No	SPL_SL__Electric Utilities
David J.	George	bademaidd.george@kpcoop.com	Kandiyohi Power Cooperative	8605 47th St PO Box 40 Spicer, MN 56288-0040	Paper Service	No	SPL_SL__Electric Utilities
Gary J.	Gleisner	gary.gleisner@ci.new-ulm.mn.us	New Ulm Public Utilities Commission	310 First North Street  New Ulm, MN 56073	Electronic Service	No	SPL_SL__Electric Utilities
Michael	Greiveldinger	michaelgreiveldinger@alliantenergy.com	Interstate Power and Light Company	4902 N. Biltmore Lane  Madison, WI 53718	Electronic Service	No	SPL_SL__Electric Utilities
Charleen	Grossman	finance@cityofortonville.org	Ortonville Light & Water Dept.	315 Madison Ave  Ortonville, Minnesota 56278	Electronic Service	No	SPL_SL__Electric Utilities
Anna	Gruber	pierz@midconetwork.com	Pierz Municipal Utilities	PO Box 367  Pierz, MN 56364	Electronic Service	No	SPL_SL__Electric Utilities
Coleen	Gruis	BADEMAILrushmore@centurylink.net	Rushmore Electric Dept.	P.O. Box 227 136 N. Thopson Avenue Rushmore, MN 56168	Paper Service	No	SPL_SL__Electric Utilities
Marv	Grunig	winutl@windom-mn.com	Windom Municipal Utilities	444 9th Street  Windom, MN 56101	Electronic Service	No	SPL_SL__Electric Utilities
Steven J.	Haaven	shaaven@minnkota.com	Wild Rice Electric Cooperative, Inc.	PO Box 438 502 North Main Mahnomon, MN 56557	Electronic Service	No	SPL_SL__Electric Utilities
Scott	Hain	shain@worthingtonutilities.com	Worthington Public Utilities	PO Box 458  Worthington, MN 561870458	Electronic Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Clayton	Halverson	chalverson@traverseelectric.com	Traverse Electric Cooperative Inc.	PO Box 66 Wheaton, MN 56296	Electronic Service	No	SPL_SL__Electric Utilities
Tammy	Hansen	newfolden@wiktel.com	Newfolden Electric Dept.	PO Box 188 145 E 1st St Newfolden, MN 56738-0188	Electronic Service	No	SPL_SL__Electric Utilities
Rhonda	Harkins	rharkins@ci.lake-city.mn.us	City of Lake City	205 West Center Street  Lake City, MN 55041	Electronic Service	No	SPL_SL__Electric Utilities
Dawn	Hartung	dunnell@bevcomm.net	Dunnell Light & Water	PO Box 94  Dunnell, MN 56127	Electronic Service	No	SPL_SL__Electric Utilities
Robert J.	Hauge	lccity@hickorytech.net	Lake Crystal Municipal Utilities	100 E. Robinson Street P.O. Box 86 Lake Crystal, MN 560550086	Electronic Service	No	SPL_SL__Electric Utilities
Charles	Heins	cheins@ci.redwood-falls.mn.us	Redwood Falls Public Utilities	PO Box 526  Redwood Falls, MN 562830526	Electronic Service	No	SPL_SL__Electric Utilities
Wade	Hensel	N/A	Brown County Rural Electric Assn.	24386 State Hwy 4 PO Box 529 Sleepy Eye, MN 56085-0529	Paper Service	No	SPL_SL__Electric Utilities
WR	Hensel	whensel@benco.org	Blue Earth-Nicollet-Faribault Cooperative (BENCO)	Hwy 169 South PO Box 8 Mankato, MN 56001	Electronic Service	No	SPL_SL__Electric Utilities
Joe	Hoffman	jhoffman@prestonmn.org	Preston Public Utilities	PO Box 657  Preston, MN 55965	Electronic Service	No	SPL_SL__Electric Utilities
Jeffrey	Holsen	cityhall@runestone.net	Elbow Lake Municipal Electric Dept.	PO Box 1079  Elbow Lake, MN 56531	Electronic Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ronald	Horman	rhorman@redwoodelectric.com	Redwood Electric Cooperative	60 Pine Street Clements, MN 56224	Electronic Service	No	SPL_SL__Electric Utilities
Dan	Hoskins	danh@wiktel.com	North Star Electric	P.O. Box 719 Baudette, MN 56623	Electronic Service	No	SPL_SL__Electric Utilities
Tiffany	Hughes	Regulatory.Records@xcele nergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	SPL_SL__Electric Utilities
Michael	Jensen	mjensen@bagleymn.us	Bagley Public Utilities Commission-elec	18 Main Avenue South PO Box M Bagley, MN 56621	Electronic Service	No	SPL_SL__Electric Utilities
Roger	Johanneck	rojohanneck@minnkota.com	Red Lake Electric Cooperative, Inc.	412 International drive PO Box 430 Red Lake Falls, MN 56750	Electronic Service	No	SPL_SL__Electric Utilities
Scott	Johnson	utilities@newulmtel.net	Springfield Public Utilities	14 North Marshall Avenue Springfield, MN 56087	Electronic Service	No	SPL_SL__Electric Utilities
Chris	Johnson	N/A	Harmony Water & Light	225 3rd Avenue SW PO Box 488 Harmony, MN 55939	Paper Service	No	SPL_SL__Electric Utilities
Korwin	Johnson	kjohnson@agralite.com	Agralite Electric Cooperative	PO Box 228 320 East Highway 12 Benson, MN 56215	Electronic Service	No	SPL_SL__Electric Utilities
Dennis	Jutting	djutting@centurytel.net	Westbrook Municipal Light And Power	556 First Avenue PO Box 308 Westbrook, MN 561830308	Electronic Service	No	SPL_SL__Electric Utilities
John	Kappes	N/A	Ada Water & Light Dept.	15 E. 4th Ave. Ada, MN 56510-1281	Paper Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Susan	Kidrowski	kandiyohi@frontier.com	Kandiyohi Public Utilities	PO Box 276 628 Atlantic Avenue Kandiyohi, MN 56251-0276	Electronic Service	No	SPL_SL__Electric Utilities
Richard	Kittelson	rdkbppu@frontiernet.net	Blooming Prairie Public Utilities Commission	146 3rd Ave SE PO Box 55 Blooming Prairie, MN 55917	Electronic Service	No	SPL_SL__Electric Utilities
Lee	Klein	lkleintharbors@frontiernet.net	Two Harbors Water & Light Dept.- Electric	522 1st Ave.  Two Harbors, MN 55616	Electronic Service	No	SPL_SL__Electric Utilities
Ron	Kleinschmidt	citysupt@mncable.net	Warroad Municipal Power & Light Dept.	PO Box 50  Warroad, MN 56763	Electronic Service	No	SPL_SL__Electric Utilities
Adam	Koch	Adam.koch@ci.stjames.mn.us	St. James Light & Water Dept.	PO Box 70  St. James, MN 56081-0070	Electronic Service	No	SPL_SL__Electric Utilities
Jim	Koep	utilities@lakefieldmn.com	Lakefield Public Utilities	PO Box 1023  Lakefield, MN 56150	Electronic Service	No	SPL_SL__Electric Utilities
Larry J.	Koshire	lkoshire@rpu.org	Rochester Public Utilities	4000 East River Road NE  Rochester, MN 559062813	Electronic Service	No	SPL_SL__Electric Utilities
Bruce L.	Kraemer	N/A	Crow Wing Cooperative Power & Light Co.	Hwy 371 North PO Box 507 Brainerd, MN 56401	Paper Service	No	SPL_SL__Electric Utilities
Brian	Krambeer	bkrամbeer@tec.coop	Tri-County Electric Cooperative	PO Box 626 31110 Cooperative Way Rushford, MN 55971	Electronic Service	No	SPL_SL__Electric Utilities
Sara	Krueger	cityofdundee@swwnet.com	City of Dundee Light & Power	111 North Main Street  Dundee, MN 56131-1178	Electronic Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jim	Krueger	jkrueger@fmcs.coop	Freeborn-Mower Cooperative Services	Box 611 Albert Lea, MN 56007	Electronic Service	No	SPL_SL__Electric Utilities
Greg	Kruse	BADEMAILcityofbrewster@roundk.net	Brewster Electric Light & Power Dept.	PO Box 55 246 10th St Brewster, MN 56119-0055	Paper Service	No	SPL_SL__Electric Utilities
Pamela	LaBine	nashwaukcityhall@rmchsi.com	Nashwauk Public Utilities	301 Central Avenue  Nashwauk, MN 55769	Electronic Service	No	SPL_SL__Electric Utilities
Mike	Labine	N/A	Keewatin Public Utilities	PO Box 190  Keewatin, MN 55753	Paper Service	No	SPL_SL__Electric Utilities
Harold	Langowski	elyod@ely.mn.us	Ely Light & Water Dept.	209 East Chapman Street  Ely, MN 55731	Electronic Service	No	SPL_SL__Electric Utilities
Sharon	Larsen	BADEMAILcityofgrovecity@earthlink.net	Grove City Electric Dept.	210 Atlantic Ave PO Box 98 Grove City, MN 56243	Paper Service	No	SPL_SL__Electric Utilities
David	Larson	dave.larson@fosston.com	Fosston Municipal Utilities	220 E 1st St. PO Box 239 Fosston, MN 56542	Electronic Service	No	SPL_SL__Electric Utilities
Bill aka WP	Lavin	bill.lavin@granitefalls.com	City of Granite Falls	641 Prentice Street  Granite Falls, MN 56241-1598	Electronic Service	No	SPL_SL__Electric Utilities
Jeff	Legge	jlegge@otpc.com	Otter Tail Power Company	215 South Cascade St. P.O. Box 496 Fergus Falls, MN 565380496	Electronic Service	No	SPL_SL__Electric Utilities
Terry	Leoni	general@vpuc.com	Virginia Dept. Of Public Utilities	618 Second Street, South P.O. Box 1048 Virginia, MN 55792	Electronic Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Carol	Lind	clind@ci.proctor.mn.us	Proctor Public Utilities Comm.	100 Pionk Drive  Proctor, MN 55810	Electronic Service	No	SPL_SL__Electric Utilities
Cynthia	Lindeman	c.lindeman@cityofbrownton.com	Brownton Municipal Light Plant	335 Third Street PO Box 238 Brownton, MN 55312-0238	Electronic Service	No	SPL_SL__Electric Utilities
Greg	Lippert	gregl@olivia.mn.us	Olivia Municipal Water & Light Dept	1009 West Lincoln Avenue  Olivia, MN 56277	Electronic Service	No	SPL_SL__Electric Utilities
david	Logue	N/A	Sleepy Eye Public Utilities Commission	130 2nd Avenue NW PO Box 408 Sleepy Eye, MN 56085	Paper Service	No	SPL_SL__Electric Utilities
Terry	Lowell	N/A	Biwabik Public Utilities	PO Box A  Biwabik, MN 55708	Paper Service	No	SPL_SL__Electric Utilities
Gary	Mackley	BADEMAILgarymackley@gilbertmn.org	Gilbert Water, Light & Water Dept.	16 South Broadway PO Box 368 Gilbert, MN 557410368	Paper Service	No	SPL_SL__Electric Utilities
General	Manager		Lake Country Power	Grand Rapids Service Center 2810 Elida Drive Grand Rapids, MN 55744	Paper Service	No	SPL_SL__Electric Utilities
Gerald	Mareck	gerrym@mvec.net	Minnesota Valley Electric Cooperative	PO Box 125  Jordan, MN 55352-0125	Electronic Service	No	SPL_SL__Electric Utilities
John	Markas	N/A	Buhl Water Light Heat & Bldg. Comm.	PO Box 704  Buhl, MN 55713	Paper Service	No	SPL_SL__Electric Utilities
Lolly	Melander	melander@acegroup.cc	City of Whalan	RR2 Box 2105  Lanesboro, MN 55949	Electronic Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Tim	Mergen	tmergen@meekeer.coop	Meekeer Cooperative Light And Power	1725 US Hwy 12 E, Suite 100 PO Box 68 Litchfield, MN 55355	Electronic Service	No	SPL_SL__Electric Utilities
David	Meyer	dave@glencoeightandpower.com	Glencoe Light and Power Commission	305 11th Street East  Glencoe, MN 55336	Electronic Service	No	SPL_SL__Electric Utilities
Terrance	Miller	tmiller2@iw.net	Adrian Public Utilities	20 Maine Avenue  Adrian, MN 56110	Electronic Service	No	SPL_SL__Electric Utilities
Bruce	Miller	brucemiller@ci.litchfield,mn.us	Litchfield Public Utilities Commission	126 Marshall Avenue North  Litchfield, MN 55355	Electronic Service	No	SPL_SL__Electric Utilities
Gregory C.	Miller	gmiller@dakotaelectric.com	Dakota Electric Association	4300 220th Street West  Farmington, MN 55024	Electronic Service	No	SPL_SL__Electric Utilities
Deb	Mohelski	debmohelski@mlwi.us	Moose Lake Water And Light Commission	P.O. Box 418 401 Douglas Ave Moose Lake, MN 55767	Electronic Service	No	SPL_SL__Electric Utilities
Michael	Monsrud	mmonsrud@itasca-mantrap.com	Itasca-Mantrap Coop. Electric Assn.	PO Box 192  Park Rapids, MN 56470	Electronic Service	No	SPL_SL__Electric Utilities
Steve	Moses		Madelia Municipal Light & Power	24 Abbot Avenue S.W. P O Box 26 Madelia, MN 560620026	Paper Service	No	SPL_SL__Electric Utilities
Mary	Muller	cityofceylon@frontiernet.net	Ceylon Water & Light Dept.	112 West Main Box 328 Ceylon, MN 56121	Electronic Service	No	SPL_SL__Electric Utilities
Jeanne	Muntean	N/A	Arrowhead Electric Coop., Inc.	PO Box 39  Lutsen, MN 55612-0039	Paper Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Luayn	Murphy	N/A	Mountain Lake Municipal Utilities	1015 2nd Avenue Drawer C Mountain Lake, MN 56159	Paper Service	No	SPL_SL__Electric Utilities
Gary	Myers	garym@hpuc.com	Hibbing Public Utilities	1902 E 6th Ave  Hibbing, MN 55746	Electronic Service	No	SPL_SL__Electric Utilities
Ralph D.	Mykkanen	BADEMAIL- ralphm@mlcsmn.com	Mille Lacs Electric Cooperative	P.O. Box 230  Aitkin, MN 56431	Paper Service	No	SPL_SL__Electric Utilities
Dale	Narlock	dnarlock@citytrf.net	City of Thief River Falls	Power & Light Dept. Box 528 Thief River Falls, MN 56701	Electronic Service	No	SPL_SL__Electric Utilities
J	Narum	N/A	Mabel Public Utilities	Box 425  Mabel, MN 55954	Paper Service	No	SPL_SL__Electric Utilities
Jodean	Neil	N/A	Shelly Electric Dept.	PO Box 126  Shelly, MN 56581	Paper Service	No	SPL_SL__Electric Utilities
Eric	Nelson	fairfax@mchsi.com	Fairfax Municipal Utilities	18 First St SE PO Box K Fairfax, MN 55332-0911	Electronic Service	No	SPL_SL__Electric Utilities
Robert	Nelson	N/A	Caledonia Light & Water Dept.	231 East Main Street PO Box 232 Caledonia, MN 55921	Paper Service	No	SPL_SL__Electric Utilities
Troy	Nemmers PE	tnemmers@fairmont.org	City of Fairmont	100 Downtown Plz. PO Box 751 Fairmont, MN 56031-0751	Electronic Service	No	SPL_SL__Electric Utilities
DeeAnne	Newville	dnewville@renville- sibley.coop	Renville-Sibley Cooperative Power Assn	103 Oak Street Box 68 Danube, MN 56230	Electronic Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Mark	Nibaur	markn@austinutilities.com	Austin Utilities	400 Fourth Street NE  Austin, MN 55912	Electronic Service	No	SPL_SL__Electric Utilities
Michael	Nitchals	N/A	Willmar Munic, Utilities Comm.	700 Litchfield Avenue SW P.O. Box 937 Willmar, MN 56201	Paper Service	No	SPL_SL__Electric Utilities
Rick	Olesen	rolesen@ilec.coop	Iowa Lakes Electric Cooperative	702 South 1st Street  Estherville, IA 51334-1890	Electronic Service	No	SPL_SL__Electric Utilities
J.	Ortman	N/A	North Itasca Electric Cooperative, Inc.	PO Box 227  Bigfork, MN 56628	Paper Service	No	SPL_SL__Electric Utilities
Sandra	Pasche	N/A	St. Charles Light & Water Dept.	830 Whitewater Avenue  St. Charles, MN 55972	Paper Service	No	SPL_SL__Electric Utilities
Glen	Pedersen	N/A	Benson Water & Light Dept.	1411 Pacific Avenue  Benson, MN 56215	Paper Service	No	SPL_SL__Electric Utilities
Gerald	Peterschick	randallcity@brainerd.net	Randall Municipal Gas	PO Box 229 525 Pacific Avenue Randall, MN 56475	Electronic Service	No	SPL_SL__Electric Utilities
Mark	Petsche	nbwmark@windstream.net	North Branch Municipal	6388 Maple Street  North Branch, MN 55056	Electronic Service	No	SPL_SL__Electric Utilities
Curt	Punt	N/A	Detroit Lakes Public Utilities Commission	1025 Roosevelt Avenue PO Box 647 Detroit Lakes, MN 56501	Paper Service	No	SPL_SL__Electric Utilities
Don	Qualley	N/A	Lake Park Utilities	PO Box 239  Lake Park, MN 56554	Paper Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Bruce	Reimers	breimers@ci.new-prague.mn.us	New Prague Utilities Commission	118 Central Avenue North New Prague, MN 56071	Electronic Service	No	SPL_SL__ Electric Utilities
Charles	Riesen		PKM Electrical Cooperative	406 North Minnesota Street PO Box 108 Warren, MN 567620108	Paper Service	No	SPL_SL__ Electric Utilities
Vernell	Roberts		Wadena Light And Water	104 Jefferson Street North Wadena, MN 56402	Paper Service	No	SPL_SL__ Electric Utilities
Clinton M.	Rogers	clintonmrogers@hotmail.com	Janesville Utilities	101 N. Mott, Box 0 Janesville, MN 560480617	Electronic Service	No	SPL_SL__ Electric Utilities
Ryan	Rooney	Rrooney@rea-alp.com	Runestone Electric Assn.	6875 Country Rd 28 SW Alexandria, MN 56308	Electronic Service	No	SPL_SL__ Electric Utilities
Brad	Rocs	bradr@marshallutilities.com	Marshall Municipal Utilities	113 4th Street South Marshall, MN 56258	Electronic Service	No	SPL_SL__ Electric Utilities
Steve	Sarvi	rushford@acegroup.cc	Rushford Electric Dept.	PO Box 430 Rushford, MN 55971	Electronic Service	No	SPL_SL__ Electric Utilities
Steve	Schuldt	N/A	Eitzen Public Utilities	PO Box 110 Eitzen, MN 55931	Paper Service	No	SPL_SL__ Electric Utilities
William E.	Schwandt	mps@mpsutility.com	Moorhead Public Service	500 Cedar Avenue PO Box 779 Moorhead, MN 565610779	Electronic Service	No	SPL_SL__ Electric Utilities
Official	Service	j.dhein@cityofmora.com	Mora Public Utilities Commission	101 Lake Street S. Mora, MN 55051-1588	Electronic Service	No	SPL_SL__ Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Stephen	Shurts		Owatonna Public Utilities	P.O. Box 800 208 South Walnut Owatonna, MN 55060	Paper Service	No	SPL_SL__Electric Utilities
Steve	Shurts	steve_shurts@ecemn.com	East Central Energy	412 North Main  Braham, MN 55006	Electronic Service	No	SPL_SL__Electric Utilities
Rosie	Sickler	N/A	Kasota Electric Light Dept.	PO Box 218  Kasota, MN 56050	Paper Service	No	SPL_SL__Electric Utilities
Walter	Sjolund	N/A	Brainerd Water & Light Dept.	1151 Highland Scenic Drive  PO Box 373 Brainerd, MN 56401-0373	Paper Service	No	SPL_SL__Electric Utilities
Sidney	Sletten	ssletten@beltramielectric.com	Beltrami Electric Cooperative	po box 488  Bemidji, Mn 56619	Electronic Service	No	SPL_SL__Electric Utilities
Theresa	Stominski	tslominski@elkriverutilities.com	Elk River Municipal Utilities	PO Box 430  Elk River, MN 55330-0430	Electronic Service	No	SPL_SL__Electric Utilities
Ted	Smith	ted.smith@siouxvalleyenergy.com	Sioux Valley - Southwestern Elec Coop, Inc.	P O Box 216  Colman, SD 570170216	Electronic Service	No	SPL_SL__Electric Utilities
Stu	Smith	BADEMAILsvutil@myclearwave.net	Spring Valley Public Utilities Comm.	104 South Section Avenue  Spring Valley, MN 55975	Paper Service	No	SPL_SL__Electric Utilities
Lyn	Solberg	N/A	Spring Grove Munic. Utility	118 1st Ave NW PO box 218 Spring Grove, MN 559740218	Paper Service	No	SPL_SL__Electric Utilities
Patrick E	Spethman		Hutchinson Utilities Commission	225 Michigan St. SE  Hutchinson, MN 55350	Paper Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Randy	Spicer	rspicer@roseauelectric.coop	Roseau Electric Coop., Inc.	po box 100  Roseau, mn 56751	Electronic Service	No	SPL_SL__Electric Utilities
Joseph	Steffel	joseph.steffel@ci.buffalo.mn.us	City of Buffalo Municipal Electric	212 Central Avenue  Buffalo, MN 55313	Electronic Service	No	SPL_SL__Electric Utilities
Tim	Stoner	timothy.stoner@belw.org	Blue Earth Light & Water Dept.	125 East Seventh Street  Blue Earth, MN 56013	Electronic Service	No	SPL_SL__Electric Utilities
Marty	Sunderman	martys@scpuc.com	Sauk Centre Public Utilities Commission	101 Main Street South P O Box 128 Sauk Centre, MN 56378	Electronic Service	No	SPL_SL__Electric Utilities
Guy	Swenson	gswenson@bvillemn.net	Barnesville Municipal Telephone Company	PO Box 550 101 Front St S Barnesville, MN 56514	Electronic Service	No	SPL_SL__Electric Utilities
Mike	Taylor	mtaylor@boreal.org	Grand Marais Public Utilities Comm.	15 Broadway North PO Box 600 Grand Marais, MN 55604	Electronic Service	No	SPL_SL__Electric Utilities
GB	Taylor Jr.	gtaylor@mncable.net	Baudette Municipal Light Plant	PO Box 548  Baudette, MN 56623	Electronic Service	No	SPL_SL__Electric Utilities
Tim	Thompson	tthompson@lrec.coop	Lake Region Electric Cooperative	PO Box 643 1401 South Broadway Pelican Rapids, MN 56572	Electronic Service	No	SPL_SL__Electric Utilities
Jerry	Thompson	N/A	Cedar Valley Rural Electric Coop.	PO Box 70  St. Ansgar, IA 50472	Paper Service	No	SPL_SL__Electric Utilities
David	Todd	lanesboro@acegroup.cc	Lanesboro Public Utilities Commission	PO Box 333  Lanesboro, MN 55949	Electronic Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Louis	Van Hout	N/A	Shakopee Public Utilities	255 Sarazin St.  Shakopee, MN 55379	Paper Service	No	SPL_SL__Electric Utilities
Jim	Viekaryous	N/A	Roseau Munic. Power Plant	100 2nd Avenue PO Box 307 Roseau, MN 56751	Paper Service	No	SPL_SL__Electric Utilities
Mark F.	Vogt	N/A	Wright Hennepin Coop. Electric Assn.	6800 Electric Drive P.O. Box 330 Rockford, MN 553730330	Paper Service	No	SPL_SL__Electric Utilities
Craig	Wainio	BADEMAILcwainio@ci.mountain-iron.mn.us	Mountain Iron Light & Water Dept.	8586 Enterprise Drive So.  Mountain Iron, MN 55768-8260	Paper Service	No	SPL_SL__Electric Utilities
Robert	Walsh	bwalsh@mnvalleyrec.com	Minnesota Valley Coop Light and Power	PO Box 248 501 S 1st St Montevideo, MN 56265	Electronic Service	No	SPL_SL__Electric Utilities
Connie	Wangen	cwangen@princetonutilities.com	Princeton Public Utilities Commission	907 1st Street  Princeton, MN 55371	Electronic Service	No	SPL_SL__Electric Utilities
AT	Ward	N/A	Grand Rapids Public Utilities Commission	Village Hall PO Box 658 Grand Rapids, MN 55744	Paper Service	No	SPL_SL__Electric Utilities
Ray H.	Wigern		Wells Public Utilities	101 First Street SE PO Box 96 Wells, MN 56097	Paper Service	No	SPL_SL__Electric Utilities
Bruce	Williams	N/A	Tyler Munic. Light & Power Dept.	PO Box 398 230 N Tyler St Tyler, MN 561780452	Paper Service	No	SPL_SL__Electric Utilities
Jeff	Wohlers	bademailwohler@warrenminnesota.com	Warren Light & Power Dept. - Electric	120 E. Bridge Ave.  Warren, MN 56762	Paper Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jack	Worm	jworm@chaskamn.com	City of Chaska Electric Department	660 Victoria Dr. Chaska, MN 55318	Electronic Service	No	SPL_SL__Electric Utilities
Lori	Yager	Lyager@ci.anoka.mn.us	Anoka Water, Light Dept.	2015 1st Avenue N Anoka, MN 55303	Electronic Service	No	SPL_SL__Electric Utilities
Linda	York	N/A	Alpha Electric Dept.	PO Box 97 Alpha, MN 56111	Paper Service	No	SPL_SL__Electric Utilities
Nancy	Zaworski	financedept@cityofkasson.com	City Of Kasson ELECTRIC Dept.	401 Fifth St, SE Kasson, MN 55944	Electronic Service	No	SPL_SL__Electric Utilities

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Erich	Bachmeyer	ebachmeyer@globalwinds.com	Buffalo Ridge Power Partners LLC	103 Front Street  Schenectady, NY 12035	Electronic Service	No	SPL_SL__Independent Power Producers
Mike	Beckner	mbeckner@quantumug.com	Quantum Energy	N/A	Electronic Service	No	SPL_SL__Independent Power Producers
James J.	Bertrand	james.bertrand@leonard.com	Leonard Street & Deinard	150 South Fifth Street, Suite 2300  Minneapolis, MN 55402	Electronic Service	No	SPL_SL__Independent Power Producers
Alan	Blum	alan.blum@blumandleonard.com	Northstar Transmission, LLC	418 Central Avenue  Esterville, IA 51334	Electronic Service	No	SPL_SL__Independent Power Producers
B. Andrew	Brown	brown.andrew@dorsey.com	Dorsey & Whitney LLP	Suite 1500 50 South Sixth Street Minneapolis, MN 554021498	Electronic Service	No	SPL_SL__Independent Power Producers
B. Andrew	Brown	N/A	Calpine Corporation	Dorsey & Whitney 50 South Sixth Street, Ste 1500 Minneapolis, MN 55402	Paper Service	No	SPL_SL__Independent Power Producers
Terry L	Carlson	ljabcart@midwestinfo.net	Prairie Wind Energy, LLC	PO Box 33  Parkers Prairie, MN 56361	Electronic Service	No	SPL_SL__Independent Power Producers
Regulatory	Contact	N/A	LS Power Corporation	1700 Broadway FL 35  New York, NY 10019-5905	Paper Service	No	SPL_SL__Independent Power Producers
Will	Cooksey	bademailwcooksey@nationalwind.com	National Wind, LLC	706 2nd Ave S Suite 1200 Minneapolis, MN 55402	Paper Service	No	SPL_SL__Independent Power Producers
Robert	Crowell	bob.crowell@horizonwind.com	FPL Energy Mower County, LLC	808 Travis Street, Ste 700  Houston, TX 77002	Electronic Service	No	SPL_SL__Independent Power Producers
Robert	Crowell	N/A	High Prairie Wind Farm II, LLC	Suite 700 808 Travis St. Houston, TX 77002	Paper Service	No	SPL_SL__Independent Power Producers

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
John H.	Daniels, Jr.	j.danielsjr@worldnet.att.net	Kenyon Wind LLC	201 Ridgewood Avenue  Minneapolis, MN 554033508	Electronic Service	No	SPL_SL__Independent Power Producers
Bruce	Freeman	N/A	Shell Rock Wind Farm, LLC	c/o Avant Energy 220 South Sixth Street, Suite 1300 Minneapolis, MN 55402	Paper Service	No	SPL_SL__Independent Power Producers
Bruce	Freeman	N/A	Oak Glen Wind Farm, LLC	200 South 6th Street Suite 300 Minneapolis, MN 55402	Paper Service	No	SPL_SL__Independent Power Producers
Joe	Grennan	joe.grennan@res- americas.com	Pleasant Valley Wind LLC	c/o Renewable Energy Systems Americas Inc. 11101 W. 120th Ave Suite 400 Broomfield, CO 80021	Electronic Service	No	SPL_SL__Independent Power Producers
Michael	Hastings	N/A	Half Moon Power, LLC	2018 East Thomas Avenue  Milwaukee, WI 53211	Paper Service	No	SPL_SL__Independent Power Producers
John	Ihle	lijhle@rrt.net	PlainStates Energy LLC	27451 S Hwy 34  Barnesville, MN 56514	Electronic Service	No	SPL_SL__Independent Power Producers
John	Ihle	N/A	Bear Creek Wind Partners LLC	27451 S. Hwy 34  Barnesville, MN 56514	Paper Service	No	SPL_SL__Independent Power Producers
Corey	Juhl	info@juhlwind.com	Grant County Wind, LLC	1502 17th St SE  Pipestone, MN 56164-2096	Electronic Service	No	SPL_SL__Independent Power Producers
Dan	Juhl	dan@juhlwind.com	Juhl Energy Inc.	1502 17th St SE  Pipestone, MN 56164	Electronic Service	No	SPL_SL__Independent Power Producers

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Roland	Jurgens	N/A	Getty Wind, LLC	37402 County Road 187  Sauk Rapids, MN 56378	Paper Service	No	SPL_SL__Independent Power Producers
Ian	Krygowski	Ian.Krygowski@edf-re.com	EDF Renewable Energy	10 2nd Street, Ste 107  Minneapolis, MN 55413	Electronic Service	No	SPL_SL__Independent Power Producers
Maria	Litos	N/A	Jeffers Wind 20, LLC	c/o Edison Mission Energy 3 MacArthur Place, ste 100  Santa Ana, CA 92707	Paper Service	No	SPL_SL__Independent Power Producers
Maria	Litos	mlitos@edisonmission.com	Community Wind North, LLC	c/o Edison Mission Energy 3 MacArthur Pl Ste 100  Santa Ana, CA 92707	Electronic Service	No	SPL_SL__Independent Power Producers
Christopher	Little	chris.little@ecosrenewable.com	Ecos Energy	222 S 9th St Suite 1600 Minneapolis, Minnesota 55402	Electronic Service	No	SPL_SL__Independent Power Producers
Robert	Meyerson	N/A	Whirlwind Energy, LLC	212 Atlantic Ave W  Atwater, MN 56209	Paper Service	No	SPL_SL__Independent Power Producers
Donald	Miller	bademailDMiller@ecoenergyllc.com	EcoEnergy LLC	2511 Technology Dr Ste 110  Elgin, IL 60124	Paper Service	No	SPL_SL__Independent Power Producers
Kate	O'Hair	kate.ohair@edf-re.com	EDF Renewable Eenergy	10 2nd Street NE Ste 400  Minneapolis, MN 55413-2652	Electronic Service	No	SPL_SL__Independent Power Producers
Thomas L.	Osteraas	bademail.tomosteraas@excelsiorenergy.com	Excelsior Energy	150 South 5th Street Suite 2300  Minneapolis, MN 55402	Paper Service	No	SPL_SL__Independent Power Producers

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Michael	Ruckers	N/A	CWS Wind Farm, LLC	4845 Pearl East Circle, Suite 200  Boulder, CO 80302	Paper Service	No	SPL_SL__Independent Power Producers
Peter J.	Samuelson	comfreywindenergy@frontiernet.net	Comfrey Wind Energy, LLC	58307 County Road 17  Comfrey, MN 56019	Electronic Service	No	SPL_SL__Independent Power Producers
Anna	Schmalzbauer	bademailanna@sparksenergy.net	Sparks Energy, LLC	1913 Ewing Ave S  Minneapolis, MN 55416	Paper Service	No	SPL_SL__Independent Power Producers
Tim	Seck	N/A	Moraine Wind II, LLC	2221 Riverwood Place  St. Paul, MN 55104	Paper Service	No	SPL_SL__Independent Power Producers
Tim	Seck	N/A	Elm Creek Wind, LLC	2221 Riverwood Place  St. Paul, MN 55104	Paper Service	No	SPL_SL__Independent Power Producers
Brian	Sickels	N/A	MAPP Wind II, LLC	PacifiCorp Power Marketing, INC. 825 NE Multnomah St Portland, OR 97232	Paper Service	No	SPL_SL__Independent Power Producers
Michael	Skelly		High Prairie Wind Farm I, LLC	Suite 700 808 Travis St. Houston, TX 77002	Paper Service	No	SPL_SL__Independent Power Producers
Patrick	Smith	patrick@geronimowind.com	Geronimo Wind Energy, LLC	7650 Edinborough Way, Ste 725  Edina, MN 55435	Electronic Service	No	SPL_SL__Independent Power Producers
Patrick	Smith	N/A	Black Oak Wind, LLC	c/o Geronimo Wind Energy 7650 Edinborough Way Ste 725 Edina, MN 55435	Paper Service	No	SPL_SL__Independent Power Producers

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Adam	Sokolski	N/A	Heartland Wind, LLC	c/o Iberdrola Renewables 1125 NW Couch Street 700 Portland, OR 97209	Paper Service	No	SPL_SL__Independent Power Producers
Keith	Thorstad	N/A	West Stevens Wind, LLC	PO Box 321  Chokia, MN 56221	Paper Service	No	SPL_SL__Independent Power Producers
Paul	White	paul.white@prcwind.com	Project Resources Corp./Tamarac Line LLC/Ridgewind	618 2nd Ave SE  Minneapolis, MN 55414	Electronic Service	No	SPL_SL__Independent Power Producers
Jeff	Wright	N/A	Morgan Wind Acquisition Group, LLC	5200 West 73rd St  Edina, MN 55439	Paper Service	No	SPL_SL__Independent Power Producers
Dan	Yarano	N/A	Uilk Wind Farm, LLC	266 Highway 30  Pipestone, MN 56146	Paper Service	No	SPL_SL__Independent Power Producers

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ross	Abbey	abbey@fresh-energy.org	Fresh Energy	408 Saint Peter St Ste 220 St. Paul, MN 55102-1125	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Michael	Allen	michael.allen@allenergysolar.com	All Energy Solar	721 W 26th st Suite 211 Minneapolis, Minnesota 55405	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
John	Aune	johna@bluehorizonsolar.com	Blue Horizon Energy	171 Cheshire Ln Ste 500 Plymouth, MN 55441	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Sara	Bergan	sebergan@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Thor	Bjork	Thor.S.Bjork@xcelenergy.com	Xcel Energy	414 Nicollet Mall Minneapolis, MN 55401	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
William A.	Blazar	bbblazar@mnchamber.com	Minnesota Chamber Of Commerce	Suite 1500 400 Robert Street North St. Paul, MN 55101	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Michael J.	Bull	mbull@mncee.org	Center for Energy and Environment	212 Third Ave N Ste 560 Minneapolis, MN 55401	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Jessica	Burdette	jessica.burdette@state.mn.us	Department of Commerce	85 7th Place East Suite 500 St. Paul, MN 55101	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Joel	Cannon	jcannon@tenksolar.com	Tenk Solar, Inc.	9549 Penn Avenue S Bloomington, MN 55431	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
John J.	Carroll	jcarroll@newportpartners.com	Newport Partners, LLC	9 Cushing, Suite 200 Irvine, California 92618	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Steve W.	Chriss	Stephen.chriss@wal-mart.com	Wal-Mart	2001 SE 10th St. Bentonville, AZ 72716-5530	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Steve	Coleman	scoleman@appliedenergyinnovations.org	Applied Energy Innovations	4000 Minnehaha Ave S  Minneapolis, MN 55406	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Leigh	Currie	lcurrie@mncenter.org	Minnesota Center for Environmental Advocacy	26 E. Exchange St., Suite 206  St. Paul, Minnesota 55101	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Chris	Davis	christopher.davis@state.mn.us	Department of Commerce	Suite 500 85 Seventh Place East St. Paul, MN 551012198	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Dustin	Denison	dustin@appliedenergyinnovations.org	Applied Energy Innovations	4000 Minnehaha Ave S  Minneapolis, MN 55406	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Dan	Donkers	N/A	Saint Paul - Ramsey County Public Health	Environmental Health Section 2785 White Bear Ave., Suite 350 Maplewood, MN 55109	Paper Service	No	SPL_SL_13-315_Solar Stakeholders List
Bill	Droessler	bdroessler@iwia.org	Izaak Walton League of America-MWO	1619 Dayton Ave Ste 202  Saint Paul, MN 55104	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Rick	Evans	Rick.Evans@xcelenergy.com	Xcel Energy	404 Nicollet Mall  Minneapolis, MN 55401	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Nathan	Franzen	nathan@geronimoenergy.com	Geronimo Energy	7650 Edinborough Way Suite 725 Edina, MN 55435	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Lee	Gabler	Lee.E.Gabler@xcelenergy.com	Xcel Energy	404 Nicollet Mall  Minneapolis, MN 55401	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Benjamin	Gerber	bgerber@mnchamber.com	Minnesota Chamber of Commerce	400 Robert Street North Suite 1500 St. Paul, Minnesota 55101	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Bill	Grant	Bill.Grant@state.mn.us	Minnesota Department of Commerce	85 7th Place East, Suite 500  St. Paul, MN 55101	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Tony	Hainaut	anthony.hainaut@co.hennepin.mn.us	Hennepin County DES	701 4th Ave S Ste 700  Minneapolis, MN 55415-1842	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
J Drake	Hamilton	hamilton@fresh-energy.org	Fresh Energy	408 St Peter St  Saint Paul, MN 55101	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Sam	Hanson	shanson@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 South Eighth Street Minneapolis, MN 55402	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Brandon	Heath	bheath@misoenergy.org	MISO Energy	1125 Energy Park Drive  St. Paul, MN 55108-5001	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Lynn	Hinkle	lhinkle@mnseia.org	Minnesota Solar Energy Industries Association	2512 33rd Ave South #2  Minneapolis, MN 55406	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Holly	Hinman	holly.r.hinman@xcelenergy.com	Xcel Energy	414 Nicollet Mall, 7th Floor  Minneapolis, MN 55401	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
David	Horneck	david.g.horneck@xcelenergy.com	Xcel Energy	1800 Larimer Street  Denver, CO 80202	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Tiffany	Hughes	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Anne	Hunt	anne.hunt@ci.stpaul.mn.us	City of Saint Paul	390 City Hall 15 West Kellogg Boulevard  Saint Paul, MN 55102	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Steve	Huso	steve.huso@xcelenergy.com	Xcel Energy	G.O. 7th Floor 414 Nicollet Mall Minneapolis, MN 554011993	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Dwight	Jelle	dkjelle@gmail.com	Best Power International, LLC	P.O. 5126  Hopkins, MN 55343	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2265 Roswell Road Suite 100 Marietta, GA 30062	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street  St. Paul, MN 551012134	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
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Kerry	Klemm	kerry.r.klemm@xcelenergy.com	Xcel Energy Services, Inc	414 Nicollet Mall  Minneapolis, MN 55401	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
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Scott	Kurtz	Scott.J.Kurtz@xcelenergy.com	Xcel Energy	825 Rice Street  St. Paul, MN 55117	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Amy	Liberkowski	amy.a.liberkowski@xcelenergy.com	Xcel Energy	414 Nicollet Mall 7th Floor Minneapolis, MN 554011993	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Bob	Long	rlong@larkinhoffman.com	Larkin Hoffman (Silicon Energy)	1500 Wells Fargo Plaza 7900 Xerxes Ave S Bloomington, MN 55431	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Rebecca	Lundberg	rebecca.lundberg@powerfullygreen.com	Powerfully Green	11451 Oregon Ave N  Champlin, MN 55316	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Casey	MacCallum	casey@appliedenergyinnovations.org	Applied Energy Innovations	4000 Minnehaha Ave S  Minneapolis, MN 55406	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Paula	Maccabee	Pmaccabee@justchangelaw.com	Just Change Law Offices	1961 Selby Ave  Saint Paul, MN 55104	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Susan	Mackenzie	susan.mackenzie@state.mn.us	Public Utilities Commission	121 7th Place E Ste 350  St. Paul, MN 551012147	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd  Oconomowoc, WI 53066	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E  St. Paul, MN 55106	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Natalie	McIntire	natalie.mcintire@gmail.com	Wind on the Wires	570 Asbury St Ste 201  Saint Paul, MN 55104-1850	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Martin	Morud	mmorud@trunorthsolar.com	Tru North Solar	5115 45th Ave S  Minneapolis, MN 55417	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Michael	Noble	noble@fresh-energy.org	Fresh Energy	Hamm Bldg., Suite 220 408 St. Peter Street St. Paul, MN 55102	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
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Kate	O'Connell	kate.oconnell@state.mn.us	Department of Commerce	Suite 50085 Seventh Place East  St. Paul, MN 551012198	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
Nick	Paluck	nick.paluck@xcelenergy.com	Xcel Energy	7th Floor 414 Nicollet Mall Minneapolis, MN 554011993	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
James	Pearson	james.g.pearson@xcelenergy.com	Xcel Energy	414 Nicollet Mall  Minneapolis, MN 55401	Electronic Service	No	SPL_SL_13-315_Solar Stakeholders List
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First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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# Proposed Rules

where: \$ per point is the dollar amount applied to each point; T is the fee target calculated according to part 7002.0410, item C; and B is the sum of all points for participating laboratories during the previous calendar year.

## 7002.0430 LABORATORY CERTIFICATION APPLICATION FEES.

### Subpart 1. Payment of fees.

A. Certification for a calendar year is provisional until the laboratory's certification application is paid.

B. Fees are nonrefundable once an invoice has been issued.

Subp. 2. Application points. The points assessed for certification application or category types designated in this subpart are multiplied by the dollar per point value determined under part 7002.0420 to calculate the appropriate fee.

	<u>Application or category type</u>	<u>Points</u>
A.	<u>Initial application</u>	6
B.	<u>Renewal application</u>	4
C.	<u>Voluntary field tests</u>	0
D.	<u>Oxygen utilization</u>	1
E.	<u>Nitrogen</u>	1
F.	<u>Phosphorus</u>	1
G.	<u>Physical</u>	1
H.	<u>Microbiology</u>	1
I.	<u>General I</u>	1
J.	<u>General II</u>	2
K.	<u>General III</u>	4
L.	<u>Metals</u>	4
M.	<u>Organics, purgeable, Gas Chromatograph, and Gas Chromatograph Mass Spectrometer</u>	4
N.	<u>Organics, semivolatile, Gas Chromatograph Mass Spectrometer</u>	4
O.	<u>Organics, organochlorine compounds</u>	4

### Subp. 2. Revised applications.

A. A laboratory submitting a revised application to add a new test category to the laboratory's certification must pay:

(1) the full category fee if the application is submitted to the agency on or before July 1; or

(2) 50 percent of the category fee if the application is submitted to the agency after July 1.

B. A laboratory submitting a revised application to add a test method for a parameter in a category for which the laboratory is already certified must pay 25 percent of the total category fee for the parameter.

## **Minnesota Public Utilities Commission (PUC)**

### **Proposed Permanent Rules Relating to Cogeneration and Small Power Production**

**DUAL NOTICE: Notice of Intent to Adopt Rules Without a Public Hearing Unless 25 or More Persons Request a Hearing, and Notice of Hearing if 25 or More Requests for Hearing Are Received; Revisor's ID Number R-04214**

**Proposed Amendment to Rules Governing Cogeneration and Small Power Production, *Minnesota Rules*, Chapter 7835, Including Repeal of Minn. R. parts 7835.2300; 7835.2500; 7835.2700; 7835.2900; 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400; 7835.5500; 7835.5600; 7835.5700; and 7835.5800**

**Introduction.** The Public Utilities Commission intends to adopt rules without a public hearing following the procedures in the rules of

# Proposed Rules

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the Office of Administrative Hearings, *Minnesota Rules*, parts 1400.2300 to 1400.2310, and the Administrative Procedure Act, *Minnesota Statutes*, sections 14.22 to 14.28. If, however, 25 or more persons submit a written request for a hearing on the rules by 4:30 p.m. on February 4, 2015, the Commission will hold a public hearing in the Large Hearing Room, Suite 350, 121 Seventh Place East, Saint Paul, Minnesota 55101, starting at 10:00 a.m. on Wednesday, February 25, 2015. To find out whether the Commission will adopt the rules without a hearing or if it will hold the hearing, you should contact the agency contact person after February 4, 2015 and before February 25, 2015.

**Agency Contact Person.** Submit any comments or questions on the rules or written requests for a public hearing to the agency contact person. The agency contact person is: Kate Kahlert, Public Utilities Commission, 121 Seventh Place East, Suite 350, Saint Paul, Minnesota 55101; **phone:** (651) 201-2239; **fax:** (651) 297-7073; and **e-mail** at: [kate.kahlert@state.mn.us](mailto:kate.kahlert@state.mn.us).

**Subject of Rules and Statutory Authority.** The proposed rules govern Cogeneration and Small Power Production. The following rule parts will be repealed: *Minnesota Rules* parts 7835.2300; 7835.2500; 7835.2700; 7835.2900; 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400; 7835.5500; 7835.5600; 7835.5700; and 7835.5800.

The proposed rules incorporate recent statutory changes to *Minnesota Statutes* § 216B.164, which governs interconnections between utilities and cogeneration or small power producer facilities (qualifying facilities). Specifically, the proposed rule amendments increase the capacity limit on qualifying facilities interconnected with a public utility to *less than 1,000 kilowatt capacity* from less than 40 kilowatt capacity.

The proposed rules also incorporate statutory changes that affect: standby charges on facilities under 100 kW; billing compensation rates for facilities; limits on cumulative generation; requirements for aggregating customers' meters; capacity limits on wind, solar, and other distributed generation facilities; and the uniform statewide contract. The proposed rules also repeal rules governing interconnection guidelines and include housekeeping changes to increase clarity.

The statutory authority to adopt the rules is *Minnesota Statutes*, sections 216A.05, 216B.08, and 216B.164. A copy of the proposed rules is published in the *State Register* and attached to this notice as mailed.

**Comments.** You have until 4:30 p.m. on Wednesday, February 4, 2015, to submit written comment in support of or in opposition to the proposed rules or any part or subpart of the rules. Your comment must be in writing and received by the agency contact person by the due date. Comment is encouraged. Your comments should identify the portion of the proposed rules addressed, the reason for the comment, and any change proposed. You are encouraged to propose any change that you desire. Any comments that you have about the legality of the proposed rules must also be made during this comment period. Please refer to Docket No. E-999/R-13-729 in your comments. You may also electronically file your comments using the Commission's electronic filing system located at:

<https://www.edockets.state.mn.us/EFiling>.

**Request for a Hearing.** In addition to submitting comments, you may also request that the Commission hold a hearing on the rules. You must make your request for a public hearing in writing, which the agency contact person must receive by 4:30 p.m. on February 4, 2015. You must include your name and address in your written request. In addition, you must identify the portion of the proposed rules that you object to or state that you oppose the entire set of rules. Any request that does not comply with these requirements is not valid and the agency cannot count it when determining whether it must hold a public hearing. You are also encouraged to state the reason for the request and any changes you want made to the proposed rules.

**Withdrawal of Requests.** If 25 or more persons submit a valid written request for a hearing, the Commission will hold a public hearing unless a sufficient number of persons withdraw their requests in writing. If enough requests for hearing are withdrawn to reduce the number below 25, the agency must give written notice of this to all persons who requested a hearing, explain the actions the agency took to effect the withdrawal, and ask for written comments on this action. If a public hearing is required, the agency will follow the procedures in *Minnesota Statutes*, sections 14.131 to 14.20.

**Alternative Format/Accommodation.** Upon request, this information can be made available in an alternative format, such as large print, braille, or audio. To make such a request or if you need an accommodation to make this hearing accessible, please contact the agency contact person at the address or telephone number listed above.

**Modifications.** The Commission might modify the proposed rules, either as a result of public comment or as a result of the rule hearing process. It must support modifications by data and views submitted to the agency or presented at the hearing. The adopted rules may not

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## Proposed Rules

be substantially different than these proposed rules unless the Commission follows the procedure under *Minnesota Rules*, part 1400.2110. If the proposed rules affect you in any way, the Commission encourages you to participate in the rulemaking process.

**Cancellation of Hearing.** The Commission will cancel the hearing scheduled for February 25, 2015, if the agency does not receive requests for a hearing from 25 or more persons. If you requested a public hearing, the agency will notify you before the scheduled hearing whether the hearing will be held. You may also call the agency contact person at 651-201-2239 after February 4, 2015 to find out whether the hearing will be held. On the scheduled day, you may check for whether the hearing will be held by calling 651-201-2239 or going on-line at: <http://mn.gov/puc/index.html>.

**Notice of Hearing.** If 25 or more persons submit valid written requests for a public hearing on the rules, the Commission will hold a hearing following the procedures in *Minnesota Statutes*, sections 14.131 to 14.20. The Commission will hold the hearing on the date and at the time and place listed above. The hearing will continue until all interested persons have been heard. Administrative Law Judge James Mortenson is assigned to conduct the hearing. Judge Mortenson's Legal Assistant Denise Collins can be reached at the Office of Administrative Hearings, 600 North Robert Street, P.O. Box 64620, Saint Paul, Minnesota 55164-0620, **telephone:** (651) 361-7900, and **fax:** (651) 361-7936.

**Hearing Procedure.** If the Commission holds a hearing, you and all interested or affected persons, including representatives of associations or other interested groups, will have an opportunity to participate. You may present your views either orally at the hearing or in writing at any time before the hearing record closes. All evidence presented should relate to the proposed rules. You may also submit written material to the Administrative Law Judge to be recorded in the hearing record for five working days after the public hearing ends. At the hearing the Administrative Law Judge may order that this five-day comment period is extended for a longer period but not more than 20 calendar days. Following the comment period, there is a five-working-day rebuttal period when the agency and any interested person may respond in writing to any new information submitted. No one may submit additional evidence during the five-day rebuttal period. The Office of Administrative Hearings must receive all comments and responses submitted to the Administrative Law Judge no later than 4:30 p.m. on the due date. All comments or responses received will be available for review at the Office of Administrative Hearings. This rule hearing procedure is governed by *Minnesota Rules*, parts 1400.2000 to 1400.2240, and *Minnesota Statutes*, sections 14.131 to 14.20. You may direct questions about the procedure to the Administrative Law Judge.

The agency requests that any person submitting written views or data to the Administrative Law Judge before the hearing or during the comment or rebuttal period also submit a copy of the written views or data to the agency contact person at the address stated above.

**Statement of Need and Reasonableness.** The statement of need and reasonableness summarizes the justification for the proposed rules, including a description of who will be affected by the proposed rules and an estimate of the probable cost of the proposed rules. It is now available from the agency contact person. You may review or obtain copies for the cost of reproduction by contacting the agency contact person or on the Commission website at: <http://mn.gov/puc/index.html>.

**Lobbyist Registration.** *Minnesota Statutes*, chapter 10A, requires each lobbyist to register with the State Campaign Finance and Public Disclosure Board. Ask any questions about this requirement of the Campaign Finance and Public Disclosure Board at: Suite #190, Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155, **telephone:** (651) 539-1180 or 1-800-657-3889.

**Adoption Procedure if No Hearing.** If no hearing is required, the agency may adopt the rules after the end of the comment period. The Commission will submit the rules and supporting documents to the Office of Administrative Hearings for a legal review. You may ask to be notified of the date the rules are submitted to the office. If you want either to receive notice of this, to receive a copy of the adopted rules, or to register with the agency to receive notice of future rule proceedings, submit your request to the agency contact person listed above.

**Adoption Procedure After a Hearing.** If a hearing is held, after the close of the hearing record, the Administrative Law Judge will issue a report on the proposed rules. You may ask to be notified of the date that the Administrative Law Judge's report will become available, and can make this request at the hearing or in writing to the Administrative Law Judge. You may also ask to be notified of the date that the agency adopts the rules and the rules are filed with the Secretary of State by requesting this at the hearing or by writing to the agency contact person stated above.

**Order.** I order that the rulemaking hearing be held at the date, time, and location listed above.

Dated: 18 December 2014

Burl W. Haar, Executive Secretary  
Public Utilities Commission

# Proposed Rules

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## 7835.0100 DEFINITIONS.

[For text of subs 1 to 3, see M.R.]

Subp. 4. **Capacity.** "Capacity" means the capability to produce, transmit, or deliver electric energy, and is measured by the number of megawatts alternating current at the point of common coupling between a qualifying facility and a utility's electric system.

Subp. 5. **Capacity costs.** "Capacity costs" means the costs associated with providing the capability to deliver energy. They consist of The utility capital costs consist of facilities used to generate, transmit, and distribute electricity and the fixed operating and maintenance costs of these facilities.

[For text of subp 6, see M.R.]

Subp. 6a. **Customer.** "Customer" means the person named on the utility electric bill for the premises.

[For text of subs 7 to 15, see M.R.]

Subp. 15a. **Net metered facility.** "Net metered facility" means an electric generation facility constructed for the purpose of offsetting energy use through the use of renewable energy or high-efficiency distributed generation sources.

[For text of subs 16 and 17, see M.R.]

Subp. 17a. **Public utility.** "Public utility" has the meaning given in Minnesota Statutes, section 216B.02, subdivision 4.

[For text of subp 18, see M.R.]

Subp. 19. **Qualifying facility.** "Qualifying facility" means a cogeneration or small power production facility which satisfies the conditions established in Code of Federal Regulations, title 18, section 292.101 (b) (1), (1981), as applied when interpreted in accordance with the amendments to Code of Federal Regulations, title 18, sections 292.201 to 292.207 adopted through Federal Register, volume 46, pages 33025-33027, (1981) part 292. The initial operation date or initial installation date of a cogeneration or small power production facility must not prevent the facility from being considered a qualifying facility for the purposes of this chapter if it otherwise satisfies all stated conditions.

[For text of subp 20, see M.R.]

Subp. 20a. **Standby charge.** "Standby charge" means the rate or fee a utility charges for standby service or standby power.

Subp. 20b. **Standby service.** "Standby service" means:

A. for public utilities, service or power that includes backup, maintenance, and related services necessary to make electricity service available to the facility, as described in the public utility's commission-approved standby tariff; and

B. for a utility not subject to the commission's rate authority, the service associated with the applicable tariff in effect under Minnesota Statutes, section 216B.1611, subdivision 3, clause (2).

[For text of subs 21 to 24, see M.R.]

## 7835.0200 SCOPE AND PURPOSE.

The purpose of this chapter is to implement certain provisions of *Minnesota Statutes*, section 216B.164; the Public Utility Regulatory Policies Act of 1978, *United States Code*, title 16, section 824a-3 (Supplement III, 1979); and the Federal Energy Regulatory Commission regulations, *Code of Federal Regulations*, title 18, sections 292.101 to 292.602 (1981) part 292. Nothing in this chapter excuses any utility from carrying out its responsibilities under these provisions of state and federal law. This chapter must at all times be applied in accordance with its intent to give the maximum possible encouragement to cogeneration and small power production consistent with protection of the ratepayers and the public.

## 7835.0400 FILING OPTION.

If, after the initial January 1, 2015, filing, schedule C is the only change in the cogeneration and small power production tariff to be filed in a subsequent year, the utility may notify the commission in writing, by the date the tariff is due, that there is no other change in the tariff. This notification and new schedule C will serve as a substitute for the refiling of the complete tariff in that year.

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# Proposed Rules

## **7835.0800 SCHEDULE E.**

Schedule E must contain the utility's safety standards, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus. ~~These standards and procedures must not be more restrictive than the interconnection guidelines listed in parts 7835.4800 to 7835.5800.~~ The utility may include in schedule E suggested types of equipment to perform the specified functions. No standard or procedure may be established to discourage cogeneration or small power production.

## **7835.1200 AVAILABILITY OF FILINGS.**

All filings required by parts 7835.0300 to 7835.1100 must be ~~made with~~ filed in the commission's electronic filing system and be maintained at the utility's general office and any other offices of the utility where rate case filings are kept. These filings must be available for public inspection at the commission and at the utility offices during normal business hours.

## **7835.1300 GENERAL REPORTING REQUIREMENTS.**

Each utility interconnected with a qualifying facility must provide the commission with the information in parts 7835.1400 to 7835.1800 annually on or before ~~November March 1, 1984, and annually thereafter,~~ and in such form as the commission may require.

## **7835.2100 ELECTRICAL CODE COMPLIANCE WITH NATIONAL ELECTRICAL SAFETY CODE.**

Subpart 1. Compliance; standards. The interconnection between the qualifying facility and the utility must comply with the requirements of the National Electrical Safety Code, ~~1981 edition,~~ issued by the Institute of Electrical and Electronics Engineers as ~~American National Standards Institute Standard C2 (New York, 1980).~~ The interconnection is subject to subparts 2 and 3.

Subp. 2. Interconnection. The interconnection customer is responsible for complying with all applicable local, state, and federal codes, including building codes, the National Electric Code (NEC), the National Electric Safety Code (NEC), and noise and emissions standards. The Area Electric Power System will require proof of complying with the NEC before the interconnection is made. The interconnection customer must obtain installation approval from an electrical inspector recognized by the Minnesota State Board of Electricity.

Subp. 3. Generation system. The interconnection customer's generation system and installation must comply with the American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) standards applicable to the installation.

## **7835.2600 TYPES OF POWER TO BE OFFERED; STANDBY SERVICE.**

Subpart 1. Service to be offered. The utility must offer maintenance, interruptible, supplementary, and backup power to the qualifying facility upon request.

Subp. 2. Standby service; public utility. A public utility may not impose a standby charge for standby service on a qualifying facility having 100 kilowatt capacity or less. A utility imposing rates on a qualifying facility having more than 100 kilowatt capacity must comply with an order of the commission establishing allowable costs.

Subp. 3. Standby service; cooperative or municipality. A cooperative electric association or municipal utility must offer a qualifying facility standby power or service consistent with its applicable tariff for such service adopted under *Minnesota Statutes*, section 216B.1611, subdivision 3, clause (2).

## **7835.3000 RATES FOR UTILITY SALES TO A QUALIFYING FACILITY TO BE GOVERNED BY TARIFF.**

Except as otherwise provided in part 7835.3100, rates for sales to a qualifying facility must be governed by the applicable tariff for the class of electric utility customers to which the qualifying facility belongs or would belong were it not a qualifying facility.

## **7835.3150 INTERCONNECTION WITH COOPERATIVE ELECTRIC ASSOCIATION OR MUNICIPAL UTILITY.**

Parts 7835.3200 to 7835.4000 apply to interconnections between a qualifying facility and a cooperative electric association or municipal utility.

## **7835.3200 STANDARD RATES FOR PURCHASES IN GENERAL BY COOPERATIVE ELECTRIC ASSOCIATIONS AND MUNICIPAL UTILITIES FROM QUALIFYING FACILITIES.**

Subpart 1. Qualifying facilities with 100 kilowatt capacity or less. For qualifying facilities with capacity of 100 kilowatts or less, standard purchase rates apply. Qualifying facilities with capacity of more than 100 kilowatts may negotiate contracts with the utility or may be compensated under standard rates if they make commitments to provide firm power. The utility must make available three types

# Proposed Rules

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of standard rates, described in parts 7835.3300, 7835.3400, and 7835.3500. The qualifying facility with a capacity of 100 kilowatts or less must choose interconnection under one of these rates, and must specify its choice in the written contract required in part 7835.2000. Any net credit to the qualifying facility must, at its option, be credited to its account with the utility or returned by check within 15 days of the billing date. The option chosen must be specified in the written contract required in part 7835.2000. Qualifying facilities remain responsible for any monthly service charges and demand charges specified in the tariff under which they consume electricity from the utility.

Subp. 2. **Qualifying facilities over 100 kilowatt capacity.** A qualifying facility with more than 100 kilowatt capacity has the option to negotiate a contract with a utility or, if it commits to provide firm power, be compensated under standard rates.

## **7835.4010 INTERCONNECTION WITH PUBLIC UTILITY.**

Parts 7835.4011 to 7835.4023 apply to interconnections between a qualifying facility and a public utility.

## **7835.4011 STANDARD RATES FOR PURCHASES BY PUBLIC UTILITIES FROM QUALIFYING FACILITIES.**

Subpart 1. **Standard rates.** For qualifying facilities with less than 1,000 kilowatt capacity, standard rates apply. The utility must make available the types of standard rates described in parts 7835.4012 to 7835.4015. Qualifying facilities remain responsible for any monthly service charges and demand charges specified in the tariff under which they consume electricity from the utility.

Subp. 2. **Negotiated rates.** A qualifying facility with 1,000 kilowatt capacity or more has the option to negotiate a contract with a utility or, if it commits to provide firm power, be compensated under standard rates.

## **7835.4012 COMPENSATION.**

Subpart 1. **Facilities with less than 40 kilowatt capacity.** A qualifying facility with less than 40 kilowatt capacity has the option to be compensated at the net energy billing rate, the simultaneous purchase and sale billing rate, or the time-of-day billing rate.

Subp. 2. **Facilities with at least 40 kilowatt capacity but less than 1,000 kilowatt capacity.** A qualifying facility with at least 40 kilowatt capacity but less than 1,000 kilowatt capacity has the option to be billed at the simultaneous purchase and sale billing rate, or at the time-of-day billing rate.

## **7835.4013 AVERAGE RETAIL ENERGY RATE.**

Subpart 1. **Method of billing.** The utility must bill the qualifying facility for the energy supplied by the utility that exceeds the amount of energy supplied by the qualifying facility during each billing period according to the utility's applicable retail rate schedule.

Subp. 2. **Additional calculations for billing.** When the energy generated by the qualifying facility exceeds that supplied by the utility during a billing period, the utility must compensate the qualifying facility for the excess energy at the average retail utility energy rate.

## **7835.4014 SIMULTANEOUS PURCHASE AND SALE BILLING RATE.**

Subpart 1. **Method of billing.** The qualifying facility must be billed for all energy and capacity it consumes during a billing period according to the utility's applicable retail rate schedule.

Subp. 2. **Compensation to qualifying facility.** The utility must purchase all energy and capacity which is made available to it by the qualifying facility. At the option of the qualifying facility, its entire generation must be deemed to be made available to the utility. Compensation to the qualifying facility must be the sum of items A and B.

A. The energy component must be the appropriate system average incremental energy costs shown on schedule A; or if the generating utility has not filed schedule A, the energy component must be the energy rate of the retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has not filed schedule A, the energy component must be the energy rate shown on schedule H.

B. If the qualifying facility provides firm power to the utility, the capacity component must be the utility's net annual avoided capacity cost per kilowatt-hour averaged over all hours shown on schedule B; or if the generating utility has not filed schedule B, the capacity component must be the demand charge per kilowatt, if any, of the retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B, divided by the number of hours in the billing period; or if the nongenerating utility has not filed schedule B, the capacity component must be the capacity cost per kilowatt shown on schedule H, divided by the number of hours in the billing period. If the qualifying facility does not provide firm power to the utility, no capacity component may be included in the compensation paid to the qualifying facility.

## **7835.4015 TIME-OF-DAY PURCHASE RATES.**

**Subpart 1. Method of billing.** The qualifying facility must be billed for all energy and capacity it consumes during each billing period according to the utility's applicable retail rate schedule. Any utility rate-regulated by the commission may propose time-of-day retail rate tariffs which require qualifying facilities that choose to sell power on a time-of-day basis to also purchase power on a time-of-day basis.

**Subp. 2. Compensation to qualifying facility.** The utility must purchase all energy and capacity which is made available to it by the qualifying facility. Compensation to the qualifying facility must be the sum of items A and B.

**A.** The energy component must be the appropriate on-peak and off-peak system incremental costs shown on schedule A; or if the generating utility has not filed schedule A, the energy component must be the energy rate of the retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has not filed schedule A, the energy component must be the energy rate shown on schedule H.

**B.** If the qualifying facility provides firm power to the utility, the capacity component must be the utility's net annual avoided capacity cost per kilowatt-hour averaged over the on-peak hours as shown on schedule B; or if the generating utility has not filed schedule B, the capacity component must be the demand charge per kilowatt, if any, of the retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B, divided by the number of on-peak hours in the billing period; or if the nongenerating utility has not filed schedule B, the capacity component must be the capacity cost per kilowatt shown on schedule H, divided by the number of on-peak hours in the billing period. The capacity component applies only to deliveries during on-peak hours. If the qualifying facility does not provide firm power to the utility, no capacity component may be included in the compensation paid to the qualifying facility.

## **7835.4016 INDIVIDUAL SYSTEM CAPACITY LIMITS.**

**Subpart 1. Applicability.** Individual system capacity limits are subject to the requirements in *Minnesota Statutes*, section 216B.164, subdivision 4c.

**Subp. 2. Usage history.** A facility subject to capacity limits with less than 12 calendar months of actual electric usage or no demand metering available is subject to limits based on data for similarly situated customers combined with any actual data for the facility.

## **7835.4017 NET METERED FACILITY; BILL CREDITS.**

**Subpart 1. Kilowatt-hour credit.** A customer with a net metered facility can elect to be compensated for net input into the utility's system in the form of a kilowatt-hour credit on the customer's bill, subject to *Minnesota Statutes*, section 216B.164, subdivision 3a, and the following conditions:

**A.** the customer is not receiving a value of solar rate under *Minnesota Statutes*, section 216B.164, subdivision 10;

**B.** the customer is interconnected with a public utility; and

**C.** the net metered facility has a capacity of at least 40 kilowatt capacity but less than 1,000 kilowatt capacity.

**Subp. 2. Notification to customer.** A public utility must notify the customer of the option to be compensated for net input in the form of a kilowatt-hour credit under subpart 1. The public utility must inform the customer that if the customer does not elect to be compensated for net input in the form of a kilowatt-hour credit on the bill, the customer will be compensated for the net input at the utility's avoided cost rate, as described in the utility's tariff for that customer class.

**Subp. 3. End-of-year net input.** A public utility must compensate the customer, in the form of a payment, for any net input remaining at the end of the calendar year at the utility's avoided cost rate, as described in the utility's tariff for that class of customer.

## **7835.4018 AGGREGATION OF METERS.**

A public utility must aggregate meters at the request of a customer as described in *Minnesota Statutes*, section 216B.164, subdivision 4a.

## **7835.4019 QUALIFYING FACILITIES OF 1,000 KILOWATT CAPACITY OR MORE.**

A qualifying facility with capacity of 1,000 kilowatt capacity or more must negotiate a contract with the utility to set the applicable rates for payments to the customer of avoided capacity and energy costs. Nothing in parts 7835.4010 to 7835.4015 prevents a utility from connecting qualifying facilities of greater than 1,000 kilowatt capacity under its avoided cost rates.

## **7835.4020 AMOUNT OF CAPACITY PAYMENTS; CONSIDERATIONS.**

The qualifying facility which negotiates a contract under part 7835.4019 must be entitled to the full avoided capacity costs of the

# Proposed Rules

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utility. The amount of capacity payments must be determined through consideration of:

- A. the capacity factor of the qualifying facility;
- B. the cost of the utility's avoidable capacity;
- C. the length of the contract term;
- D. reasonable scheduling of maintenance;
- E. the willingness and ability of the qualifying facility to provide firm power during system emergencies;
- F. the willingness and ability of the qualifying facility to allow the utility to dispatch its generated energy;
- G. the willingness and ability of the qualifying facility to provide firm capacity during system peaks;
- H. the sanctions for noncompliance with any contract term; and
- I. the smaller capacity increments and the shorter lead times available when capacity is added from qualifying facilities.

## 7835.4021 UTILITY TREATMENT OF COSTS.

All purchases from qualifying facilities with capacity of less than 40 kilowatts and purchases of energy from qualifying facilities with capacity of 40 kilowatts or more must be considered an energy cost in calculating a utility's fuel adjustment clause.

## 7835.4022 LIMITING CUMULATIVE GENERATION.

A public utility requesting that the commission limit cumulative generation of net metered facilities under *Minnesota Statutes*, section 216B.164, subdivision 4b, must file its request with the commission under chapter 7829.

## 7835.4023 ALTERNATIVE TARIFF FOR VALUE OF SOLAR.

If a public utility has received commission approval of an alternative tariff for the value of solar under *Minnesota Statutes*, section 216B.164, subdivision 10, the tariff applies to new solar photovoltaic interconnections effective after the tariff approval date.

## 7835.4750 INTERCONNECTION STANDARDS.

Prior to signing the uniform statewide contract, a utility must distribute to each customer a copy of, or electronic link to, the commission's order establishing interconnection standards dated September 28, 2004, in docket number E-999/CI-01-1023. The utility must provide each customer a copy of, or electronic link to, subsequent changes made by the commission to any of those standards.

## 7835.5900 EXISTING CONTRACTS.

Any existing interconnection contracts ~~contract~~ executed between a utility and a qualifying facility with installed capacity of less than 40 kilowatts before November 13, 1984, may be canceled and replaced with the uniform statewide contract at the option of either party by either party giving the other written notice ~~remains in force until terminated by mutual agreement of the parties~~. The notice is effective upon the shortest period permitted under the existing contract for termination, but not less than ten nor more than 30 days.

## 7835.5950 RENEWABLE ENERGY CREDIT; OWNERSHIP.

A qualifying facility owns all renewable energy credits unless other ownership is expressly provided for in the contract between the qualifying facility and a utility under part 7835.9910.

## 7835.9910 UNIFORM STATEWIDE CONTRACT; FORM.

The form for the uniform statewide contract ~~for use must be applied to all new and existing interconnections~~ between a utility and cogeneration and small power production facilities having less than ~~40~~ 1,000 kilowatts of capacity ~~is as follows~~, ~~except as described in part 7835.5900~~.

UNIFORM STATEWIDE CONTRACT FOR COGENERATION  
AND SMALL POWER PRODUCTION FACILITIES

# Proposed Rules

THIS CONTRACT is entered into \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_ (hereafter called "Utility") and \_\_\_\_\_ (hereafter called "QF").

## RECITALS

The QF has installed electric generating facilities, consisting of \_\_\_\_\_ (Description of facilities), rated at ~~less than 40~~ \_\_\_\_\_ kilowatts of electricity, on property located at \_\_\_\_\_.

The QF is prepared to generate electricity in parallel with the Utility.

The QF's electric generating facilities meet the requirements of the Minnesota Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and Small Power Production and any technical standards for interconnection the Utility has established that are authorized by those rules.

The Utility is obligated under federal and Minnesota law to interconnect with the QF and to purchase electricity offered for sale by the QF.

A contract between the QF and the Utility is required by the Commission's rules.

## AGREEMENTS

The QF and the Utility agree:

1. The Utility will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.

2. The Utility will buy electricity from the QF under the current rate schedule filed with the Commission. The QF ~~has elected~~ elects the rate schedule category hereinafter indicated (~~select one~~):

- \_\_\_ a. Net energy billing rate under part 7835.3300.
- \_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.3400.
- \_\_\_ c. Time-of-day purchase rates under part 7835.3500.

A copy of the presently filed rate schedule is attached to this contract.

3. The Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated:

- \_\_\_ a. Net energy billing rate under part 7835.4013.
- \_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.4014.
- \_\_\_ c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

4. The Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has at least 40 kilowatts capacity but less than 1,000 kilowatt capacity, the QF elects the rate schedule category hereinafter indicated:

- \_\_\_ a. Simultaneous purchase and sale billing rate under part 7835.4014.
- \_\_\_ b. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

3.5. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Utility or of the Commission, and the QF and the Utility agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.

4.6. The Utility will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF will be made under one of the following options as chosen by the QF:

- \_\_\_ 1. Credit to the QF's account with the Utility.
- \_\_\_ 2. Paid by check to the QF within 15 days of the billing date.

7. Renewable energy credits associated with generation from the facility are owned by:

5.8. The QF must operate its electric generating facilities within any rules, regulations, and policies adopted by the Utility not prohibited by the Commission's rules on Cogeneration and Small Power Production which provide reasonable technical connection and

# Proposed Rules

operating specifications for the QF. This agreement does not waive the QF's right to bring a dispute before the Commission as authorized by Minnesota Rules, ~~parts 7835.4800, 7835.5800, and part~~ 7835.4500, and any other provision of the Commission's rules on Cogeneration and Small Power Production authorizing Commission resolution of a dispute.

6.9. The Utility's rules, regulations, and policies must conform to the Commission's rules on Cogeneration and Small Power Production.

7.10. The QF will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance.

8.11. The QF is responsible for the actual, reasonable costs of interconnection which are estimated to be \$ \_\_\_\_\_. The QF will pay the Utility in this way: \_\_\_\_\_

9.12. The QF will give the Utility reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Utility's side of the interconnection. If the Utility enters the QF's property, the Utility will remain responsible for its personnel.

10.13. The Utility may stop providing electricity to the QF during a system emergency. The Utility will not discriminate against the QF when it stops providing electricity or when it resumes providing electricity.

11.14. The Utility may stop purchasing electricity from the QF when necessary for the Utility to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Utility will notify the QF before it stops purchasing electricity in this way: \_\_\_\_\_

12.15. The QF will keep in force liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be \$ \_\_\_\_\_ (The utility may not require an amount greater than \$300,000 amount must be consistent with the Commission's interconnection standards under Minnesota Rules, part 7835.4750).

13.16. This contract becomes effective as soon as it is signed by the QF and the Utility. This contract will remain in force until either the QF or the Utility gives written notice to the other that the contract is canceled. This contract will be canceled 30 days after notice is given.

14.17. This contract contains all the agreements made between the QF and the Utility except that this contract shall at all times be subject to all rules and orders issued by the Public Utilities Commission or other government agency having jurisdiction over the subject matter of this contract. The QF and the Utility are not responsible for any agreements other than those stated in this contract.

THE QF AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT THE BEGINNING OF THIS CONTRACT.

\_\_\_\_\_ QF By: \_\_\_\_\_

UTILITY By: \_\_\_\_\_ (Title)

## 7835.9920 NONSTANDARD PROVISIONS.

A utility intending to implement provisions other than those included in the uniform statewide form of contract must file a request for authorization with the commission. The filing must conform with chapter 7829 and must identify all provisions the utility intends to use in the contract with a qualifying facility.

REPEALER. Minnesota Rules, parts 7835.2300; 7835.2500; 7835.2700; 7835.2900; 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400; 7835.5500; 7835.5600; 7835.5700; and 7835.5800, are repealed.

**F.**

**Not Enclosed: Rule Text Omitted from  
Notice**

**This is not enclosed because the Commission included the text of the proposed rules with the Notice of Intent to Adopt Rules published in the State Register**

**G.**

**Certificate of Mailing the Notice of Intent  
to Adopt Rules and the Certificate of  
Accuracy of the Mailing List**

**Minnesota Public Utilities Commission**

**CERTIFICATE OF ACCURACY OF THE MAILING LIST**

**Proposed Rules Governing Cogeneration and Small Power Production,, Minnesota Rules,  
Chapter 7835; Revisor's ID Number R-024214**

I certify that the list of persons and associations who have requested that their names be placed on the Commission's rulemaking mailing list under Minnesota Statutes, section 14.14, subdivision 1a, is accurate, complete, and current as of December 29, 2014. A copy of the mailing list is attached to this Certificate.



Kate Kahlert  
Kate Kahlert  
Commission Attorney

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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**H.**

**Certificate of Additional Notice**

**Minnesota Public Utilities Commission**

**CERTIFICATE OF ADDITIONAL NOTICE UNDER THE ADDITIONAL NOTICE PLAN ON P.27 of the Statement of Need and Reasonableness (SONAR)**

**Proposed Rules Governing Cogeneration and Small Power Production, Minnesota Rules, Chapter 7835**

I certify that on December 29, 2014, at St. Paul, Ramsey County, Minnesota, I gave notice according to the Additional Notice Plan approved by the Office of Administrative Hearings on December 11, 2014 Specifically, I:

- published the Notice of Intent to Adopt Rules, and text of the proposed rules in the State Register, as attached to item E, of this record as mailed.
- mailed a copy of the Notice of Intent to Adopt Rules, as proposed, to everyone who requested to receive it pursuant to Minnesota Statutes § 14.14, subdivision 1(a). I accomplished this mailing by depositing a copy in the United States mail with postage prepaid to all persons and associates on the list. The affidavit of service and the mailing lists are attached to item E of this record as mailed.
- gave notice to the Legislature as required by Minnesota Statutes § 14.116. The letter and certificate of mailing to legislators is attached to item P of this record as mailed.
- published the Notice of Intent to Adopt Rules and the Statement of Need and Reasonableness, including the text of the proposed rules, on the Commission's website pages that include direct links to the Notice, SONAR, and proposed rules.
- mailed the Notice of Intent to Adopt to Minnesota's Electric Utilities.
- mailed the Notice of Intent to Adopt to everyone on the Commission's official service list for this proceeding.
- Issued a press release to all newspapers of general circulation throughout the state. Attached is a copy of the press release as posted on the Commission's website.



Kate Kahlert  
Commission Attorney

## Public Utilities Commission

State of Minnesota



### Public Rulemaking Docket

Minnesota Statutes, Chapter [14.366](#) (2012) requires each agency to maintain a current, public rulemaking docket. This section contains a list of pending rulemakings under consideration. The status of each rulemaking will be updated as we proceed through the rulemaking process. All documents, including any written requests for a public hearing, are available through the Minnesota Public Utilities Commission's electronic filing system, eDockets.

**Agency Contact:** [Kate Kahlert](#)  
Phone: 651-201-2239

**Subject:** **In the Matter of Possible Amendments to Rules Concerning White Pages Directory Publication and Distribution**

**Docket:** P-999/R-13-459

**Notices:** [Notice of Comment Period on Possible Rule Amendments ; Request for Comments and Working Draft](#)

**Comment Period:** Not currently in a comment period  
[See comments in eDockets](#)

**Hearing Info:** Not yet available

**Status:** Request for Comments published in the State Register October 14, 2013

**Timetable:** Ongoing

**Date Adopted:** Not yet available

**Rule Filed with Secretary of State:** Not yet filed

**Date Effective:** Not yet determined

**Subject:** **In the Matter of Possible Amendments to Rules Governing Cogeneration and Small Power Production, Chapter 7835**

**Docket:** E-999/R-13-729

**Notices:** [Notice](#)

Statement of Need and Reasonableness

**Comment Period:** In comment period until February 4, 2015  
Speak Up!

See Comments in eDockets

**Hearing Info:** If the Commission receives 25 or more requests for a hearing, a hearing will be held on February 25, 2015 at 10:00 a.m. in the Large Hearing Room at the Commission.

**Status:** In comment period

**Timetable:** Ongoing

**Date Adopted:** Not yet adopted

**Rule Filed with Secretary of State:** Not yet filed

**Date Effective:** Not yet determined

**Subject:** **In the Matter of Amendments to Rules Governing Certificates of Need (Chapter 7849) and Site and Route Permits (Chapter 7850) for Large Electric Power Plants and High-Voltage Transmission Lines; and to Rules Governing Notice Plan Requirements for High-Voltage Transmission Lines (part 7829.2550)**

**Docket:** E,ET,IP-999/R-12-1246

**Notices:** Request for Comments

**Comment Period:** Not currently in comment period

See Comments in eDockets

**Hearing Info:** Not yet available

**Status:** Advisory Committee Established

**Timetable:** Ongoing

**Date Adopted:** Not yet adopted

**Rule Filed with Secretary of State:** Not yet filed

**Date Effective:** Not yet determined

**Subject:** **In the Matter of Amendments to Rules Governing Proceeding, Practice, and Procedure (Chapter 7829,**

# Public Utilities Commission

State of Minnesota



**The Minnesota Public Utilities Commission (PUC)** is the state's agency responsible for the regulation of public utilities such as electric, natural gas and landline telephone service. The PUC also has oversight of the construction or modifications to large energy facilities such as electric power plants, transmission lines, wind power generation plants, and large natural gas and petroleum pipelines.

## Commission Meetings

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("watch" link active during live webcasts)

[Past Meetings](#)

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<a href="#">File a Complaint</a>	<a href="#">eFiling</a>
<a href="#">Attend a Public Hearing</a>	<a href="#">Subscribe to a Docket</a>
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Bad Weather Hotline  
651-201-2213  
1-855-731-6208

December 2014



S	M	T	W	T	F	S
30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	3
4	5	6	7	8	9	10



## Spotlights

- [Commission Names New Executive Secretary](#)
- [Press Release, Commission Amends Rules Governing Cogeneration and Small Power Production](#)
- [Commission comments on EPA's proposed Clean Power Plan](#)
- [Press Release, November 10, Commission Acts on Alberta Clipper Line 67](#)
- [Utilities Must Accept Electronic Service](#)

## Links

- [Cold Weather Rule](#)
- [U.S Energy Information Center](#)
- [Natural Gas Safety for Kids](#)

For Immediate Release

Contact: MN Public Utilities Commission  
Kate Kahlert  
Telephone: 651-201-2239  
Fax: 651-297-7073  
Email: [kate.kahlert@state.mn.us](mailto:kate.kahlert@state.mn.us)  
Web: <http://mn.gov/puc>.

## MINNESOTA PUBLIC UTILITIES COMMISSION TO AMEND RULES GOVERNING COGENERATION AND SMALL POWER PRODUCTION

### Notice of Proposed Rules

St Paul, MN – December 29, 2014 - The Minnesota Public Utilities Commission announced its intent to amend Minnesota Rules, Chapter 7835, to incorporate recent statutory changes affecting cogeneration and small power production.

The proposed rule amendments incorporate changes to *Minnesota Statutes*, section 216B.164, which increase the capacity limit of qualifying facilities interconnecting with a public utility. Under the changes, the capacity limit increases from *under 40 kilowatts* to *less than 1,000 kilowatts*. The proposed rule amendments incorporate this and other changes, including changes to filing and reporting requirements, conditions of service, compensation rates, interconnection guidelines, and the uniform statewide contract.

The Commission's Notice of Intent to Adopt the proposed rule amendments, along with the proposed rules, will be published in the December 29, 2014 *State Register*. All documents related to this proposed rulemaking are available on the Commission's website at <http://mn.gov/puc>.

Written comments on the proposed rules may be sent to Kate Kahlert, Commission Attorney, Minnesota Public Utilities Commission, 121 7<sup>th</sup> Place E, Suite 350, St. Paul, Minnesota 55101-2147, by **4:30 p.m. February 4, 2015**. Written comments are most effective when you identify: (1) the specific proposed rule parts you are addressing; (2) your specific recommendation; and (3) the reason for your recommendation. Please refer to Docket Number **E-999/R-13-729** in your comments. If 25 or more persons submit a written request for a public hearing within the comment period, a hearing will be held at 10:00 a.m. on Wednesday, February 25, 2015 in the Commission's Large Hearing Room.

All documents, including the proposed rule amendments, are available on the Commission's website at <http://mn.gov/puc>. Select Search eDockets.

###

**I.**

**Certificate Showing SONAR sent to  
Legislative Reference Library**

**Minnesota Public Utilities Commission**

**CERTIFICATE OF MAILING THE STATEMENT OF NEED AND REASONABLENESS  
TO THE LEGISLATIVE REFERENCE LIBRARY**

**Proposed Rules Governing Cogeneration and Small Power Production, Minnesota Rules,  
Chapter 7835; Revisor's ID Number R-04214**

I certify that on December 29, 2014, when the Dual Notice was mailed, I submitted an electronic copy of the Statement of Need and Reasonableness to the Legislative Reference Library via email to sonar@lrl.leg.mn. I mailed this copy to comply with Minnesota Statutes, sections 14.131 and 14.23. A copy of the cover letter is attached to this Certificate.



---

Kate Kahlert  
Commission Attorney



December 29, 2014

Legislative Reference Library  
645 State Office Building  
100 Constitution Avenue  
St. Paul, Minnesota 55155

Re: In The Matter of the Proposed Rules of the Public Utilities Commission Governing  
Cogeneration and Small Power Production; Revisor's ID Number R-04214

Dear Librarian:

The Minnesota Public Utilities Commission intends to adopt rules governing cogeneration and small power production. We plan to publish a Dual Notice of Intent to Adopt Rules in the December 29, 2014 State Register.

The Commission has prepared a Statement of Need and Reasonableness. As required by Minnesota Statutes, sections 14.131 and 14.23, the Commission is sending the Library an electronic copy of the Statement of Need and Reasonableness at the same time we are mailing our Notice of Intent to Adopt Rules.

If you have questions, please contact me at 651-201-2239.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Kate Kahlert".

Kate Kahlert  
Commission Attorney

Enclosure: Statement of Need and Reasonableness

## Kahlert, Kate (PUC)

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**From:** Kahlert, Kate (PUC)  
**Sent:** Monday, December 29, 2014 1:34 PM  
**To:** sonar@lrl.leg.mn  
**Subject:** SONAR  
**Attachments:** lrl.pdf; SONAR.pdf

Please see attached and let me know if you have any questions.

Thank you!

Kate

# **J.**

**All Written Comments on the Proposed Rule that the Commission Received During the Comment Period, Requests for Hearing and Withdrawals of Requests for Hearing, Except Those that only Requested Copies of Documents.**

**Also enclosed is the Notice of Cancellation of the Hearing, Dated February 6, which the Commission sent to all persons who Requested a Hearing**

**From:** [Mackenzie, Susan \(PUC\)](#)  
**To:** [Benson, Robin \(PUC\)](#)  
**Cc:** [Kahlert, Kate \(PUC\)](#)  
**Subject:** FW: Regarding interconnect agreement  
**Date:** Thursday, February 05, 2015 9:57:42 AM

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Robin,

Can you scan this email and include it in eDockets a letter/filing in docket 13-729?

Thanks,  
Susan

**Susan Mackenzie**  
MNPUC  
651-201-2241

**From:** Darryl Thayer [mailto:darylsolar1@gmail.com]  
**Sent:** Wednesday, February 04, 2015 4:32 PM  
**To:** Mackenzie, Susan (PUC)  
**Subject:** Regarding interconnect agreement

Dear Commissioners,

I appreciate the opportunity to comment on the proposed rules for small generators. I have experience installing hundreds of solar PV systems, decades of solar teaching experience, and have consulted with dozens of solar professionals nationwide.

Based on my experience with interconnection with numerous utilities in Minnesota, I am concerned that the proposed changes don't do enough to protect electricity customers who wish to self generate. Specifically, the rules fall short of setting appropriate parameters around a utility's authority to impose unreasonable conditions to interconnect. Examples include:

- the lack of transparency about cost allocations for upgrades to the utility's distribution system
- imposing excessive technical requirements for code compliant systems.

Complaints from solar professionals and their clients are on the rise with the increasing number of systems installed in Minnesota.

I recommend that it be made clear that any upgrades to the utility distribution system be explained and that the costs are fairly distributed between utility and customer. For example, if a transformer upgrade is determined to be necessary to accommodate solar, the utility should offer their analysis of why the upgrade is needed and include a breakdown of shared costs for the upgrade instead of making the customer bear the full cost. The appropriate financial responsibility of the customer is the cost of the transformer less the amount the utility has depreciated over time. Often times the undersized transformer is brought to the attention of the utility because of the solar inspection, however the added solar will reduce the transformer load.

I further recommend both the utility and state acknowledge the state-authorized electrical inspector as having exclusive authority to pass or fail a system. This means that if an electricity customer produces evidence that their system has passed electrical inspection, the system is understood to be code compliant and the utility may not specify additional technical requirements on the customer side of the meter. This is important since a utility that requires a customer to do more than provide evidence of a code compliant system drives up costs and may even specify things that are in conflict with what the state or local electrical inspector approved. In no case should a utility require things of the customer that go beyond code and the state authorized inspector is solely authorized to determine if the system meets code or not. This should be explicit in the rules. State statues, and adopting the NEC sets the

demarcation between the utility and the State regulated inspection. This demarcation is at the mast head or end of the service lateral. Beyond this point it is clearly State Board of electricity and NEC. Arguments that they want to add safety are not warranted and may compromise the safety provided by UL and the NEC.

Thank you for your consideration.

Darryl Thayer



Midwest Cogeneration Association  
P.O. Box 37874  
Carol Stream, Illinois 60188  
(603) 323-7909  
[midwestcogen@ameritech.net](mailto:midwestcogen@ameritech.net)

**VIA E-MAIL AND FIRST CLASS U.S. MAIL**

Kate Kahlert  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101  
[kate.kahlert@state.mn.us](mailto:kate.kahlert@state.mn.us)

**Re: COMMENTS OF THE MIDWEST COGENERATION ASSOCIATION  
In the Matter of Possible Amendments to Rules Governing Cogeneration and  
Small Power Production, Minnesota Rules Chapter 7835; Docket No. E-999/R-13-  
729**

Dear Ms. Kahlert:

The Midwest Cogeneration Association (MCA) appreciates the opportunity to comment on the Proposed Amendments in the above docket. The MCA is a not-for-profit professional association dedicated to promoting clean and energy efficient combined heat and power (CHP) and waste heat-to-power (WHP) technologies. MCA members include representatives of CHP and WHP technology manufacturers and project developers, energy efficiency analysts, and energy and environmental consultants and attorneys – a number of whom do business in Minnesota and all of whom have expertise in distributed generation CHP and WHP technologies and projects.

As you know, the MCA and several of its members, individually, participated in Advisory Committee meetings on these rules last spring and summer and provided feedback and suggestions on early drafts. We appreciate that some of our suggestions have been included in the rules as proposed, e.g. a definition of “cogeneration” in the draft that was inconsistent with the Minnesota statutory definition is not included in the proposal.

It was our understanding that this rulemaking proceeding was intended to make changes in the regulations necessary to implement the statutory changes made by H.F. 729 in 2013. However, we believe the Proposed Rules are inconsistent with H.F.729 on two critical points and will undermine the intent of the statute if not reconsidered.

First, the Proposed Rules contain a definition of “Standby Charges” which differs substantively from the statutory definition adopted in H.F. 729. MCA raised this issue in the Advisory Committee meetings and provided written comments on this point to PUC Staff and the Committee.

Second, the Proposed Rules in Section 7835.4012 regarding compensation for net-metered facilities with capacities between 40 kW to 1,000 kW are inconsistent with the letter and intent of H.F. 729 and will undermine the usefulness of the net-metering provisions adopted in that law.

MCA requests the PUC’s reconsideration of it’s the Proposed Rules on these points and requests that a hearing be held to obtain full public review of these issues.

### **1) STANDBY CHARGES**

The Proposed Rules propose new definitions of “standby charge” and “standby service” which differ from the statutory definition of “standby charge.” Section 216B.164.2.a states:

“(l) “Standby charge” means a charge imposed by an electric utility upon a distributed generation facility for the recovery of costs for the provision of standby services, as provided for in a utility’s tariffs approved by the commission, necessary to make electricity service available to the distributed generation facility.”

This language contains a legal standard for what utilities can charge for standby service. “Standby Charges” must be “for the recovery of costs ... necessary to make electricity service available to the distributed generation facility.” This language provides an important directive to utilities and the commission on how they are to establish standby tariffs and also provides a legal basis for challenging unwarranted charges.

The proposed regulatory definition (“the rate or fee a utility charges for standby service or standby power”) is simply tautological and therefore unnecessary. But what is more troubling is that it fails to reference the statutory definition or include the legal standard stated in the statutory definition. The proposed definition of “standby service” doesn’t help. It simply references “commission approved tariffs.” This suggests that “Standby Charges” can be based on whatever tariff the utility chooses to offer and the commission approves. While the commission should consider the legal standard stated in the statutory definition in setting these tariffs, it is confusing to not reference that standard in the proposed regulatory definition.

MCA provided written comments and recommendations to the PUC Staff and Advisory Committee on this point (attached here) and believed that there was consensus in the Advisory Committee that the PUC should either not provide a definition of “standby charges” in the regulations or simply incorporate the statutory language in the regulation. MCA continues to believe either of these approaches would be satisfactory.

Given the existing statutory definition, the Proposed new regulatory definition is not necessary. Moreover, as the PUC has now opened a generic docket to review standby charges in general, it is unhelpful and confusing to adopt a new and inconsistent regulatory definition in this proceeding.

## 2) **COMPENSATION FOR NET-METERING FOR >100KW BUT < 1000KW FACILITIES**

Proposed new Section 7835.4012 (for public utilities) addresses “Compensation” for distributed generation facilities. It provides in Subpart 1, that facilities with < 40 kW capacity have the option to be billed at the “net energy rate, the simultaneous purchase and sale billing rate, or the time-of-day billing rate.” But, in Subpart 2, facilities with a generating capacity between 40 – 1000 kW have only the options of the “simultaneous purchase and sale billing rate” (“SPS Rate”) or the “time of day billing rate” (“TOD Rate”).

The problem with this proposal is that the SPS Rate and TOD Rate provisions in the existing rules, which the Proposed Rule references and which would be the only option for facilities with capacity between 40 kW and 1000 kW, require that the distributed generation facility must provide “firm power” to receive any payment for the “capacity” component of the “avoided cost” rate, which is the rate H.F. 729 requires be paid to these generators. This “firm power” requirement undermines the letter and intent of the net-metering provisions in H.F.729.

The existing definition of “firm power” in Section 7835.0100, Subpart 1 of the rules is as follows:

**Subp.9 Firm power:** ‘Firm Power’ means energy delivered by the qualifying facility to the utility with at least a 65 percent on-peak capacity factor in the month. The capacity factor is based upon the qualifying facility’s maximum on-peak metered capacity delivered to the utility during the month.”

The proposed “firm power” requirement for capacity payments is entirely inconsistent with the concept of “net-metering” at distributed generation facilities, including combined heat-to-power systems (“CHP Systems”), particularly where the facility’s capacity is less than 1,000kW. The reason net-metering is useful for CHP Systems, in particular, is because it allows the CHP System to be optimized for the thermal load at the facility and therefore to run most efficiently. When a CHP System is designed to meet the full thermal load of a facility, e.g. an industrial plant’s manufacturing processes or a commercial buildings comfort heating, the CHP System may generate more electricity than the facility can use on-site. Net-metering provides the avenue for “off-take” of that excess electric energy – to the grid. As the Commission knows well, excess electricity cannot be “flared” to the environment as can heat. Without that “off-take” of the excess electricity, the CHP System would have to reduce both electric and thermal production and thus not meet the thermal load of the facility. This reduces the efficiency and value of the CHP System. The electric load of the “thermal host” facilities can vary daily and even hourly. Thus, net-metering is an ideal solution allowing CHP Systems to run in a consistent, stable mode while balancing variations in the facility’s electric-to-thermal load ratio.

But, CHP Systems, particularly those below 1,000kW, are installed by private businesses primarily to meet the electric and thermal load at their own facilities – not primarily to sell power back to the grid. While some CHP Systems, mainly much larger than 1,000 kW systems, may be able to provide the utility with “firm power,” as defined in the Commission’s rules, most CHP System host facilities need the majority of their CHP System electric generation for their own operations -- particularly during on-peak periods.

H.F. 729 expressly requires that qualifying facilities with capacity between 40 kW and 1000 kW must be compensated at the “avoided cost” rate. That rate includes both energy and capacity components. By making the capacity component of the compensation contingent on the provision of “firm power,” the Proposed Rules will effectively deny the great majority of distributed generation facilities of this size the compensation intended and required by H.F. 729.

The Commission does not have the authority to limit the full “avoided cost” compensation required by H.F. 729 for these facilities. Therefore, the Commission should reconsider these proposed rules and amend these rules to conform with statutory requirements.

MCA also agrees with the Department of Commerce Division of Energy Resources and other commenters in this proceeding, that the existing regulatory definition of “firm power” and “firm power” requirements in the Commission’s regulations, which are now being re-stated in these rules, are outdated and inconsistent with MISO requirements and the utilities’ own practices. These requirements should be revisited, either in this proceeding or another Commission docket.

Thank you for this opportunity to comment on these important regulations. MCA believes that the issues identified herein are substantial and warrant the Commission holding a public hearing.

Respectfully submitted,



---

Patricia F. Sharkey  
Policy Director  
Midwest Cogeneration Association

**Please send future correspondence  
regarding this matter to:**

**Patricia F. Sharkey  
Environmental Law Counsel, P.C.  
180 North LaSalle Street, Suite 3700  
Chicago, Illinois 60601  
312.981.0404  
psharkey@environmentallawcounsel.com**

February 4, 2015



Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101

RE: Docket No. E999/R-13-729

Dear MN Public Utilities Commission,

I appreciate the opportunity to comment on the proposed changes to the solar interconnection contract. I have been installing solar for 8 years in Minnesota, and am a solar homeowner. While solar in Minnesota is growing rapidly, I feel it is important to continue to keep the interests of the small solar generator in mind. Small changes to contract language could impose large risks for small solar generators.

I am concerned about the proposal to strike the language in 7835.0800 Schedule E that holds the utility responsible for not being more restrictive than the currently adopted interconnection guidelines. We have experienced several recent instances of Minnesota utilities attempting to put the costs of upgrading their infrastructure onto a proposed small qualifying facility (solar homeowner). It is important to clearly set boundaries for what a utility is allowed to require as a condition for interconnection, particularly with respect to cost allocations for upgrades to the utility's distribution system and future upgrades costs.

We have also noted that a few utilities seem eager to come up with barriers to discourage homeowners from installing solar. It should be upheld that a solar PV system that meets National Electric Code requirements and has passed inspection by the state electrical inspector is code compliant, and not required to meet additional technical requirements imposed by a utility.

Thank you for making sure that transparency and clear parameters are maintained in our state interconnection policy.

Sincerely,

A handwritten signature in cursive script that reads "Rebecca Lundberg".

Rebecca Lundberg  
Owner/CEO, Powerfully Green



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Lori Hoyum  
Policy Manager  
218-355-3601  
[lhoyum@mnpower.com](mailto:lhoyum@mnpower.com)

February 4, 2015

**VIA E-FILING**

Daniel Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

Re: In the Matter of Possible Amendments  
to Rules Governing Cogeneration and  
Small Power Production  
Docket No. E-999/CI-13-729

Dear Dr. Haar:

The Minnesota Public Utilities Commission (“Commission”) issued a Notice of Intent to Adopt Rules without a Public Hearing Unless 25 or More Persons Request a Hearing, and Notice of Hearing if 25 or More Requests for Hearing Are Received on December 29, 2014 (“Notice”) in Docket No. E-999/CI-13-729. Concurrently, the Commission also released a Statement of Need and Reasonableness (“SONAR”) to outline the proposed rule changes consistent with recent changes to Minn. Stat. §216B.164. Minnesota Power respectfully submits its Comments in response to the Notice.

Please contact me at the number provided above with any questions or concerns.

Yours truly,

Lori Hoyum

Attachment  
cc: Service List

**STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION**

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In the Matter of Possible Amendments  
to Rules Governing Cogeneration and  
Small Power Production

Docket No. E-999/CI-13-729

**MINNESOTA POWER'S  
COMMENTS**

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The Minnesota Public Utilities Commission (“Commission”) issued a Notice of Intent to Adopt Rules without a Public Hearing Unless 25 or More Persons Request a Hearing, and Notice of Hearing if 25 or More Requests for Hearing Are Received on December 29, 2014 (“Notice”). Concurrently, the Commission also released a Statement of Need and Reasonableness (“SONAR”) to outline the proposed rule changes consistent with recent changes to Minn. Stat. §216B.164.

The Commission opened a rulemaking to consider amending the Commission’s rules governing cogeneration and small power production to incorporate the statutory changes and to make housekeeping changes as necessary. An advisory committee was appointed on November, 26, 2013. The scope was limited to updating the rules to help facilitate the timely and efficient development of rule amendments and to meet the goal of publishing proposed rule amendments by the end of 2014.

Minnesota Power (or “the Company”) participated in the advisory committee meetings which informed the changes outlined within the SONAR. Most of the changes are without controversy due to the narrow scope of this particular rulemaking process. However, Minnesota Power highlights in these Comments a couple of key clarifications which the Company believes are essential for these changes to function smoothly.

**Response:**

During the course of the advisory committee process, Minnesota Power's representatives advocated for a clear definition of capacity and how to apply that definition in the distributed generation ("DG") application, review, and installation process. Creating a clear definition for capacity is necessary to prevent ambiguity and confusion, and to reduce future compliance issues. Minnesota Power believes the proposed definition within the SONAR requires further clarification in a number of areas.

Nameplate vs. Measured Capacity

There are currently two ways of defining capacity; the *potential* output of a DG unit, and the *actual* output of a DG unit. The potential output is typically indicated by the nameplate data. The nameplate data describes the maximum amount of electric energy that a generator can produce under specific conditions. The actual output may be considerably different than the potential outlined in the nameplate data, and is determined by measurement or metering. From a practical design perspective, the most valuable definition pertains to maximum actual output. This is true for both the DG customer and the utility. The SONAR language states that the intent of the rule is to view capacity as the amount of electricity actually produced. However; the reference to the "capability to produce" within the definition hints more at a potential capacity or nameplate value as opposed to actual production. Minnesota Power suggests that the revised definition clarify that capacity is the actual/measured AC output of the DG unit as opposed to the potential output.

Measurement Criteria

Due to the fact that the definition for capacity outlined in the SONAR is not clear about measured vs. nameplate capacity, the definition then does not go into detail about the measurement method. The SONAR does address the topic, but only to state why it is not included in the definition. As was highlighted during the advisory committee rulemaking process, the real issue of concern is that the term, "capacity", is used to describe numerous areas of both customer generation and customer usage. The consequence of using capacity to define multiple aspects of generation and usage is that this one term will not be adequate for all

situations, and shortcomings will exist with whatever approach is taken. The goal should be to eliminate as much confusion as possible for the largest number of circumstances, and deal with the outliers independently.

Minnesota Power suggests utilizing the industry standard 15-minute intervals for measuring capacity as discussed in the SONAR. This will clarify capacity in the vast majority of the DG cases and will provide the greatest clarity and practical value to those affected.

### Point of Common Coupling

Although “point of common coupling” or “point of interconnection” language is commonplace in the analysis of DG installations, it is not effective when combined with the definition of capacity set forth in the SONAR. The “point of common coupling” is commonly considered to be the location of the net meter. The net meter measures the difference between the amount of energy taken from the utility and used on site by the customer and the amount of energy generated on site and delivered to the utility. It does not reflect the amount of energy generated and used on site. The definition of capacity of the DG installation should be addressing only the actual metered production of the generation unit, which is best measured at the output of the generator. This is located on the customer side of the point of common coupling. Minnesota Power suggests “point of generator output” as a term that best describes the point on the output side of the generator prior to the interconnection with customer load.

### Suggested Definitions:

Minnesota Power suggests the following as revisions and additions to the proposed definitions within the SONAR:

Minnesota Power’s proposed language:

“Generation Capacity” means the capability to produce, transmit or deliver electric energy, and is determined by the maximum 15 minute average alternating current (“AC”) energy production of a qualifying generating facility, measured with a production demand meter at the point of generator output.

SONAR language:

*Subp. 20b "Standby service."*

*Standby service. "Standby service" means:*

*A. for public utilities, service or power that includes backup, maintenance, and related services necessary to make electricity service available to the facility, as described in the public utility's commission-approved standby tariff.*

Minnesota Power's proposed language:

Subp. 20b. "Standby service."

Standby service. "Standby service" means:

A. for public utilities, service or power that includes backup, maintenance, and related services necessary to make electric service available to the distributed generation facility, as described in the public utility's commission-approved standby tariff.

SONAR language:

***7835.4011 STANDARD RATES FOR PURCHASES BY PUBLIC UTILITIES FROM QUALIFYING FACILITIES.***

*Subp. 2. Negotiated rates. A qualifying facility with 1,000 kilowatt capacity or more has the option to negotiate a contract with a utility, or if it commits to provide firm power, be compensated under standards rates.*

***7835.4012 COMPENSATION.***

*Subp. 1. Facilities with less than 40 kilowatt capacity. A qualifying facility with less than 40 kilowatt capacity has the option to be compensated at the net energy billing rate, the simultaneous purchase and sale billing rate, or the time-of-day billing rate.*

Minnesota Power's proposed language:

**7835.4011 STANDARD RATES FOR PURCHASES BY PUBLIC UTILITIES FROM QUALIFYING FACILITIES.**

Subp. 2. At the end of this sentence, there is a minor typographical error; "standards rates" should be changed to "standard rates."

**7835.4012 COMPENSATION.**

Subp. 1. the reference to "net energy billing rate" should be changed to "average retail energy rate" to match the revised title of 7835.4013 (this matches the terminology in Minn. Stat. 216B.164, subd. 3(d)).

Comment on Regulatory Analysis within the SONAR -

The following excerpt is taken from Page 24 of the SONAR:

*"VII. REGULATORY ANALYSIS*

*The following persons will probably benefit from the proposed rule:(...)*

- *Retail electric customers, who will offset reliability concerns during outages by using electricity they are producing."*

Minnesota Power believes this statement is misleading to stakeholders and current/potential DG customers. The interconnection standards set by the Commission in 2004 clearly prohibit islanding. If a utility's distribution system loses power, the standards require that the generation system will be shut down as well. If this occurs, a DG customer who does not have a backup generator installed would still be without power as long as the distribution system is down. This is a basic safety requirement needed to prevent unintentional back feed and energizing of the utility system by the customer generation. The benefit referred to in the above analysis is that of a simple backup generator that does not operate in continuous parallel mode. It is important to note that not all DG customers install backup generation.

**Conclusion:**

Minnesota Power appreciates the opportunity to be involved in this important rulemaking process. The proposed changes to processes and procedures will directly affect both utilities and DG customers alike. The suggested clarifications outlined in these Comments are aimed at better serving and educating current and potential DG customers.

Dated: February 4, 2015

Respectfully submitted,

A handwritten signature in cursive script that reads "Lori Hoyum".

Lori Hoyum  
Policy Manager  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802  
(218) 355-3601  
lhoyum@mnpower.com

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF ST. LOUIS     )

AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING

-----

Susan Romans of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 4<sup>th</sup> day of February, 2015, she served Minnesota Power's Comments in Docket No. E-999/CI-13-729 to the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The remaining parties on the attached service list were served as so indicated on the list.

\_\_\_\_\_  
Susan Romans

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_13-729_Official
Kenneth	Baker	N/A	Wal-Mart Stores, Inc.	2001 SE 10th St.  Bentonville, AR 72716-5530	Paper Service	No	OFF_SL_13-729_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_13-729_Official
Michael	Greiveldinger	michaelgreiveldinger@alliantenergy.com	Interstate Power and Light Company	4902 N. Biltmore Lane  Madison, WI 53718	Electronic Service	No	OFF_SL_13-729_Official
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Jennifer	Kefer	N/A	Alliance for Industrial Efficiency	David Gardiner & Associates, LLC 2609 11th St N Arlington, VA 22201-2825	Paper Service	No	OFF_SL_13-729_Official
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John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_13-729_Official
Samuel	Mason	smason@beltramielctric.com	Beltrami Electric Cooperative, Inc.	4111 Technology Dr. NW PO Box 488 Bemidji, MN 56619-0488	Electronic Service	No	OFF_SL_13-729_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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Erin	Ruccolo	N/A	Fresh Energy	408 St. Peter Street,  St. Paul, MN 55102	Paper Service	No	OFF_SL_13-729_Official
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750  St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-729_Official
Patricia F.	Sharkey	N/A	Midwest Cogeneration Association	P.O. Box 87374  Carol Stream, IL 60188	Paper Service	No	OFF_SL_13-729_Official
Daniel	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551022147	Electronic Service	Yes	OFF_SL_13-729_Official

February 4, 2015

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

RE: Comments from Fresh Energy on Amendments to Rules Governing Cogeneration and Small Power Production – Docket No. E999/R-13-729

Dear Mr. Wolf:

Fresh Energy appreciates the opportunity to comment in this docket, as well as participate in the stakeholder engagement that Public Utilities Commission staff conducted prior to filing the Proposed Amendment to Rules Governing Cogeneration and Small Power Production on December 29, 2014. The purpose of that stakeholder engagement was to update current rules according to statutory changes implemented by House File 729, passed in 2013 by the Minnesota Legislature.

Fresh Energy has concerns about two areas of the proposed rules. First, the implementation of the existing definition of “firm power” in parts 7835.3200, 7835.4011, 7835.4014, and 7835.4015 of the proposed rules may have significant consequences that inhibit distributed generation deployment in Minnesota, conflicts with a previous Commission ruling on capacity credits for large solar facilities (E002/M-13-315), and is inconsistent with the Midcontinent Independent System Operator (MISO) rules and practices. Fresh Energy recommends: 1) updating the current definition to match the accredited MISO capacity related to the specific type of generation as explained in [MISO's Business Practices Manual](#); 2) further examining the impacts of the proposed rules relating to firm power on all types of distributed generation in this proceeding or another Commission docket; and, 3) holding a public hearing to deliberate these issues.

Second, the proposed rules do not include the statutory definition of “standby charge” implemented by House File 729. A justification is given on page 6 of the Statement of Need and Reasonableness, filed in this proceeding on December 29, 2014, that a definition of standby charges and standby services is both reasonable and necessary for subsequent rule parts. However, the statutory definition of standby charges importantly connects the imposition of standby charges to the *recovery of costs incurred* for providing standby services. Fresh Energy believes this is an important connection to ensure fair and equitable rates, and recommends that part 7835.0100 include the statutory definition<sup>1</sup> and be amended to read:

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<sup>1</sup> Minnesota Statute 216B.164, subdivision 2a, paragraph (l)

"Subp. 20a. **Standby charge.** "Standby charge" means a charge imposed by an electric utility upon a distributed generation facility for the recovery of costs for the provision of standby services, as provided for in a utility's tariffs approved by the commission, necessary to make electricity service available to the distributed generation facility.

Subp. 20b. **Standby service.** "Standby service" means:

A. for public utilities, service or power that includes backup, maintenance, and related services necessary to make electricity service available to the facility, as described in the public utility's commission-approved standby tariff; and

B. for a utility not subject to the commission's rate authority, the service associated with the applicable tariff in effect under Minnesota Statutes, section 216B.1711, subdivision 3, clause (2)."

Thank you again for the opportunity to comment in this proceeding. We are happy to answer any questions you might have.

Sincerely,

Will Nissen  
Senior Policy Associate, Fresh Energy  
[nissen@fresh-energy.org](mailto:nissen@fresh-energy.org)  
651-294-7143

Allen Gleckner  
Senior Policy Associate, Fresh Energy  
[gleckner@fresh-energy.org](mailto:gleckner@fresh-energy.org)  
651-726-7570



414 Nicollet Mall  
Minneapolis, MN 55401

February 4, 2015

—Via Electronic Filing—

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101

RE: COMMENTS  
AMENDMENTS TO RULES GOVERNING COGENERATION AND SMALL POWER  
PRODUCTION  
DOCKET NO. E999/R-13-729

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission the enclosed Comments in response to the Commission's December 29, 2014 Statement of Need and Reasonableness, and Notice of Intent to Adopt Rules.

Please contact Holly Hinman at [holly.r.hinman@xcelenergy.com](mailto:holly.r.hinman@xcelenergy.com) or (612) 330-5941 if you have any questions regarding this filing.

Sincerely,

/s/

PAUL LEHMAN  
MANAGER, COMPLIANCE AND FILINGS

Enclosure  
c: Service List

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF POSSIBLE  
AMENDMENTS TO RULES GOVERNING  
COGENERATION AND SMALL POWER  
PRODUCTION, *MINNESOTA RULES*  
CHAPTER 7835

DOCKET NO. E999/R-13-729

**COMMENTS**

**COMMENTS**

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission these Comments in response to the Commission's December 29, 2014 Statement of Need and Reasonableness and Notice of Intent to Adopt Rules.

**A. Background**

The Company has observed with interest the Commission's proposed rules to align with the 2013 Omnibus Energy Bill, which amended Minn. Stat. 216B.164 governing cogeneration and small power production. The proposed rules are intended to implement the provisions of the bill which expanded net metering to a higher capacity threshold, and exempt the application of standby charges in certain circumstances, among other changes.

This rulemaking follows the Company's filing of proposed tariff changes to implement the new state policies on cogeneration and small power production.<sup>1</sup> After an exchange of comments and a hearing, the Commission determined that the proposed tariff modifications relating to net energy billing services, meter aggregation, distributed generation system limits, Renewable Energy Credits (REC), meter charges, and net excess generation payments "raise issues that need to be resolved with the

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<sup>1</sup> See Docket No. E002/M-13-642, *Petition for Approval of Tariff Modifications Implementing Net Metered Facility Provisions, Standby Service Exemptions, and Meter Aggregation Pursuant to the 2013 Omnibus Energy Bill*, July 31, 2013.

input of all interested stakeholders” and declined to take action on most of the Company’s requested tariff changes.<sup>2</sup> The Commission addressed ownership of RECs generated from distributed generation systems in its July 22, 2014, order.<sup>3</sup> The Company then participated in the Commission’s advisory committee, which met in 2014. The Commission issued its proposed rules attached to the Staff Briefing Papers on October 14, 2014, which are included in the Notice issued in this matter on December 29, 2014. We appreciate the thoughtful approach all parties have brought to this discussion.

We note that we have been approached by a couple of customers in the interim requesting a net metering interconnection for a system sized greater than 40 kW. We highlight in these Comments a few of the issues we have encountered as we work to accommodate these customers’ requests.

We worked directly with one customer, a commercial customer named Terner Seeds, to create a contract solution for the customer’s request as we have no current tariff which governs the service for the larger generator. We developed a contract using the Commission’s draft rules as a guide and filed it for Commission approval.<sup>4</sup> At the time of this filing, the Commission has issued a revised Notice of a Comment Period on the Company’s filing. We believe the ultimate disposition of this contract request may be instructive to the Company on a going forward basis for similarly situated customers, in the absence of final rules and approved tariff revisions.

We appreciate the opportunity to provide written comments on the Commission’s Statement of Need and Reasonableness and its proposed rules. We ask that the Commission consider these Comments in their deliberation on this matter.

## **B. Comments on the Proposed Rules**

We offer comments and clarifying notes on the Commission’s proposed rules, including the application of our Section 10 tariff, bill crediting procedure, and REC treatment.

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<sup>2</sup> See Docket No. E-002/M-13-642, Order of the Commission, January 27, 2015.

<sup>3</sup> See Docket No. E-999/C1-13-720, *In the Matter of a Commission Inquiry into Ownership of Renewable Energy Credits used to Meet Minnesota Requirements*.

<sup>4</sup> See Docket No. E002/M-14-1057, *Petition for Approval of an Amendment to the Electric Service Agreement with Terner Seeds*, December 22, 2014.

### *1. Section 10 Interconnection Tariff*

The Company interprets the proposed rules and proposed uniform statewide contract (proposed rule 7835.9910) as requiring customers seeking interconnection with the Company under the revised rules for systems 40 kW and above to sign the Company's Interconnection Agreement, as found in Section 10 of the Company's Electric Rate Book. This is consistent with how the Company has presented its proposed contract in the *Termining Seeds* docket referenced above.

### *2. Bill Credits*

The Company interprets the proposed rules implementing the on-bill compensation for customers with net metered facilities for facilities with at least 40 kW capacity, but less than 1,000 kW capacity, in proposed rules 7835.4013, 7835.4014, and 7835.4015, as applying a dollar amount based on kWh output. Based on substantially similar wording, this is consistent with the preexisting rules for facilities under 40 kW capacity as set forth in current rules 7835.3300, 7835.3400, and 7835.3500. The dollar value is applied per month and kWh credit inputs are not "banked" over time. The Company interprets the proposed rules to implement meter aggregation in the same manner: compensation will be in the form of a dollar amount based on kWh output, and kWh quantities are not "banked" over time.

### *3. RECs*

The Company believes the Commission's proposed rule part addressing REC ownership should be broadened to reflect circumstances where the disposition of RECs is determined by Commission order, in addition to private contract. This change would be consistent with the July 22, 2014 Order in Docket No. E999/CI-13-720. By including Commission order in its sources of authority, the Commission can avoid the submission of rule variances or individual contracts to transfer RECs where Commission order has already provided for REC ownership. The Company suggests possible language as follows:

7835.5950 RENEWABLE ENERGY CREDIT; OWNERSHIP.

Generators own all RECs unless: (1) other ownership is expressly provided for by a contract between the generator and a utility; (2) state law specifies a different outcome; or (3) specific Commission orders or rules specify a different outcome.

## CONCLUSION

We appreciate the opportunity to provide written comments on the Commission's Statement of Need and Reasonableness and its proposed rules. The Company requests that the Commission considers these Comments when it deliberates on this matter.

Dated: February 4, 2015

Northern States Power Company

**CERTIFICATE OF SERVICE**

I, Tiffany Hughes, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

**Docket No.        E999/R-13-729**

Dated this 4th day of February 2015

/s/

---

Tiffany Hughes  
Records Analyst

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Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_13-729_Official
Michael	Greiveldinger	michaelgreiveldinger@alliantenergy.com	Interstate Power and Light Company	4902 N. Biltmore Lane  Madison, WI 53718	Electronic Service	No	OFF_SL_13-729_Official
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John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_13-729_Official
Samuel	Mason	smason@beltramielectric.com	Beltrami Electric Cooperative, Inc.	4111 Technology Dr. NW PO Box 488 Bemidji, MN 56619-0488	Electronic Service	No	OFF_SL_13-729_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750  St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-729_Official
Patricia F.	Sharkey	N/A	Midwest Cogeneration Association	P.O. Box 87374  Carol Stream, IL 60188	Paper Service	No	OFF_SL_13-729_Official
Daniel	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551022147	Electronic Service	Yes	OFF_SL_13-729_Official



February 4, 2015

Daniel P. Wolf, Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

***Subject: In the Matter of Possible Amendments to Rules  
Governing Cogeneration and Small Power Production  
(Minnesota Rules Chapter 7835)  
Docket No. E-999/R-13-729***

Dear Mr. Wolf:

The Minnesota Rural Electric Association (MREA) respectfully submits the attached comments in response to the Proposed Amendments to Rules Governing Cogeneration and Small Power Production published in the State Register and the Minnesota Public Utilities Commission (Commission or MPUC) Statement of Need and Reasonableness (SONAR) issued by the Commission in the above-referenced docket on December 29, 2014.

MREA represents the interests of the state's 44 electric distribution cooperatives and the six generation and transmission cooperatives that supply them with power. Our member cooperatives are not-for-profit electric utility businesses that are locally owned and governed by the member-consumers they serve.

The Minnesota Rural Electric Association appreciates the opportunity to submit comments in this matter on behalf of the state's electric cooperatives.

Sincerely,

/s/ Darrick Moe

---

Darrick Moe  
President & CEO  
Minnesota Rural Electric Association

Enclosure

**Certificate of Service**

I, Cherry Jordan, hereby certify that I have this day served copies of the attached document to those on the following service list by e-filing, personal service, or by causing to be placed in the U.S. mail at Farmington, Minnesota.

**Docket No. *E-999/R-13-729***

Dated this 4th day of February, 2015

/s/ Cherry Jordan

---

Cherry Jordan

**STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger  
David C. Boyd  
Nancy Lange  
Dan Lipschultz  
Betsy Wergin

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

*In the Matter of Possible Amendments to Rules  
Governing Cogeneration and Small Power Production*

*E-999/R-13-729  
February 4, 2015*

**COMMENTS OF THE  
MINNESOTA RURAL ELECTRIC ASSOCIATION**

**Introduction**

The Minnesota Rural Electric Association (MREA) respectfully submits the attached comments in response to the Proposed Amendments to Rules Governing Cogeneration and Small Power Production published in the State Register and the Minnesota Public Utilities Commission (Commission or MPUC) Statement of Need and Reasonableness (SONAR) issued by the Commission in the above-referenced docket on December 29, 2014.

MREA represents the interests of the state's 44 electric distribution cooperatives and the six generation and transmission cooperatives that supply them with power. Our member cooperatives are not-for-profit electric utility businesses that are locally owned and governed by the member-consumers they serve.

**Statutory and Regulatory Background**

The Commission currently has rules governing interconnections between utilities and qualifying facilities, cogeneration and small power production facilities, entitled under federal law to sell their output to utilities. The rules govern filing and reporting requirements, conditions of service, compensation rates, wheeling and exchange agreements, interconnection guidelines, and they also establish a uniform statewide contract.

During the 2013 legislative session, the Legislature amended Minn. Stat. § 216B.164 governing cogeneration and small power production. The statutory changes primarily affect interconnections between qualifying facilities and public utilities.

This rulemaking proceeding will update the rules to incorporate the recent statutory changes and to make housekeeping changes as necessary. On August 26, 2013, the Commission published a Request for Comments in the *State Register* and did a mass mailing to the rulemaking list, requesting comments on amending the rules to incorporate the statutory changes.

The Commission subsequently appointed an advisory committee, which met monthly between April and August 2014.

### **MREA Comments**

The Minnesota Rural Electric Association, and staff from several electric cooperatives, attended and participated in the stakeholder process leading to the drafting of the proposed cogeneration rule amendments. MREA has comments and suggested changes to the proposed rule amendments as follows:

1. Definition of “Capacity”
2. Definition of “Customer”
3. Uniform Statewide Contract

#### 1. Definition of “Capacity”

The proposed definition of “capacity” in Minnesota Rule 7835.0100 states:

*Subp. 4. Capacity.*

"Capacity" means the capability to produce, transmit, or deliver electric energy, and is measured by the number of megawatts alternating current at the point of common coupling between a qualifying facility and a utility's electric system.

The definition of “capacity” was discussed several times during the stakeholder meetings. While the generic definition of capacity contained in these proposed rules is fine, cooperatives had encouraged the adoption of additional definitions/descriptions to clarify the meaning of “capacity” in other situations. Following are three definitions that cooperatives shared in the stakeholder process:

***For determining generation system size – used for qualifying for Net Energy Billing; qualify for rates; Technical Standard thresholds; Metering requirement thresholds:***

Capacity of Generation System – means the maximum capability to produce electrical energy and is quantified as the greater of either the manufacturer’s

nameplate continuous kilowatts (kW) rating or the maximum measured kilowatts (kW) alternating current (AC) produced by the generation during standard 15-minute intervals.

***For determining when standby charges may be applicable:***

Capacity for standby –quantified by the nameplate rating for continuous output of the generation system.

***For reporting to the Department of Commerce for compliance:***

Capacity of distributed generation surplus production – quantified by the maximum number of kilowatts alternating current (AC) produced and measured at the point of common coupling during standard 15-minute intervals.

These additional definitions would help clarify specific situations and help avoid future confusion.

2. Definition of “Customer”

The proposed definition of “customer” in Minnesota Rule 7835.0100 states:

*Subp. 6a. Customer.*

"Customer" means the person named on the utility electric bill for the premises.

In other proceedings before the Commission, electric cooperatives have raised the issue/concern of people establishing electric service where the only load being served is the distributed generation / qualifying facility. In essence, these facilities are “merchant generators” and not qualifying facilities being constructed to serve a portion or all of a traditional consumer load. The definition of “customer” could have helped with the merchant generator issue. We encourage the Commission to begin addressing this matter through the docket that was initiated some time ago now.

3. Uniform Statewide Contract

The proposed amendments to the Uniform Statewide Contract contained in part 7835.9910 begins with a description of when the Uniform Statewide Contract should be applied. The proposed amendments adjust the language as it applies to investor-owned utilities. Minnesota Statutes leading to these rule amendments, however, do not apply to cooperative and municipal utilities. Accordingly, we recommend that the opening paragraph to proposed 7835.9910 be modified as follows:

The form for the uniform statewide contract must be applied to all new and existing interconnections between a utility and cogeneration and small power production facilities having less than 40 kilowatts of capacity for electric

cooperative and municipal utilities and 1,000 kilowatts of capacity for public utilities is as follows:, except as described 12.17 in part 7835.5900.

The amended 7835.9910 goes on to include the following two new sections in the Uniform Statewide Contract that only apply to investor-owned utilities as follows:

3. The Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated:
  - a. Net energy billing rate under part 7835.4013.
  - b. Simultaneous purchase and sale billing rate under part 7835.4014.
  - c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

4. The Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has at least 40 kilowatts capacity but less than 1,000 kilowatt capacity, the QF elects the rate schedule category hereinafter indicated:
  - a. Simultaneous purchase and sale billing rate under part 7835.4014.
  - b. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

To avoid confusion for consumers, and cooperative and municipal utilities executing this contract with those consumers, we request that the Commission clarify in the order adopting these rules that these two sections, and any other provisions that only apply to investor-owned utilities, are only required in the Uniform Statewide Contract for investor-owned utilities. We also request that the Commission expressly authorize cooperative and municipal utilities modifications to the Uniform Statewide Contract that eliminate any non-applicable provisions or clarify those with applicability limited to investor-owned utilities. In the alternative, the proposed rules should include two separate versions of the Uniform Statewide Contract that distinguish cooperative and municipal utilities from investor-owned utilities.

## **Conclusion**

Minnesota's electric cooperatives appreciate the opportunity to participate in the stakeholder process and submit comments on these proposed rule amendments. There is an ever increasing interest and participation in distributed generation among consumers in Minnesota. It is vital that Minnesota Rules applicable to such installations provide for an orderly installation of these facilities. MREA encourages the Commission to adopt the changes to the proposed rule amendments we have identified in these comments to help enhance the implementation of the proposed rules.

Respectfully submitted,

/s/ Darrick Moe

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Darrick Moe  
President & CEO  
Minnesota Rural Electric Association

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_13-729_Official
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Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	OFF_SL_13-729_Official
Joel	Johnson	N/A	Minnesota Rural Electric Association	11640 73rd Ave N  Maple Grove, MN 55369	Paper Service	No	OFF_SL_13-729_Official
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Samuel	Mason	smason@beltramelectric.com	Beltrami Electric Cooperative, Inc.	4111 Technology Dr. NW PO Box 488 Bemidji, MN 56619-0488	Electronic Service	No	OFF_SL_13-729_Official

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Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750  St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-729_Official
Patricia F.	Sharkey	N/A	Midwest Cogeneration Association	P.O. Box 87374  Carol Stream, IL 60188	Paper Service	No	OFF_SL_13-729_Official
Daniel	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551022147	Electronic Service	Yes	OFF_SL_13-729_Official

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February 4, 2015

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, MN 55101

**Re: Proposed Amendments to Rules Governing Cogeneration and Small Power Production, *Minnesota Rules*, Chapter 7835; Including Repeal of Minn. R. parts 7835.2300; 7835.2500; 7835.2700; 7835.2900; 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400; 7835.5500; 7835.5600; 7835.5700; and 7835.5800.  
PUC Docket No. E-999/R-13-729**

### **Comments of Otter Tail Power Company**

Dear Mr. Wolf:

Otter Tail Power Company ("Otter Tail") respectfully submits this letter as its Comments in response to the December 18, 2014 notice ("Notice") of the Minnesota Public Utilities Commission ("Commission") in the above-referenced docket.

Our comments seek a balance between closure on the rules and comprehensive and meaningful rules<sup>1</sup>. On one hand, having near-term closure on the rules allows for implementation for all stakeholders, yet on the other hand, less than meaningful rules that are finalized too soon can cause distortion of understanding in its application as well as compliance with these rules. Otter Tail urges the Commission to also seek the appropriate balance between closure and inclusion of meaningful rules for the public good.

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<sup>1</sup> Otter Tail is cognizant of Xcel's E002/M-14-1057

### Otter Tail's Recommendations

Otter Tail's comments focus on two important factors within this rule-making process: defining the term "capacity" and addressing production meters.

- Incorporate various contexts for defining capacity<sup>2</sup>, per Attachment 1
- Address the requirement for production meters in the Commission's interconnection standards<sup>3</sup>.

### Discussion

The term "capacity" is used in multiple contexts throughout chapter 7835. Otter Tail believes that a clear definition of the term capacity within its proper context will provide both transparency and clarity throughout Minn. Stat. § 216B.164. In these comments, Otter Tail summarizes the various uses of the term capacity and provides specific recommendations for the definition of capacity within those contexts.

The concern over the definition of capacity is not unique to Otter Tail. At the final Advisory Committee Meeting, a number of Minnesota electric utility providers<sup>4</sup> delivered a joint set of issues/concerns for the participants. Capacity, and its various contexts, was identified as one of the key issues/concerns.

The term "capacity" impacts a variety of important functions of distributed generation for all stakeholders. For example, the term capacity is used:

1. As the foundation for measuring facility output capability.
2. For defining compensation amounts between parties.
3. For determining qualification levels of facilities.
4. In the context of sizing equipment.
5. In relation to the safety aspects of sizing equipment and protection devices.

Having a clear understanding the term within each context will help remove ambiguity amongst the parties and enhance compliance with applicable statutes and associated rules. These various contexts of capacity were also described in the Commission Staff's October 30, 2014 Briefing Papers.

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<sup>2</sup> There may be other context definitions for capacity not included in Attachment 1

<sup>3</sup> In the Matter of Establishing Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities under Minnesota Laws 2001, Chapter 212, Docket No. E-999/C1-01-1023, Order Establishing Standards (September 28, 2004).

<sup>4</sup> On August 18, 2014, the following utilities contributed general comments to the Advisory Committee Members: Connexus Energy, Dakota Electric Association, Great River Energy, Minnesota Municipal Utilities Association, Minnesota Power, Minnesota Rural Electric Association, Otter Tail Power Company, Steele-Waseca Electric Cooperative, and Xcel Energy.

Daniel P. Wolf  
February 4, 2015  
Page 3

Because of its importance, Otter Tail recommends changes to the proposed rule amendments for the term capacity (e.g. Chapter 7835.01 subp.4) to include more clearly defined, context based definitions<sup>5</sup> as listed in Attachment 1. This attachment originated from the aforementioned joint set of electric utility provider issues/concerns.

And finally, production meters should be addressed in the Commission's interconnection standards, as suggested in the Commission Staff's October 30, 2014 Briefing Papers. Production meters provide benefits to the delivery system, customers, and to the state. These benefits include actual versus net measurements of production for delivery system design (i.e. reliability and safety) as well as meeting required state production reporting.

Otter Tail appreciated the contributions of those involved in the Advisory Committee process as well as the opportunity to provide these comments.

Otter Tail has electronically filed this document with the Commission and has served a copy on all persons on the attached service list. A Certificate of Service is also enclosed.

Please contact me by phone at (218) 739-8595 or by email at [dprazak@otpc.com](mailto:dprazak@otpc.com) if you have any questions.

Sincerely,

*/s/ DAVID G. PRAZAK*  
David G. Prazak  
Supervisor Pricing & Tariff Administration

wao  
Enclosures  
By electronic filing  
c: Service List

---

<sup>5</sup> Otter Tail is willing to work with other stakeholders to find an appropriate place in the Amended Rules.

## Attachment 1

### Various Contexts for Defining Capacity

#### **Definitions of Capacity**

Due to the multiple ways the term capacity is utilized within Minnesota's Chapter Rules 7835 with regards to electricity, it seems beneficial to define capacity explicitly for the situation the section of Chapter Rules is addressing. The following is a recommendation from the utilities of different capacity definitions and the situation the definition would be used in.

#### **Capacity – Generic definition**

*Capacity* – is the maximum average energy which is produced or is designed to be produced over standard 15-minute intervals.

**For determining generation system size – used for: qualifying for Net Energy Billing; qualifying for rates; technical standard thresholds; metering requirement thresholds.**

*Capacity of Generation System* – means the maximum capability to produce electrical energy and is quantified as the greater of either the manufacturer's nameplate continuous kilowatts (kW) rating or the maximum measured kilowatts (kW) alternating current (AC) produced by the generation during standard 15-minute intervals.

**For determining when standby charges may be applicable**

*Capacity for Standby* – quantified by the nameplate rating stated in kilowatts (kW) alternating current (AC) for continuous output of the generation system.

**For reporting to the DOC-DER for Compliance**

*Capacity of DG's Surplus Production* – quantified by the maximum number of kilowatts alternating current (AC) produced and measured at the point of common coupling during standard 15-minute intervals.

## CERTIFICATE OF SERVICE

**Re: Proposed Amendments to Rules Governing Cogeneration and Small Power Production, Minnesota Rules, Chapter 7835; Including Repeal of Minn. R. parts 7835.2300;7835.2500; 7835.2700; 7835.2900; 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400; 7835.5500; 7835.5600; 7835.5700; and 7835.5800.  
PUC Docket No. E-999/R-13-729**

I, Wendi A. Olson, hereby certify that I have this day served a copy of the following, or a summary thereof, on Mr. Daniel P. Wolf and Sharon Ferguson by e-filing, and to all other persons on the attached service list by electronic service or by first class mail.

### **Comments of Otter Tail Power Company**

Dated this **4th** day of **February 2015**

/s/ WENDI A. OLSON

Wendi A. Olson  
Regulatory Filing Coordinator  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls MN 56537  
(218) 739-8699

Minnesota Docket No. E-999/R-13-729  
 Official Service List

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John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_13-729_Official
Samuel	Mason	smason@beltramelectric.com	Beltrami Electric Cooperative, Inc.	4111 Technology Dr. NW PO Box 488 Bemidji, MN 56619-0488	Electronic Service	No	OFF_SL_13-729_Official

Minnesota Docket No. E-999/R-13-729  
 Official Service List

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Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750  St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-729_Official
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Daniel	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551022147	Electronic Service	Yes	OFF_SL_13-729_Official

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February 4, 2015

*Richard J. Savelkoul*  
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**COPY VIA E-MAIL: [kate.kahlert@state.mn.us](mailto:kate.kahlert@state.mn.us)**  
**ORIGINAL VIA U.S. MAIL**

Kate Kahlert  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101

Re: In the Matter of Possible Amendments to Rules Governing Cogeneration and  
Small Power Production, *Minnesota Rules* Chapter 7835; Docket No. E-999/R-13-729  
Our File No. 2177-01

Dear Ms. Kahlert

These comments are written on behalf of the City of Minneapolis, Hennepin County, the Metropolitan Council and Metropolitan Airports Commission to proposed changes to the proposed rules as previously filed.

These comments are also being electronically filed in the above-referenced docket.

Sincerely,

/e/ Richard J. Savelkoul  
Richard J. Savelkoul

RJS:wsl

cc: Service List  
Larry Schedin (via email)  
Kavita Maini (via email)

**STATE OF MINNESOTA  
BEFORE THE PUBLIC UTILITIES COMMISSION**

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In the Matter of Possible Amendments to  
Rules Governing Cogeneration and Small  
Power Production, *Minnesota Rules* Chapter  
7835

**MPUC Docket No. E-999/R-13-729**

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**CITY OF MINNEAPOLIS, HENNEPIN COUNTY AND  
THE METROPOLITAN COUNCIL AND THE METROPOLITAN  
AIRPORTS COMMISSION COMMENTS**

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**I. EXECUTIVE SUMMARY**

The City of Minneapolis, Hennepin County, Metropolitan Council and Metropolitan Airports Commission (the “Large Government Consumer Group”) propose that the proposed rules be modified to incorporate the Federal requirements for qualified facilities and add consideration of accredited capacity or avoided capacity needs that benefit a system’s ratepayers to the extent that a facility with 1,000 Kw capacity or more brings to a system.

**II. ANALYSIS OF INDIVIDUAL RULES**

**7835.0100 - Definitions**

**Subp. \_\_\_\_\_ “Accredited Capacity”**

Accredited Capacity. “Accredited Capacity” means the capacity of a qualifying facility determined by the MidContinent Independent System Operator (“MISO”), or such governing organization that replaces MISO, that allows the facility’s Accredited Capacity to be included as part of a Load Serving Entity’s plan for resource adequacy.

**7835.4020 – Amount of Capacity Payments; Considerations**

The qualifying facility which negotiates a contract under part 7835.4019 must be entitled to the full avoided capacity costs of the utility if the utility needs capacity within a 10-year planning period. The amount of capacity payments must be determined through consideration of the following, without requirement that all be met:

- A. the capacity factor of the qualifying facility;

- B. the cost of the utility's avoidable capacity;
- C. the length of the contract term;
- D. reasonable scheduling of maintenance;
- E. the willingness and ability of the qualifying facility to provide firm power during system emergencies;
- F. the willingness and ability of the qualifying facility to allow the utility to dispatch its generated energy;
- G. the willingness and ability of the qualifying facility to provide firm capacity during system peaks;
- H. the sanctions for noncompliance with any contract term; ~~and~~
- I. the smaller capacity increments and the shorter lead times available when capacity is added from qualifying facilities, and
- J. The expected Accredited Capacity, capacity value or expected capacity value to the utility in its resource plan.

These changes are needed to both bring the rules into compliance with PURPA laws<sup>1</sup> and allow for consideration of the resource planning benefits that a distributed generation facility brings to the utility's system.

Dated: February 4, 2015

Respectfully submitted,

/e/ Richard J. Savelkoul

Richard J. Savelkoul

**Martin & Squires**

Attorney for Large Government Consumers Group

332 Minnesota Street, Suite W2750

St. Paul, MN 55101

Phone: (651) 767-3740

---

<sup>1</sup> Public Utility Regulatory Policies Act of 1978, as amended, (PURPA) 18 CFR 292.303(b) requires capacity payments to Qualified Facilities if the utility has capacity need during the succeeding ten years.

**CERTIFICATE OF SERVICE**

I, Wendy S. Latuff, hereby certify that I have this day, served a true and correct copy of the following to all persons at the addresses on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

**LARGE GOVERNMENT CONSUMER GROUP  
COMMENTS**

Docket Number **E-999-R-13-729**

Dated this **4th** day of **February, 2015**

/s/ Wendy S. Latuff

Print

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## Service List Member Information

## Electronic Service Member(s)

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Greiveldinger	Michael	michaelgreiveldinger@alliantenergy.com	Interstate Power and Light Company	Electronic Service	No
Hoyum	Lori	lhoyum@mnpower.com	Minnesota Power	Electronic Service	No
Lehman	Paul J.	paul.lehman@xcelenergy.com	Xcel Energy	Electronic Service	No
Lindell	John	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	Yes
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Savelkoul	Richard	rsavelkoul@martinsquires.com	Marlin & Squires, P.A.	Electronic Service	No
Wolf	Daniel	dan.wolf@state.mn.us	Public Utilities Commission	Electronic Service	Yes

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Close



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February 4, 2015

Kate Kahlert  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
Saint Paul, MN 55101-2147

Re: Comments on Possible Amendments to Minnesota Rules, Chapter 7835  
PUC Docket No. E-999/R-13-729

Dear Ms. Kahlert:

This letter is in response to the Minnesota Public Utilities Commission (Commission) notice dated December 18, 2014 requesting comments on proposed amendments to rules governing cogeneration and small power production. Missouri River Energy Services (MRES) appreciates the Commission's efforts to ensure that its rules are consistent with recent statutory changes to Minn. Stat. § 216B.164, and offers the following comments relating to the proposed rules that govern interconnections between utilities and cogeneration or small power production facilities.

MRES has identified four changes that it believes should be made to the proposed rules to increase clarity, avoid ambiguity, and more closely conform the rules with Minn. Stat. § 216B.164, the Public Utility Regulatory Policies Act of 1978, as amended, and the Federal Energy Regulatory Commission's implementing regulations. For the convenience of the reader, MRES' comments are presented in the order in which the rule parts appear in the proposed rules.

#### **7835.2100 – Electrical Code Compliance**

The proposed rule does not indicate what version of the National Electrical Safety Code (NESC) applies in this subpart. If the intent is to have the most recently published edition of the NESC apply, MRES recommends the proposed rule be modified as shown below in red.

Subpart 1. Compliance; standards. The interconnection between the qualifying facility and the utility must comply with the requirements in the most recently published edition of the National Electrical Safety Code, ~~1981 edition~~, issued by the Institute of Electrical and Electronics Engineers ~~as American National Standards Institute Standard C2 (New York, 1980).~~ The interconnection is subject to subparts 2 and 3.

#### **7835.4750 – Interconnection Standards**

The proposed rule requiring a utility to provide a customer a copy of, or link to, the commission's interconnection standards would impose a significant financial and administrative

burden on small municipal electric utilities with limited resources. Additional language should be inserted in this rule provision to allow a utility to notify its customers of their commission's interconnection standards by publishing notice of those standards in a newspaper of general circulation in the service area of the utility. This would ease the burden on small municipal electric utilities while ensuring that customers are aware of their commission's standards. MRES recommends the proposed rule be modified as shown below in red.

Prior to signing the uniform statewide contract, a utility must distribute to each customer a copy of, or electronic link to, the commission's order establishing interconnection standards dated September 28, 2004, in docket number E-999/CI-01-1023. The utility must provide each customer a copy of, or electronic link to, subsequent changes made by the commission to any of those standards. A utility may satisfy this requirement by publishing notice in a newspaper of general circulation in the service area of the utility information that the Commission established interconnection standards in docket E-999/CI-01-1023, and describing where a copy of the commission's interconnection standards may be reviewed.

#### **7835.5900 – Existing Contracts**

The proposed rule provides that any existing interconnection contract executed between a utility and a qualifying facility (QF) with capacity of less than 40 kW remains in force until terminated by mutual agreement of the parties. However, there may be provisions in an existing interconnection contract that allow a party to unilaterally terminate the contract without having to obtain consent of the other party. For example, a utility may exercise a right to terminate an existing interconnection contract if the QF is not, or at any time ceases to be, a “qualifying facility” under the Public Utility Regulatory Policies Act of 1978 or if the utility determines that its purchases from the QF would result in costs greater than those which the utility would incur if it did not make such purchases. See 18 C.F.R. § 292.304(f). The proposed rule should take into account existing contracts that may be terminated under law by means other than mutual agreement of the parties. MRES recommends the proposed rule be modified as shown below in red

Any existing interconnection ~~contracts~~contract executed between a utility and a qualifying facility with ~~installed~~ capacity of less than 40 kilowatts ~~before November 13, 1984, may be canceled and replaced with the uniform statewide contract at the option of either party by either party giving the other written notice~~ remains in force until terminated by mutual agreement of the parties, or as otherwise specified in the contract. The notice is effective upon the shortest period permitted under the existing contract for termination, but not less than ten nor more than 30 days.

#### **7835.9920 – Non-standard Provisions**

The proposed rule requires utilities, including municipally owned electric utilities, which intend to implement provisions other than those included in the uniform statewide contract to file a

Ms. Kate Kahlert  
February 4, 2015  
Page 3

request for authorization with the Commission. As written, the proposed rule is inconsistent with Minnesota Statutes § 216B.164, subd. 9., which authorizes the local governing body of each municipal electric utility to regulate matters concerning cogeneration and small power production as long as the governing body adopts and has in effect rules implementing Minnesota Statutes § 216B.164 which are consistent with the cogeneration and small power production rules adopted by the Commission. The proposed rule should be modified to clarify that the local governing body of a municipal electric utility has authority to determine the provisions in the contract as long as it has adopted and has in effect rules consistent with *Minnesota Rules* Chapter 7835. This could be accomplished by adding part 7835.9920 to the definition of "utility" under part 7835.0100. MRES recommends the proposed rule be modified as shown below in red.

Subp. 24. Utility. "Utility" means:

A. for the purposes of parts 7835.1300 to 7835.1800 and 7835.4500 to 7835.4550, any public utility, including municipally owned electric utilities or cooperative electric associations, that sells electricity at retail in Minnesota; or

B. for the purposes of parts 7835.0200 to 7835.1200, 7835.1900 to 7835.4400, 7835.4600 to 7835.6100, and 7835.9910 to 7835.9920, any public utility, including municipally owned electric utilities and cooperative electric associations, that sells electricity at retail in Minnesota, except those municipally owned electric utilities that have adopted and have in effect rules consistent with this chapter.

MRES appreciates the opportunity to provide these brief comments on proposed rules governing cogeneration and small power production. MRES requests that these comments be incorporated into the draft rules proposed by the Commission.

Respectfully submitted,

MISSOURI RIVER ENERGY SERVICES

By: /s/ Derek Bertsch

Derek Bertsch  
Staff Attorney, Legal  
Missouri River Energy Services  
P.O. Box 88920  
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---

February 4, 2015

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E999/R-13-729

Dear Mr. Wolf:

On December 18, 2014, the Minnesota Public Utilities Commission (Commission) issued a Notice of Intent to Adopt Rules in Docket E999/R-13-729. Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in this matter.

The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ SUSAN L. PEIRCE  
Rate Analyst

SLP/lt  
Attachment



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
DIVISION OF ENERGY RESOURCES

DOCKET NO. E999/R-13-729

**I. BACKGROUND INFORMATION**

The 2013 Legislature amended Minn. Stat. §216B.164 governing cogeneration and small power production affecting interconnections between qualifying facilities and public utilities. As a result of those legislative changes a rulemaking proceeding was undertaken to incorporate the statutory changes.

On December 18, 2014, the Minnesota Public Utilities Commission (Commission) issued a *Dual Notice of Intent to Adopt Rules without a Public Hearing unless 25 or more Persons request a hearing, and Notice of Hearing if 25 or More Requests for Hearing are Received.*

**II. DEPARTMENT COMMENTS**

The Department recommends a number of edits to the proposed rules. The Department believes one issue, the definition of "firm power," may warrant further discussion in a public hearing if the Commission determines a public hearing is necessary.

**A. DEFINITION OF FIRM POWER**

The use and definition of "firm power" in the current and now proposed rules is outdated, is contrary to Midcontinent Independent System Operator (MISO) rules and practices, contradicts recent Commission orders, and is inconsistent with recent Department positions.

Consistent with Department positions in recent dockets and the subsequent Commission Orders (e.g., E002/M-13-315, Rate for Large Solar PV), this outdated concept of "firm power" in the proposed rules should be replaced with the current reliability-based loss of load expectation (LOLE) approach to determining capacity for planning resources and the definition should be anchored in MISO's Resource Adequacy Business Practice Manual (MISO BPM-011-r14, effective 9/1/14).

<https://www.misoenergy.org/Library/BusinessPracticesManuals/Pages/BusinessPracticesManuals.aspx>

The language of concern is found in:

7835.0100 DEFINITIONS

Subp. 9 Firm Power. "Firm Power" means energy delivered by the qualifying facility to the utility with at least a 65% on-peak capacity factor in the month. The capacity factor is based on the qualifying facility's maximum on-peak metered capacity delivered to the utility during the month.

Firm Power is subsequently referenced numerous times throughout the proposed rules, and affects the compensation paid to a qualifying facility. The references include:

- I. 7835.3200 Standard Rates For Purchases by Cooperative Electric Associations and Municipal Utilities From Qualifying Facilities.
- II. 7835.4011 Standard Rates For Purchases by Public Utilities From Qualifying Facilities.

Subpart 2 to each of these rule parts includes similar language. The proposed language in Minn. Rules pt. 7835.4011, subp. 2 states (emphasis added):

Subp. 2. Negotiated Rates. A qualifying facility with 1,000 kilowatt capacity or more has the option to negotiate a contract with a utility or, if it commits to provide firm power, be compensated under standard rates.

- III. 7835.4014 Simultaneous Purchase and Sale Billing Rate
- IV. 7835.4015 Time-of-Day Purchase Rates

Subp. 2, B. of each of these rules includes similar language. The proposed language in Minn. Rules pt. 7835.4015, subp. 2, B states (emphasis added):

B. If the qualifying facility provides firm power to the utility, the capacity component must be the utility's net annual avoided capacity cost per kilowatt-hour averaged over all hours shown on schedule B; or if the generating utility has not filed schedule B, the capacity component must be the demand charge per kilowatt, if any, of the retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B, divided by the number of hours in the billing period, or if the nongenerating utility has not filed schedule B, the capacity component must be the capacity cost per kilowatt shown on schedule H, divided by the number of hours in the billing period. If the qualifying facility does not provide firm power to the utility,

no capacity component may be included in the compensation paid to the qualifying facility.

The Department recommends the definition of firm power be revised to read:

7835.0100 Subp. 9 Firm Power. For purposes of this chapter, "Firm power" means the capacity credit for the specified type of generation as determined by the methodology in the most recently approved MISO Resource Adequacy Business Practices Manual.

*B. MINN. RULES PT. 7825.0800, SCHEDULE E*

Minn. Rules pt. 7835.0800 governs the utility's filing of its safety standards in Schedule E. The proposed rule strikes the sentence, "These standards and procedures must not be more restrictive than the interconnection guidelines listed in parts 7835.4800 to 7835.5800."

The Department recommends that, rather than striking this sentence, it be revised to read "These standards and procedures must not be more restrictive than the interconnection guidelines listed in parts ~~7835.4800 to 7835.5800~~ 7835.2100 and 7835.4750."

Minn Rules 7835.2100 requires compliance with the National Electric Code, and 7835.4750 requires that the utility provide customers with a copy of the Commission's September 28, 2004 Order in docket No. E999/CI-01-1023 establishing interconnection standards and any subsequent revisions. The inclusion of this proposed sentence with the Department's proposed revision will ensure customers remain protected from the imposition of excessive technical requirements.

*C. UNIFORM STATEWIDE CONTRACT; MINN. RULES PT. 7835.9910*

The Uniform Statewide Contract contains language setting forth a qualifying facility's (QF) election for the rate schedule under which the utility will buy electricity from the QF. Specifically, the contract states:

The QF and the Utility agree:

1. The Utility will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.
2. The Utility will buy electricity from the QF under the current rate schedule filed with the Commission. The QF elects the rate schedule category hereinafter indicated:

- a. Net energy billing rate under part 7835.3300
- b. Simultaneous purchase and sale billing rate under part 7835.3400
- c. Time-of-day purchase rates under part 7835.3500.

A copy of the presently filed rate schedule is attached to this contract.

3. The Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated:

- \_\_\_ a. Net energy billing rate under part 7835.4013
- \_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.4014
- \_\_\_ c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

4. The Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has at least 40 kilowatts capacity but less than 1,000 kilowatt capacity the QF elects the rate schedule category hereinafter indicated:

- \_\_\_ a. Net energy billing rate under part 7835.4013
- \_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.4014
- \_\_\_ c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

The rates referred to under No. 2 in the Uniform Contract, and set forth in Minn. Rules pts. 7835.3200 - .3500 specifically refer to the standard rates for purchases by Cooperative Electric Associations and Municipal Utilities from Qualifying Facilities. The rates referred to under Nos. 3 and 4 in the Uniform Contract, and set forth in Minn. Rules pts. 7835.4013 - .4015 refer to Public Utilities.

The Department recommends that additional clarifying language be added to the Uniform Contract to specifically identify that No. 2 in the contract pertains to Cooperative Electric Associations and Municipal Utilities, and Nos. 3 and 4 pertain to Public Utilities. The Department recommends the following additions:

- 2. The ~~Utility~~ Cooperative Electric Association or Municipal Utility will buy electricity from the QF under the current rate schedule filed with the Commission.
- 3. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission.
- 4. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission.

**D. AREA ELECTRIC POWER SYSTEM**

Minn. Rules pt. 7835.2100, subp. 2 states "The Area Electric Power System will require proof of complying with the NEC before the interconnection is made." The proposed rules do not include a definition of the Area Electric Power System.

The Commission's Interconnection Standards contained in its September 28, 2004 Order in Docket No. E999/CI-01-1023 defines an Area Electric Power System as "an electric power system (EPS) that serves Local EPS's. Note. Typically an Area EPS has primary access to public rights-of-way, priority crossing of property boundaries, etc." The Department recommends the definition of an Area Electric Power System be added to the list of definitions contained in Minn. Rules pt. 7835.0100.

### III. SUMMARY OF DEPARTMENT RECOMMENDATIONS

The Department recommends that the Commission adopt the proposed Rules Governing Cogeneration and Small Power Production with the following revisions:

1. 7835.0100 Subp. 9 Firm Power. ~~"Firm power" means energy delivered by the qualifying facility to the utility with at least a 65 percent on peak capacity factor in the month. The capacity factor is based upon the qualifying facility's maximum on peak metered capacity delivered to the utility during the month.~~ For purposes of this chapter, "Firm power" means the capacity credit for the specified type of generation as determined by the methodology in the most recently approved MISO Resource Adequacy Business Practices Manual.
2. 7835.0800 Schedule E. Schedule E must contain the utility's safety standards, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus. ~~These standards and procedures must not be more restrictive than the interconnection guidelines listed in parts 7835.4800 to 7835.5800. These standards and procedures must not be more restrictive than the interconnection guidelines listed in parts 7835.2100 and 7835.4750.~~
3. 7835.9910 Uniform Statewide Contract
  2. The Utility Cooperative Electric Association or Municipal Utility will buy electricity from the QF under the current rate schedule filed with the Commission.
  3. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission.
  4. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission.
4. Minn. Rules pt. 7835.0100 Definitions. Area Electric Power System "Area Electric Power System" is an electric power system (EPS) that serves Local EPS's. Note. Typically an Area EPS has primary access to public rights-of-way, priority crossing of property boundaries, etc.

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Analyst assigned: Susan L. Peirce  
Page 6

The Department concludes that the definition of "firm power," may warrant further discussion in a public hearing if the Commission determines a public hearing is necessary.

/It

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Comments**

**Docket No. E999/R-13-729**

Dated this 4<sup>th</sup> day of February 2015

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_13-729_Official
Kenneth	Baker	N/A	Wal-Mart Stores, Inc.	2001 SE 10th St.  Bentonville, AR 72716-5530	Paper Service	No	OFF_SL_13-729_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_13-729_Official
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Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	OFF_SL_13-729_Official
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Jennifer	Kefer	N/A	Alliance for Industrial Efficiency	David Gardiner & Associates, LLC 2609 11th St N Arlington, VA 22201-2825	Paper Service	No	OFF_SL_13-729_Official
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Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750  St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-729_Official
Patricia F.	Sharkey	N/A	Midwest Cogeneration Association	P.O. Box 87374  Carol Stream, IL 60188	Paper Service	No	OFF_SL_13-729_Official
Daniel	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551022147	Electronic Service	Yes	OFF_SL_13-729_Official

**Minnesota Public Utilities Commission**

**NOTICE OF CANCELLATION OF HEARING TO PERSONS WHO REQUESTED A HEARING**

**Proposed Rules Governing Cogeneration and Small Power Production, Minnesota Rules, Chapter 7835**

**To persons who requested a hearing.** The Commission is sending this Notice to all persons who requested a hearing.

**The hearing is canceled.** In the December 29, 2014, State Register, on pages 959 to 968, the Public Utilities Commission published a Notice of Intent to Adopt Rules relating to cogeneration and small power production. The Notice stated that a hearing would be held on the proposed rules if 25 or more persons submitted written requests for a hearing. In response, the Commission received two requests for a hearing. Consequently, the Commission is canceling the hearing. The Commission will adopt the rules without a hearing and then submit the rules and other required documents to the Chief Administrative Law Judge for review by the Office of Administrative Hearings. The Commission will consider all written comments when it adopts the rules.

**Agency Contact Person.** The agency contact person is: Kate Kahlert at the Public Utilities Commission, 121 Seventh Place East, Suite 350, and phone: 651-201-2239. Questions or comments concerning the cancellation of the hearing or about the rule adoption process should be directed to the agency contact person.

2-6-15

Date

Kate Kahlert

Kate Kahlert  
Commission Attorney

Revisor's ID Number R-04214

## CERTIFICATE OF SERVICE

I, Margie DeLaHunt, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

**Minnesota Public Utilities Commission  
NOTICE OF CANCELLATION OF HEARING TO PERSONS WHO  
REQUESTED A HEARING**

Docket Number **E999/R-13-729**  
Dated this **6th** day of **February, 2015**

/s/ Margie DeLaHunt

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_13-729_Official
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Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	OFF_SL_13-729_Official
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Jennifer	Kefer	N/A	Alliance for Industrial Efficiency	David Gardiner & Associates, LLC 2609 11th St N Arlington, VA 22201-2825	Paper Service	No	OFF_SL_13-729_Official
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_13-729_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Samuel	Mason	smason@beltramelectric.com	Beltrami Electric Cooperative, Inc.	4111 Technology Dr. NW PO Box 488 Bemidji, MN 56619-0488	Electronic Service	No	OFF_SL_13-729_Official
David G.	Prazak	dprazak@otpc.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_13-729_Official
Erin	Ruccolo	N/A	Fresh Energy	408 St. Peter Street,  St. Paul, MN 55102	Paper Service	No	OFF_SL_13-729_Official
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750  St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-729_Official
Patricia F.	Sharkey	N/A	Midwest Cogeneration Association	P.O. Box 87374  Carol Stream, IL 60188	Paper Service	No	OFF_SL_13-729_Official
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_13-729_Official

**K.**

**Not Enclosed: Notice of Withdrawal of  
Hearing Request**

**This is not enclosed because Minnesota  
Statutes, section 14.25 did not require the  
Commission to send a notice of withdrawal of  
hearing request**

**L.**

**Copy of the Adopted Rules Dated July  
14, 2015. The Modifications to the  
Proposed Rules are Reflected in the  
Rules as Adopted and are Approved by  
the Revisor of Statutes**

1.1 **Public Utilities Commission**

1.2 **Adopted Permanent Rules Relating to Cogeneration and Small Power Production**

1.3 **7835.0100 DEFINITIONS.**

1.4 [For text of subps 1 to 3, see M.R.]

1.5 Subp. 4. **Capacity.** "Capacity" means the capability to produce, transmit, or deliver  
1.6 electric energy, and is measured by the number of megawatts alternating current at the  
1.7 point of common coupling between a qualifying facility and a utility's electric system.

1.8 Subp. 5. **Capacity costs.** "Capacity costs" means the costs associated with  
1.9 providing the capability to deliver energy. The utility capital costs consist of the costs  
1.10 of facilities used to generate, transmit, and distribute electricity and the fixed operating  
1.11 and maintenance costs of these facilities.

1.12 [For text of subp 6, see M.R.]

1.13 Subp. 6a. **Customer.** "Customer" means the person named on the utility electric  
1.14 bill for the premises.

1.15 [For text of subps 7 to 15, see M.R.]

1.16 Subp. 15a. **Net metered facility.** "Net metered facility" means an electric generation  
1.17 facility constructed for the purpose of offsetting energy use through the use of renewable  
1.18 energy or high-efficiency distributed generation sources.

1.19 [For text of subps 16 and 17, see M.R.]

1.20 Subp. 17a. **Point of common coupling.** "Point of common coupling" means the  
1.21 point where the qualifying facility's generation system, including the point of generator  
1.22 output, is connected to the utility's electric power grid.

1.23 Subp. ~~17a~~ 17b. **Public utility.** "Public utility" has the meaning given in Minnesota  
1.24 Statutes, section 216B.02, subdivision 4.

2.1 [For text of subp 18, see M.R.]

2.2 Subp. 19. **Qualifying facility.** "Qualifying facility" means a cogeneration or small  
 2.3 power production facility which satisfies the conditions established in Code of Federal  
 2.4 Regulations, title 18, part 292. The initial operation date or initial installation date of a  
 2.5 cogeneration or small power production facility must not prevent the facility from being  
 2.6 considered a qualifying facility for the purposes of this chapter if it otherwise satisfies  
 2.7 all stated conditions.

2.8 [For text of subp 20, see M.R.]

2.9 Subp. 20a. **Standby charge.** "Standby charge" means the rate or fee a utility charges  
 2.10 for the recovery of costs for the provision of standby service or standby power.

2.11 Subp. 20b. **Standby service.** "Standby service" means:

2.12 A. for public utilities, service or power that includes backup, or maintenance,  
 2.13 ~~and related services necessary to make electricity service available to the facility,~~ as  
 2.14 described in the public utility's commission-approved standby tariff, necessary to make  
 2.15 electricity service available to the distributed generation facility; and

2.16 B. for a utility not subject to the commission's rate authority, the service  
 2.17 associated with the applicable tariff in effect under Minnesota Statutes, section 216B.1611,  
 2.18 subdivision 3, clause (2).

2.19 [For text of subps 21 to ~~24~~ 23, see M.R.]

2.20 Subp. 24. **Utility.** "Utility" means:

2.21 [For text of item A, see M.R.]

2.22 B. for the purposes of parts 7835.0200 to 7835.1200, 7835.1900 to 7835.4400,  
 2.23 7835.4600 to 7835.6100, ~~and~~ 7835.9910, and 7835.9920, any public utility, including  
 2.24 municipally owned electric utilities and cooperative electric associations, that sells

3.1 electricity at retail in Minnesota, except those municipally owned electric utilities that  
3.2 have adopted and have in effect rules consistent with this chapter.

3.3 **7835.0200 SCOPE AND PURPOSE.**

3.4 The purpose of this chapter is to implement certain provisions of Minnesota Statutes,  
3.5 section 216B.164; the Public Utility Regulatory Policies Act of 1978, United States Code,  
3.6 title 16; section 824a-3; and the Federal Energy Regulatory Commission regulations,  
3.7 Code of Federal Regulations, title 18, part 292. Nothing in this chapter excuses any utility  
3.8 from carrying out its responsibilities under these provisions of state and federal law. This  
3.9 chapter must at all times be applied in accordance with its intent to give the maximum  
3.10 possible encouragement to cogeneration and small power production consistent with  
3.11 protection of the ratepayers and the public.

3.12 **7835.0400 FILING OPTION.**

3.13 If, after the January 1, 2015, filing, schedule C is the only change in the cogeneration  
3.14 and small power production tariff to be filed in a subsequent year, the utility may notify  
3.15 the commission in writing, by the date the tariff is due, that there is no other change in the  
3.16 tariff. This notification and new schedule C will serve as a substitute for the refileing of  
3.17 the complete tariff in that year.

3.18 **7835.0800 SCHEDULE E.**

3.19 Schedule E must contain the utility's safety standards, required operating procedures  
3.20 for interconnected operations, and the functions to be performed by any control and  
3.21 protective apparatus. These standards and procedures must not be more restrictive than  
3.22 the standards contained in the electrical code under part 7835.2100 or the interconnection  
3.23 standards distributed to customers under part 7835.4750. The utility may include in  
3.24 schedule E suggested types of equipment to perform the specified functions. No standard  
3.25 or procedure may be established to discourage cogeneration or small power production.

4.1 **7835.1200 AVAILABILITY OF FILINGS.**

4.2 All filings required by parts 7835.0300 to 7835.1100 must be filed in the commission's  
4.3 electronic filing system and be maintained at the utility's general office and any other  
4.4 offices of the utility where rate case filings are kept. These filings must be available for  
4.5 public inspection at the commission and at the utility offices during normal business hours.

4.6 **7835.1300 GENERAL REPORTING REQUIREMENTS.**

4.7 Each utility interconnected with a qualifying facility must provide the commission  
4.8 with the information in parts 7835.1400 to 7835.1800 annually on or before March 1, and  
4.9 in such form as the commission may require.

4.10 **7835.1400 NET AVERAGE RETAIL UTILITY ENERGY BILLED QUALIFYING**  
4.11 **FACILITIES.**

4.12 For qualifying facilities under net average retail utility energy billing, the utility must  
4.13 provide the commission with the following information:

4.14 [For text of item A, see M.R.]

4.15 B. for each qualifying facility type, the total kilowatt-hours delivered per month  
4.16 to the utility by all net average retail utility energy ~~billed~~ rate qualifying facilities;

4.17 C. for each qualifying facility type, the total kilowatt-hours delivered per month  
4.18 by the utility to all net average retail utility energy ~~billed~~ rate qualifying facilities; and

4.19 D. for each qualifying facility type, the total net energy delivered per month to  
4.20 the utility by net average retail utility energy ~~billed~~ rate qualifying facilities.

4.21 **7835.1500 OTHER QUALIFYING FACILITIES.**

4.22 For all qualifying facilities not under net average retail utility energy billing, the  
4.23 utility must provide the commission with the following information:

4.24 [For text of items A and B, see M.R.]

5.1 **7835.2100 ELECTRICAL CODE COMPLIANCE.**

5.2 Subpart 1. **Compliance; standards.** The interconnection between the qualifying  
5.3 facility and the utility must comply with the requirements in the most recently published  
5.4 edition of the National Electrical Safety Code issued by the Institute of Electrical and  
5.5 Electronics Engineers. The interconnection is subject to subparts 2 and 3.

5.6 Subp. 2. **Interconnection.** The ~~interconnection customer~~ qualifying facility is  
5.7 responsible for complying with all applicable local, state, and federal codes, including  
5.8 building codes, the National ~~Electric~~ Electrical Code (NEC), the National ~~Electric~~  
5.9 Electrical Safety Code (NESC), and noise and emissions standards. The ~~Area Electric~~  
5.10 ~~Power System will~~ utility must require proof ~~of complying that the~~ qualifying facility is  
5.11 in compliance with the NEC before the interconnection is made. The ~~interconnection~~  
5.12 ~~customer~~ qualifying facility must obtain installation approval from an electrical inspector  
5.13 recognized by the Minnesota State Board of Electricity.

5.14 Subp. 3. **Generation system.** The ~~interconnection customer's~~ qualifying facility's  
5.15 generation system and installation must comply with the American National Standards  
5.16 Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) standards  
5.17 applicable to the installation.

5.18 **7835.2600 TYPES OF POWER TO BE OFFERED; STANDBY SERVICE.**

5.19 Subpart 1. **Service to be offered.** The utility must offer maintenance, interruptible,  
5.20 supplementary, and backup power to the qualifying facility upon request.

5.21 Subp. 2. **Standby service; public utility.** A public utility may not impose a standby  
5.22 charge for standby service on a qualifying facility having 100 kilowatt capacity or less. A  
5.23 utility imposing rates on a qualifying facility having more than 100 kilowatt capacity must  
5.24 comply with an order of the commission establishing allowable costs.

6.1 Subp. 3. **Standby service; cooperative or municipality.** A cooperative electric  
6.2 association or municipal utility must offer a qualifying facility standby power or service  
6.3 consistent with its applicable tariff for such service adopted under Minnesota Statutes;  
6.4 section 216B.1611, subdivision 3, clause (2).

6.5 **7835.3000 RATES FOR UTILITY SALES TO A QUALIFYING FACILITY TO**  
6.6 **BE GOVERNED BY TARIFF.**

6.7 Except as otherwise provided in part 7835.3100, rates for sales to a qualifying facility  
6.8 must be governed by the applicable tariff for the class of electric utility customers to  
6.9 which the qualifying facility belongs or would belong were it not a qualifying facility.

6.10 **7835.3150 INTERCONNECTION WITH COOPERATIVE ELECTRIC**  
6.11 **ASSOCIATION OR MUNICIPAL UTILITY.**

6.12 Parts 7835.3200 to 7835.4000 apply to interconnections between a qualifying facility  
6.13 and a cooperative electric association or municipal utility.

6.14 **7835.3200 STANDARD RATES FOR PURCHASES BY COOPERATIVE**  
6.15 **ELECTRIC ASSOCIATIONS AND MUNICIPAL UTILITIES FROM**  
6.16 **QUALIFYING FACILITIES.**

6.17 Subpart 1. **Qualifying facilities with 100 kilowatt capacity or less.** For qualifying  
6.18 facilities with capacity of 100 kilowatts or less, standard purchase rates apply. The utility  
6.19 must make available three types of standard rates, described in parts 7835.3300, 7835.3400,  
6.20 and 7835.3500. The qualifying facility with a capacity of 100 kilowatts or less must  
6.21 choose interconnection under one of these rates, and must specify its choice in the written  
6.22 contract required in part 7835.2000. Any net credit to the qualifying facility must, at its  
6.23 option, be credited to its account with the utility or returned by check within 15 days of the  
6.24 billing date. The option chosen must be specified in the written contract required in part  
6.25 7835.2000. Qualifying facilities remain responsible for any monthly service charges and  
6.26 demand charges specified in the tariff under which they consume electricity from the utility.

7.1 Subp. 2. **Qualifying facilities over 100 kilowatt capacity.** A qualifying facility with  
 7.2 more than 100 kilowatt capacity has the option to negotiate a contract with a utility or, if it  
 7.3 commits to provide firm power, be compensated under standard rates.

7.4 **7835.3300 NET AVERAGE RETAIL UTILITY ENERGY BILLING RATE.**

7.5 Subpart 1. **Applicability.** The ~~net average retail utility~~ energy ~~billing~~ rate is available  
 7.6 only to qualifying facilities with capacity of less than 40 kilowatts which choose not to  
 7.7 offer electric power for sale on either a time-of-day basis or a simultaneous purchase  
 7.8 and sale basis.

7.9 [For text of subps 2 and 3, see M.R.]

7.10 **7835.4010 INTERCONNECTION WITH PUBLIC UTILITY.**

7.11 Parts 7835.4011 to 7835.4023 apply to interconnections between a qualifying facility  
 7.12 and a public utility.

7.13 **7835.4011 STANDARD RATES FOR PURCHASES BY PUBLIC UTILITIES**  
 7.14 **FROM QUALIFYING FACILITIES.**

7.15 Subpart 1. **Standard rates.** For qualifying facilities with less than 1,000 kilowatt  
 7.16 capacity, standard rates apply. The utility must make available the types of standard rates  
 7.17 described in parts 7835.4012 to 7835.4015. Qualifying facilities remain responsible for  
 7.18 any monthly service charges and demand charges specified in the tariff under which  
 7.19 they consume electricity from the utility.

7.20 Subp. 2. **Negotiated rates.** A qualifying facility with 1,000 kilowatt capacity or  
 7.21 more has the option to negotiate a contract with a utility or, if it commits to provide firm  
 7.22 power, be compensated under standard rates.

7.23 **7835.4012 COMPENSATION.**

7.24 Subpart 1. **Facilities with less than 40 kilowatt capacity.** A qualifying facility  
 7.25 with less than 40 kilowatt capacity has the option to be compensated at the ~~net average~~

8.1 retail utility energy billing rate, the simultaneous purchase and sale billing rate, or the  
8.2 time-of-day billing rate.

8.3 Subp. 2. **Facilities with at least 40 kilowatt capacity but less than 1,000 kilowatt**  
8.4 **capacity.** A qualifying facility with at least 40 kilowatt capacity but less than 1,000  
8.5 kilowatt capacity has the option to be billed at the simultaneous purchase and sale billing  
8.6 rate, or at the time-of-day billing rate.

8.7 **7835.4013 AVERAGE RETAIL ENERGY RATE.**

8.8 Subpart 1. **Method of billing.** The utility must bill the qualifying facility for the  
8.9 energy supplied by the utility that exceeds the amount of energy supplied by the qualifying  
8.10 facility during each billing period according to the utility's applicable retail rate schedule.

8.11 Subp. 2. **Additional calculations for billing.** When the energy generated by the  
8.12 qualifying facility exceeds that supplied by the utility during a billing period, the utility  
8.13 must compensate the qualifying facility for the excess energy at the average retail utility  
8.14 energy rate.

8.15 **7835.4014 SIMULTANEOUS PURCHASE AND SALE BILLING RATE.**

8.16 Subpart 1. **Method of billing.** The qualifying facility must be billed for all energy  
8.17 and capacity it consumes during a billing period according to the utility's applicable retail  
8.18 rate schedule.

8.19 Subp. 2. **Compensation to qualifying facility.** The utility must purchase all energy  
8.20 and capacity which is made available to it by the qualifying facility. At the option of the  
8.21 qualifying facility, its entire generation must be deemed to be made available to the utility.  
8.22 Compensation to the qualifying facility must be the sum of items A and B.

8.23 A. The energy component must be the appropriate system average incremental  
8.24 energy costs shown on schedule A; or if the generating utility has not filed schedule A,  
8.25 the energy component must be the energy rate of the retail rate schedule applicable to the

9.1 qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has  
9.2 not filed schedule A, the energy component must be the energy rate shown on schedule H.

9.3 B. If the qualifying facility provides firm power to the utility, the capacity  
9.4 component must be the utility's net annual avoided capacity cost per kilowatt-hour  
9.5 averaged over all hours shown on schedule B; or if the generating utility has not filed  
9.6 schedule B, the capacity component must be the demand charge per kilowatt, if any, of the  
9.7 retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B,  
9.8 divided by the number of hours in the billing period; or if the nongenerating utility has not  
9.9 filed schedule B, the capacity component must be the capacity cost per kilowatt shown on  
9.10 schedule H, divided by the number of hours in the billing period. If the qualifying facility  
9.11 does not provide firm power to the utility, no capacity component may be included in the  
9.12 compensation paid to the qualifying facility.

9.13 **7835.4015 TIME-OF-DAY PURCHASE RATES.**

9.14 Subpart 1. **Method of billing.** The qualifying facility must be billed for all  
9.15 energy and capacity it consumes during each billing period according to the utility's  
9.16 applicable retail rate schedule. Any utility rate-regulated by the commission may propose  
9.17 time-of-day retail rate tariffs which require qualifying facilities that choose to sell power  
9.18 on a time-of-day basis to also purchase power on a time-of-day basis.

9.19 Subp. 2. **Compensation to qualifying facility.** The utility must purchase all energy  
9.20 and capacity which is made available to it by the qualifying facility. Compensation to the  
9.21 qualifying facility must be the sum of items A and B.

9.22 A. The energy component must be the appropriate on-peak and off-peak system  
9.23 incremental costs shown on schedule A; or if the generating utility has not filed schedule  
9.24 A, the energy component must be the energy rate of the retail rate schedule applicable to  
9.25 the qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has  
9.26 not filed schedule A, the energy component must be the energy rate shown on schedule H.

10.1 B. If the qualifying facility provides firm power to the utility, the capacity  
10.2 component must be the utility's net annual avoided capacity cost per kilowatt-hour  
10.3 averaged over the on-peak hours as shown on schedule B; or if the generating utility has  
10.4 not filed schedule B, the capacity component must be the demand charge per kilowatt,  
10.5 if any, of the retail rate schedule applicable to the qualifying facility, filed in lieu of  
10.6 schedules A and B, divided by the number of on-peak hours in the billing period; or if  
10.7 the nongenerating utility has not filed schedule B, the capacity component must be the  
10.8 capacity cost per kilowatt shown on schedule H, divided by the number of on-peak hours  
10.9 in the billing period. The capacity component applies only to deliveries during on-peak  
10.10 hours. If the qualifying facility does not provide firm power to the utility, no capacity  
10.11 component may be included in the compensation paid to the qualifying facility.

10.12 **7835.4016 INDIVIDUAL SYSTEM CAPACITY LIMITS.**

10.13 Subpart 1. **Applicability.** Individual system capacity limits are subject to the  
10.14 requirements in Minnesota Statutes, section 216B.164, subdivision 4c.

10.15 Subp. 2. **Usage history.** A facility subject to capacity limits with less than 12 calendar  
10.16 months of actual electric usage or no demand metering available is subject to limits based  
10.17 on data for similarly situated customers combined with any actual data for the facility.

10.18 **7835.4017 NET METERED FACILITY; BILL CREDITS.**

10.19 Subpart 1. **Kilowatt-hour credit.** A customer with a net metered facility can elect  
10.20 to be compensated for net input into the utility's system in the form of a kilowatt-hour  
10.21 credit on the customer's bill, subject to Minnesota Statutes, section 216B.164, subdivision  
10.22 3a, and the following conditions:

10.23 A. the customer is not receiving a value of solar rate under Minnesota Statutes,  
10.24 section 216B.164, subdivision 10;

10.25 B. the customer is interconnected with a public utility; and

11.1 C. the net metered facility has a capacity of at least 40 kilowatt capacity but  
 11.2 less than 1,000 kilowatt capacity.

11.3 Subp. 2. **Notification to customer.** A public utility must notify the customer of the  
 11.4 option to be compensated for net input in the form of a kilowatt-hour credit under subpart  
 11.5 1. The public utility must inform the customer that if the customer does not elect to be  
 11.6 compensated for net input in the form of a kilowatt-hour credit on the bill, the customer  
 11.7 will be compensated for the net input at the utility's avoided cost rate, as described in  
 11.8 the utility's tariff for that customer class.

11.9 Subp. 3. **End-of-year net input.** A public utility must compensate the customer, in  
 11.10 the form of a payment, for any net input remaining at the end of the calendar year at the  
 11.11 utility's avoided cost rate, as described in the utility's tariff for that class of customer.

11.12 **7835.4018 AGGREGATION OF METERS.**

11.13 A public utility must aggregate meters at the request of a customer as described in  
 11.14 Minnesota Statutes, section 216B.164, subdivision 4a.

11.15 **7835.4019 QUALIFYING FACILITIES OF 1,000 KILOWATT CAPACITY OR**  
 11.16 **MORE.**

11.17 A qualifying facility with capacity of 1,000 kilowatt capacity or more must negotiate  
 11.18 a contract with the public utility to set the applicable rates for payments to the customer of  
 11.19 avoided capacity and energy costs. Nothing in parts 7835.4010 to 7835.4015 prevents  
 11.20 a utility from connecting qualifying facilities of greater than 1,000 kilowatt capacity  
 11.21 under its avoided cost rates.

11.22 **7835.4020 AMOUNT OF CAPACITY PAYMENTS; CONSIDERATIONS.**

11.23 The qualifying facility which negotiates a contract under part 7835.4019 must be  
 11.24 entitled to the full avoided capacity costs of the utility. The amount of capacity payments  
 11.25 must be determined through consideration of:

11.26 A. the capacity factor of the qualifying facility;

- 12.1 B. the cost of the utility's avoidable capacity;
- 12.2 C. the length of the contract term;
- 12.3 D. reasonable scheduling of maintenance;
- 12.4 E. the willingness and ability of the qualifying facility to provide firm power
- 12.5 during system emergencies;
- 12.6 F. the willingness and ability of the qualifying facility to allow the utility to
- 12.7 dispatch its generated energy;
- 12.8 G. the willingness and ability of the qualifying facility to provide firm capacity
- 12.9 during system peaks;
- 12.10 H. the sanctions for noncompliance with any contract term; and
- 12.11 I. the smaller capacity increments and the shorter lead times available when
- 12.12 capacity is added from qualifying facilities.

12.13 **7835.4021 UTILITY TREATMENT OF COSTS.**

12.14 All purchases from qualifying facilities with capacity of less than 40 kilowatts and

12.15 purchases of energy from qualifying facilities with capacity of 40 kilowatts or more must

12.16 be considered an energy cost in calculating a utility's fuel adjustment clause.

12.17 **7835.4022 LIMITING CUMULATIVE GENERATION.**

12.18 A public utility requesting that the commission limit cumulative generation of net

12.19 metered facilities under Minnesota Statutes, section 216B.164, subdivision 4b, must file

12.20 its request with the commission under chapter 7829.

12.21 **7835.4023 ALTERNATIVE TARIFF FOR VALUE OF SOLAR.**

12.22 If a public utility has received commission approval of an alternative tariff for the

12.23 value of solar under Minnesota Statutes, section 216B.164, subdivision 10, the tariff

12.24 applies to new solar photovoltaic interconnections effective after the tariff approval date.

13.1 **7835.4750 INTERCONNECTION STANDARDS.**

13.2 ~~Prior to signing~~ Before a customer signs the uniform statewide contract, a utility  
 13.3 must distribute to ~~each~~ that customer a copy of, or electronic link to, the commission's  
 13.4 order establishing interconnection standards dated September 28, 2004, in docket number  
 13.5 E-999/CI-01-1023, or to currently effective interconnection standards established by  
 13.6 subsequent commission order. ~~The utility must provide each customer a copy of, or~~  
 13.7 ~~electronic link to, subsequent changes made by the commission to any of those standards.~~

13.8 **7835.5900 EXISTING CONTRACTS.**

13.9 Any existing interconnection contract executed between a utility and a qualifying  
 13.10 facility with capacity of less than 40 kilowatts remains in force until terminated by mutual  
 13.11 agreement of the parties or as otherwise specified in the contract.

13.12 **7835.5950 RENEWABLE ENERGY CREDIT; OWNERSHIP.**

13.13 ~~A qualifying facility owns~~ Generators own all renewable energy credits unless:

13.14 A. other ownership is expressly provided for ~~in the~~ by a contract between the  
 13.15 ~~qualifying facility a generator~~ and a utility ~~under part 7835.9910;~~

13.16 B. state law specifies a different outcome; or

13.17 C. specific commission orders or rules specify a different outcome.

13.18 **7835.9910 UNIFORM STATEWIDE CONTRACT; FORM.**

13.19 The form for the uniform statewide contract must be applied to all new and existing  
 13.20 interconnections between a utility and cogeneration and small power production facilities  
 13.21 having less than 1,000 kilowatts of capacity, except as described in part 7835.5900.

13.22 **UNIFORM STATEWIDE CONTRACT FOR COGENERATION AND SMALL POWER**  
 13.23 **PRODUCTION FACILITIES**

13.24 THIS CONTRACT is entered into \_\_\_\_\_, \_\_\_\_\_, by

13.25 \_\_\_\_\_ (hereafter called "Utility") and

14.1

14.2 (hereafter called "QF").

14.3

RECITALS

14.4 The QF has installed electric generating facilities, consisting

14.5 of \_\_\_\_\_

14.6

14.7 \_\_\_\_\_ (Description of facilities),

14.8 rated at \_\_\_\_\_ kilowatts of electricity, on property located at

14.9

14.10 \_\_\_\_\_.

14.11 The QF is prepared to generate electricity in parallel with the Utility.

14.12 The QF's electric generating facilities meet the requirements of the Minnesota  
14.13 Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and  
14.14 Small Power Production and any technical standards for interconnection the Utility has  
14.15 established that are authorized by those rules.

14.16 The Utility is obligated under federal and Minnesota law to interconnect with the QF  
14.17 and to purchase electricity offered for sale by the QF.

14.18 A contract between the QF and the Utility is required by the Commission's rules.

14.19 AGREEMENTS

14.20 The QF and the Utility agree:

14.21 1. The Utility will sell electricity to the QF under the rate schedule in force for the  
14.22 class of customer to which the QF belongs.

14.23 2. The Cooperative Electric Association or Municipally Owned Electric Utility will  
14.24 buy electricity from the QF under the current rate schedule filed with the Commission.

14.25 The QF elects the rate schedule category hereinafter indicated:

14.26 \_\_\_\_\_ a. Net Average retail utility energy billing rate under part 7835.3300.

14.27 \_\_\_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.3400.

15.1 \_\_\_\_ c. Time-of-day purchase rates under part 7835.3500.

15.2 A copy of the presently filed rate schedule is attached to this contract.

15.3 3. The Public Utility will buy electricity from the QF under the current rate schedule  
15.4 filed with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the  
15.5 rate schedule category hereinafter indicated:

15.6 \_\_\_\_ a. Net Average retail utility energy billing rate under part 7835.4013.

15.7 \_\_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.4014.

15.8 \_\_\_\_ c. Time-of-day purchase rates under part 7835.4015.

15.9 A copy of the presently filed rate schedule is attached to this contract.

15.10 4. The Public Utility will buy electricity from the QF under the current rate schedule  
15.11 filed with the Commission. If the QF is not a net metered facility and has at least 40  
15.12 kilowatts capacity but less than 1,000 kilowatt capacity, the QF elects the rate schedule  
15.13 category hereinafter indicated:

15.14 \_\_\_\_ a. Simultaneous purchase and sale billing rate under part 7835.4014.

15.15 \_\_\_\_ b. Time-of-day purchase rates under part 7835.4015.

15.16 A copy of the presently filed rate schedule is attached to this contract.

15.17 5. The Public Utility will buy electricity from a net metered facility under the current  
15.18 rate schedule filed with the Commission or will compensate the facility in the form of a  
15.19 kilowatt-hour credit on the facility's energy bill. If the net metered facility has at least 40  
15.20 kilowatts capacity but less than 1,000 kilowatts capacity, the QF elects the rate schedule  
15.21 category hereinafter indicated:

15.22 \_\_\_\_ a. Kilowatt-hour energy credit on the customer's energy bill, carried forward  
15.23 and applied to subsequent energy bills, with an annual true-up under part 7835.4017.

15.24 \_\_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.4014.

15.25 \_\_\_\_ c. Time-of-day purchase rates under part 7835.4015.

15.26 A copy of the presently filed rate schedule is attached to this contract.

16.1        ~~5~~ 6. The rates for sales and purchases of electricity may change over the time this  
 16.2 contract is in force, due to actions of the Utility or of the Commission, and the QF and the  
 16.3 Utility agree that sales and purchases will be made under the rates in effect each month  
 16.4 during the time this contract is in force.

16.5        ~~6~~ 7. The Public Utility, Cooperative Electric Association, or Municipally Owned  
 16.6 Electric Utility will compute the charges and payments for purchases and sales for each  
 16.7 billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 5,  
 16.8 will be made under one of the following options as chosen by the QF:

- 16.9        1 ~~\_\_\_\_\_~~ a. Credit to the QF's account with the Utility.
- 16.10        2 ~~\_\_\_\_\_~~ b. Paid by check to the QF within 15 days of the billing date.

16.11        ~~7~~ 8. Renewable energy credits associated with generation from the facility are  
 16.12 owned by:

16.13 \_\_\_\_\_

16.14        ~~8~~ 9. The QF must operate its electric generating facilities within any rules,  
 16.15 regulations, and policies adopted by the Utility not prohibited by the Commission's  
 16.16 rules on Cogeneration and Small Power Production which provide reasonable technical  
 16.17 connection and operating specifications for the QF. This agreement does not waive the  
 16.18 QF's right to bring a dispute before the Commission as authorized by Minnesota Rules,  
 16.19 part 7835.4500, and any other provision of the Commission's rules on Cogeneration and  
 16.20 Small Power Production authorizing Commission resolution of a dispute.

16.21        ~~9~~ 10. The Utility's rules, regulations, and policies must conform to the Commission's  
 16.22 rules on Cogeneration and Small Power Production.

16.23        ~~10~~ 11. The QF will operate its electric generating facilities so that they conform to  
 16.24 the national, state, and local electric and safety codes, and will be responsible for the  
 16.25 costs of conformance.

16.26        ~~11~~ 12. The QF is responsible for the actual, reasonable costs of interconnection  
 16.27 which are estimated to be \$ \_\_\_\_\_. The QF will pay the Utility in this

17.1 way: \_\_\_\_\_

17.2 \_\_\_\_\_

17.3 ~~12~~ 13. The QF will give the Utility reasonable access to its property and electric  
17.4 generating facilities if the configuration of those facilities does not permit disconnection  
17.5 or testing from the Utility's side of the interconnection. If the Utility enters the QF's  
17.6 property, the Utility will remain responsible for its personnel.

17.7 ~~13~~ 14. The Utility may stop providing electricity to the QF during a system  
17.8 emergency. The Utility will not discriminate against the QF when it stops providing  
17.9 electricity or when it resumes providing electricity.

17.10 ~~14~~ 15. The Utility may stop purchasing electricity from the QF when  
17.11 necessary for the Utility to construct, install, maintain, repair, replace, remove,  
17.12 investigate, or inspect any equipment or facilities within its electric system.  
17.13 The Utility will notify the QF before it stops purchasing electricity in this  
17.14 way: \_\_\_\_\_

17.15 \_\_\_\_\_

17.16 ~~15~~ 16. The QF will keep in force liability insurance against personal or property  
17.17 damage due to the installation, interconnection, and operation of its electric generating  
17.18 facilities. The amount of insurance coverage will be \$ \_\_\_\_\_ (The amount  
17.19 must be consistent with the Commission's interconnection standards under Minnesota  
17.20 Rules, part 7835.4750).

17.21 ~~16~~ 17. This contract becomes effective as soon as it is signed by the QF and the  
17.22 Utility. This contract will remain in force until either the QF or the Utility gives written  
17.23 notice to the other that the contract is canceled. This contract will be canceled 30 days  
17.24 after notice is given.

17.25 ~~17~~ 18. This contract contains all the agreements made between the QF and the Utility  
17.26 except that this contract shall at all times be subject to all rules and orders issued by  
17.27 the Public Utilities Commission or other government agency having jurisdiction over

18.1 the subject matter of this contract. The QF and the Utility are not responsible for any  
18.2 agreements other than those stated in this contract.

18.3 THE QF AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE  
18.4 TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY  
18.5 HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT  
18.6 THE BEGINNING OF THIS CONTRACT.

18.7 \_\_\_\_\_

18.8 QF

18.9 By: \_\_\_\_\_

18.10 \_\_\_\_\_

18.11 \_\_\_\_\_

18.12 UTILITY

18.13 By: \_\_\_\_\_

18.14 \_\_\_\_\_

18.15 (Title)

18.16 **7835.9920 NONSTANDARD PROVISIONS.**

18.17 A utility intending to implement provisions other than those included in the uniform  
18.18 statewide form of contract must file a request for authorization with the commission. The  
18.19 filing must conform with chapter 7829 and must identify all provisions the utility intends  
18.20 to use in the contract with a qualifying facility.

18.21 **REPEALER.** Minnesota Rules, parts 7835.2300; 7835.2500; 7835.2700; 7835.2900;  
18.22 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400;  
18.23 7835.5500; 7835.5600; 7835.5700; and 7835.5800, are repealed.

**M.**

**Not Enclosed: Notice of Substantially  
Different Rule**

**This is not enclosed because the Commission  
did not adopt substantially different rules**

**N.**

**Order Adopting Rules that Complies  
with the Requirements in Part 1400.2090.**

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John A. Tuma	Commissioner
Betsy Wergin	Commissioner

In the Matter of Possible Amendments to Rules  
Governing Cogeneration and Small Power  
Production, Minnesota Rules, Chapter 7835

ISSUE DATE: July 17, 2015

DOCKET NO. E-999/R-13-729

ORDER ADOPTING RULES

**PROCEDURAL HISTORY**

In August, 2013, the Commission opened this rulemaking to incorporate recent statutory changes to Minn. Stat. § 216B.164, governing cogeneration and small power production.

On October 30, 2014, at a duly noticed meeting, with a quorum present, the Commission authorized the proposal of rules in Chapter 7835. The proposed rules, along with a Notice of Intent to Adopt, were published in the December 29, 2014, *State Register*.

The Commission received eleven comments on the proposed rules.

The Commission also received two hearing requests during the comment period, neither of which was withdrawn. Under Minn. Stat. § 14.25, an agency is required to hold a public hearing if 25 or more persons submit written requests for a public hearing on the proposed rule. The Commission did not hold a public hearing because the Commission received fewer than 25 hearing requests.

On February 6, 2015, the Commission sent notice of cancellation of the public hearing to those persons who requested a hearing, as well as to those on the official service list for the proceeding. The notice was also made publicly available on the same day, via the Commission's electronic filing system.

The Commission received no requests for notice of the rules' submission to the Office of Administrative Hearings.

The Commission met on June 12, 2015, at a duly noticed meeting, with a quorum of its members present, to adopt the proposed rule amendments.

The agency has complied with all notice and procedural requirements in Minnesota Statutes, Chapter 14; Minnesota Rules, Chapter 1400; and other applicable law. At its June 12 meeting, the Commission adopted the rules, with modifications as set forth below, and authorizing the Executive Secretary to sign this Order.

## FINDINGS AND CONCLUSIONS

### **I. Introduction**

Having considered the entire record herein, the Commission finds that the proposed rules are needed and reasonable for the reasons set forth in the Statement of Need and Reasonableness. The Commission makes modifications to the proposed rules as described below.

### **II. Background**

On August 26, 2013, the Commission published a Request for Comments in the *State Register* and did a mass mailing to the rulemaking list, and others potentially interested in or affected by this rulemaking proceeding, requesting comments on amending the rules to incorporate recent statutory changes to Minn. Stat. § 216B.164.

In response to comments received, the Commission appointed an advisory committee, which met monthly between April and August, 2013. Commission staff worked with the committee to identify issues and to further develop possible rule changes in response to committee input, consistent with the Commission's objective to update the rules as necessary to incorporate statutory changes and to make housekeeping changes as necessary to increase clarity. The committee was able to resolve a number of issues, although there were issues on which the committee did not reach consensus.

With input from the committee, the Commission developed proposed rules, which were published in the *State Register* on December 29, 2014, along with a Notice of Intent to Adopt the rules. The Commission issued its Statement of Need and Reasonableness (SONAR) that same day.

The Commission received eleven comments on the proposed rules, most of which include recommended clarifications to the proposed rule language, and most of which the Commission will adopt, as explained in further detail below.

### **III. Modifications to Proposed Rules**

Modifications to proposed rules are governed by Minn. Stat. § 14.05, subd. 2 (b) and (c), which state:

(b) A modification does not make a proposed rule substantially different if:

- (1) the differences are within the scope of the matter announced in the notice of intent to adopt or notice of hearing and are in character with the issues raised in that notice;
- (2) the differences are a logical outgrowth of the contents of the notice of intent to adopt or notice of hearing and the comments submitted in response to the notice; and
- (3) the notice of intent to adopt or notice of hearing provided fair warning that the outcome of that rulemaking proceeding could be the rule in question.

(c) In determining whether the notice of intent to adopt or notice of hearing provided fair warning that the outcome of that rulemaking proceeding could be the rule in question the following factors must be considered:

(1) the extent to which persons who will likely be affected by the rule should have understood that the rulemaking proceeding on which it is based could affect their interests;

(2) the extent to which the subject matter of the rule or issues determined by the rule are different from the subject matter or issues contained in the notice of intent to adopt or notice of hearing; and

(3) the extent to which the effects of the rule differ from the effects of the proposed rule contained in the notice of intent to adopt or notice of hearing.

The Commission makes the following modifications, which do not make the proposed rules substantially different, as explained below.

**A. 7835.0100, subp. 5. Capacity Costs.**

The Commission will make the following technical correction to the definition of “capacity costs.” The definition will be modified to read:

“Capacity costs” means the costs associated with providing the capability to deliver energy. ~~They consist of~~ The utility capital costs consist of the costs of facilities used to generate, transmit, and distribute electricity and the fixed operating and maintenance costs of these facilities.

The Commission makes this change to ensure grammatical accuracy and to simply and clarify its rule language in a manner that does not alter the meaning or effect of the rule as proposed.

**B. Part 7835.0100. Point of Common Coupling.**

The proposed rule defines “capacity” as the number of megawatts alternating current at the “point of common coupling.” The Commission received comments from Minnesota Power recommending that the definition be modified to state that it is measured by the number of megawatts alternating current at the “point of generator output,” instead of at the “point of common coupling.” The Commission concurs that generator output (the customer’s actual output) is relevant in measuring capacity.

To address the issue raised, however, the Commission will separately define “point of common coupling.” Use of this term is consistent with recent Commission decisions, including the Commission’s decision establishing interconnection standards, which define “point of common coupling” as the point where the local area electric power system (the customer’s system) is connected to an area electric power system (the utility’s system).<sup>1</sup>

The Commission will therefore define the term as follows:

“Point of common coupling” means the point where the qualifying facility’s generation system, including the point of generator output, is connected to the utility’s electric power system.

It is necessary and reasonable to define this term consistent with the definition contained in the Commission’s interconnection standards and to clarify that the point of generator output is relevant in measuring capacity.<sup>2</sup>

This change does not create a substantially different rule under Minn. Stat. § 14.05, subd. 2 (b). Adding a definition of “point of common coupling” is within the scope of the changes contained in the Notice of Intent to Adopt, which states that the proposed rules incorporate statutory changes affecting capacity. It is a logical outgrowth of these changes and the comments received to clarify that measuring the capacity of a customer’s facility includes measuring generator output.

Furthermore, fair warning of this change was provided. It is consistent with the issues contained in the Notice and is similar in effect to the proposed rules, which incorporate and clarify the new statutory definition of “capacity.” And based on Minnesota Power’s comments, affected persons should have understood, and did understand, that this rulemaking proceeding could affect their interests.

### **C. 7835.0100, subp. 20a. Standby Charge.**

The Midwest Cogeneration Association recommended clarifying that a standby charge is the rate or fee imposed by a utility for “the recovery of costs for the provision” of standby service.

The Commission concurs with the Midwest Cogeneration Association to further clarify the rule, as recommended. The Commission will therefore modify the proposed definition of “standby charge” to read:

“Standby charge” means the rate or fee a utility charges for the recovery of costs for the provision of standby service or standby power.

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<sup>1</sup> *In the Matter of Establishing Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities under Minnesota Laws 2001, Chapter 212*, Docket No. E-999/CI-01-1023, Order Establishing Standards (September 28, 2004); and *In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy for Approval of its Proposed Community Solar Garden Program*, E-002/M-13-867, Order Approving Solar Garden Plan with Modifications (September 17, 2014).

<sup>2</sup> By the time the Commission met to consider adopting the proposed rules, Minnesota Power had concurred with staff’s recommended definition of “point of common coupling.”

The Commission makes this change to simplify and clarify its rule language in a manner that does not alter the meaning or effect of the rule as proposed. But this change, to the extent that it is more specific, and therefore different from the proposed rule, is a logical outgrowth of, and within the scope of, the Notice and proposed rules, which provided notice of changes affecting standby charges. And based on the comments of the Midwest Cogeneration Association, affected persons should have understood, and did understand, that their interests could be affected by this rulemaking proceeding.

**D. 7835.0100, subp. 20b. Standby Service.**

The Commission concurs with a recommendation of Minnesota Power to modify the definition of “standby service” to use “distributed generation facility,” in place of “facility.” This is consistent with use of “distributed generation facility” in the statutory definition of “standby charge.”

The Commission will also modify the proposed rule to increase clarity by removing the phrase “related services.” Standby service includes “backup” or “maintenance” services, both of which the existing rules define. It is therefore unnecessary to include the phrase “related services.”

With these two changes, the Commission will also make a technical correction to increase grammatical clarity in the proposed rule by moving the phrase “as described in the public utility’s commission-approved standby tariff” to the middle of the sentence. The proposed rule will therefore be modified to read:

“Standby service” means:

A. for public utilities, service or power that includes backup or maintenance ~~and related services, as described in the public utility’s Commission-approved standby tariff,~~ necessary to make electricity service available to the distributed generation facility, as described in the public utility’s commission-approved- ~~standby tariff;~~

These changes are necessary and reasonable to increase clarity and to make the rule more consistent with the statutory language.

These changes do not create a substantially different rule under Minn. Stat. § 14.05, subd. 2 (b). The Commission makes these changes to simplify and clarify its rule language in a manner that does not alter the meaning or effect of the rule as proposed. But this change, to the extent that it is more specific, and therefore different from the proposed rule, is a logical outgrowth of, and within the scope of, the Notice and proposed rules, which provided notice of changes affecting standby charges. And based on the comments of Minnesota Power, affected persons should have understood, and did understand, that their interests could be affected by this rulemaking proceeding.

**E. 7835.0100, subp. 24. Utility.**

Missouri River Energy Services (MRES) recommended a technical clarification to the definition of “utility” to include a reference to proposed rule provision, 7835.9920, governing nonstandard contract provisions.

The Commission concurs with MRES and will therefore modify the proposed rule to read:

“Utility” means:

[Text of item A omitted here]

B. for the purposes of parts 7835.0200 to 7835.1200, 7835.1900 to 7835.4400, 7835.4600 to 7835.6100, ~~and 7835.9910~~, and 7835.9920, any public utility, including municipally owned electric utilities and cooperative electric associations, that sells electricity at retail in Minnesota, except those municipally owned electric utilities that have adopted and have in effect rules consistent with this chapter.

This correction clarifies, without altering the meaning or effect of the rule as proposed, that the existing definition applies to the proposed rule part cited. Proposed rule part 7835.9920 is not intended to apply to municipal electric utilities with separate rules that are in effect and consistent with the Commission’s rules.

**F. 7835.0800. Schedule E.**

The Commission received comments from the Department of Commerce (the Department) and Powerfully Green recommending that the Commission modify the proposed rule by *not* striking the following sentence:

These standards and procedures must not be more restrictive than the interconnection guidelines listed in parts 7835.4800 to 7835.5800.

The proposed rule showed this sentence with a strikethrough because the rule parts cited will be repealed, but in comments, the Department and Powerfully Green stated that retaining the sentence and citing to other applicable rule parts clarifies the existing policy objective that utility standards and procedures must not be more restrictive than what is required by other, applicable standards.

The comments recommended citing to existing rule part 7835.2100, which governs compliance with the National Electrical Safety Code, and to proposed rule part 7835.4750, which requires each utility to distribute copies of the Commission’s standards to their customers before they sign the uniform statewide contract.

The Commission concurs with the comments that clarifying the sentence, rather than striking it, is reasonable and will modify the sentence to read as follows:

These standards and procedures must not be more restrictive than the standards contained in the electrical code under part 7835.2100 or the interconnection standards distributed to customers under part 7835.4750.

This change is necessary and reasonable to underscore the current policy objective limiting a utility from establishing more restrictive standards and procedures than are required by the National Electrical Safety Code or by the Commission.

This change does not create a substantially different rule under Minn. Stat. § 14.05, subd. 2 (b). Clarifying the sentence using updated citations, rather than striking it, is within the scope of the changes contained in the Notice of Intent to Adopt, which states that the proposed rules affect interconnection standards. It is a logical outgrowth of these changes and the comments received to update the rule citations listed.

Furthermore, fair warning of this change was provided. It is consistent with the issues contained in the Notice and is similar in effect to the proposed rules, which remove references to outdated interconnection guidelines. And based on the comments of the Department and Powerfully Green, affected persons should have understood, and did understand, that this rulemaking proceeding could affect their interests.

**G. 7835.2100. Electrical Code Compliance.**

The Commission received comments from the Department and MRES recommending clarifications to the proposed rule language.

**1. Subpart 1**

MRES recommended clarifying subpart 1 of the proposed rule by adding the following language, as underlined:

The interconnection between the qualifying facility and the utility must comply with the requirements in the most recently published edition of the National Electrical Safety Code, ~~1981 edition,~~ issued by the Institute of Electrical and Electronics Engineers as ~~American National Standards Institute Standard C2 (New York, 1980).~~ The interconnection is subject to subparts 2 and 3.

The Commission concurs with the recommended clarification of MRES. The editions of the National Electric Safety Code are issued every five years, and the Commission will therefore incorporate the proposed modification. This change is necessary and reasonable to increase clarity and to eliminate possible confusion over which edition applies.

This change does not create a substantially different rule under Minn. Stat. § 14.05, subd. 2 (b). Clarifying language governing electrical code compliance is within the scope of the changes contained in the Notice of Intent to Adopt, which states that the proposed rules include housekeeping changes to increase clarity. It is a logical outgrowth of these changes and the comments received to clarify which edition of the National Electrical Safety Code is applicable.

Furthermore, fair warning of this change was provided. It is consistent with the issues contained in the Notice and is similar in effect to the proposed rules, which require compliance with the National Electrical Safety Code. And based on the comments of MRES, affected persons should have understood, and did understand, that this rulemaking proceeding could affect their interests.

## 2. Subparts 2 and 3

The Department recommended adding to the rules a definition of “electric area power system,” which is defined by the Commission’s interconnection standards as “an electric power system that serves local electric power systems.”<sup>3</sup>

To address this issue, the Commission will use “qualifying facility” and “utility,” consistent with existing rule language (rather than use the terms “interconnection customer” and “area electric power system,” which are used in the Commission’s order establishing interconnection standards). The Commission will therefore modify subparts 2 and 3 as follows:

### Subpart 2. **Interconnection.**

The ~~interconnection customer~~ qualifying facility is responsible for complying with all applicable local, state, and federal codes, including building codes, the National Electrical Code (NEC), the National Electrical Safety Code (NESC), and noise and emissions standards. The ~~Area Electric Power System will~~ utility must require proof of ~~complying that the~~ qualifying facility is in compliance with the NEC before the interconnection is made. The ~~interconnection customer~~ qualifying facility must obtain installation approval from an electrical inspector recognized by the Minnesota State Board of Electricity.

### Subp. 3. **Generation system.**

The ~~interconnection customer’s~~ qualifying facility’s generation system and installation must comply with the American National Standards Institute/Institute of Electrical and Electronics Engineers(ANSI/IEEE) standards applicable to the installation.

These changes are necessary and reasonable to increase clarity by eliminating possible confusion between language used in existing rule parts and language used in the Commission’s interconnection standards.

These changes do not create a substantially different rule under Minn. Stat. § 14.05, subd. 2 (b). The Commission makes these changes to simplify and clarify its rule language in a manner that does not alter the meaning or effect of the rule as proposed. But this change, to the extent that it is more specific, and therefore different from the proposed rule, is a logical outgrowth of, and within the scope of, the Notice, which states that the proposed rules include housekeeping changes to increase clarity. Clarifying terminology is logically within the scope of the issues identified in the Notice. And based on the Department’s comments, affected persons should have understood, and did understand, that their interests could be affected by this rulemaking proceeding.

## H. 7835.4019. **Qualifying Facilities of 1,000 Kilowatt Capacity or More.**

The Commission will make a technical correction to the first sentence of proposed rule part 7835.4019 to clarify that the rule applies to interconnections with a *public* utility. The proposed rule will therefore read:

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<sup>3</sup> *Id.*

A qualifying facility with 1,000 kilowatt capacity or more must negotiate a contract with the public utility to set the applicable rates for payments to the customer of avoided capacity and energy costs.

The Commission makes this change to simplify and clarify its rule language in a manner that does not alter the meaning, or effect of the rule as proposed.

**I. 7835.4750. Interconnection Standards.**

This proposed rule requires a utility to distribute to each customer, prior to signing the uniform statewide contract, a copy of the Commission's current interconnection standards, and to provide to each customer subsequent changes to the standards. MRES recommended that the proposed rule be modified to allow utilities the option of satisfying the notification requirement by publishing notice of the Commission's interconnection standards in a newspaper of general circulation, along with information on where customers can obtain a copy of the standards.

MRES stated that it would be burdensome for some utilities, particularly smaller utilities, to notify customers individually of subsequent changes to the standards.

The proposed rule is intended to require a utility to provide the Commission's interconnection standards (or subsequent changes to the standards) only *prior* to signing the contract with the customer. The Commission will therefore address the issue raised by MRES by clarifying the proposed rule to read as follows:

Before a customer signs the uniform statewide contract, a utility must distribute to that customer a copy of, or electronic link to, the commission's order establishing interconnection standards dated September 28, 2004, in docket number E-999/CI-01-1023, or to currently effective interconnection standards established by subsequent commission order.

This change is necessary and reasonable to clarify that a utility must distribute the interconnection standards to customers prior to when they sign the contract.

This change does not create a substantially different rule under Minn. Stat. § 14.05, subd. 2 (b). Modifying the language to clarify the responsibilities of a utility to provide information to customers is within the scope of the changes contained in the Notice of Intent to Adopt, which states that the proposed rules include changes affecting the uniform statewide contract. It is a logical outgrowth of these changes and the comments received to clarify that a utility is required to distribute the Commission's interconnection standards to new customers before they sign the contract but is not required to subsequently distribute any changes made to those standards to all customers.

Furthermore, fair warning of this change was provided. It is consistent with the issues contained in the Notice and is similar in effect to the proposed rules, which require utilities to provide customers with the Commission's interconnection standards before they sign the contract. And based on the comments of MRES, affected persons should have understood, and did understand, that this rulemaking proceeding could affect their interests.

**J. 7835.5900. Existing Contracts.**

MRES recommended clarifying the proposed rule, which incorporates statutory language affecting existing interconnections. The statute applies the uniform statewide contract to all new and existing interconnections *except that existing contracts may remain in force until terminated by mutual agreement between both parties.*

MRES stated that some utilities might, under existing contracts, exercise a unilateral right to terminate, according to the terms of the existing contract. While the statute was amended to apply the uniform statewide form of contract to all new and existing contracts, the statute states that “existing contracts *may* remain in force until terminated by mutual agreement between both parties.” MRES recommended modifying the proposed rule to add the phrase “or as otherwise specified in the contract” as shown in bold below:

Any existing interconnection ~~contracts~~ contract executed between a utility and a qualifying facility with ~~installed~~ capacity of less than 40 kilowatts ~~before November 13, 1984, may be canceled and replaced with the uniform statewide contract at the option of either party by either party giving the other written notice~~ remains in force until terminated by mutual agreement of the parties **or as otherwise specified in the contract.** ~~The notice is effective upon the shortest period permitted under the existing contract for termination, but not less than ten nor more than 30 days.~~

The Commission concurs that this modification clarifies that parties will continue to have the option to exercise their rights to terminate, which are otherwise in effect under an existing contract. The Commission will therefore modify the proposed rule language as recommended.

This change is necessary and reasonable to ensure flexibility for regulated entities, as anticipated by the statute. The statute’s use of the word “may remain in force” leaves discretion to allow parties to be governed by the terms of an existing contract.

This change does not create a substantially different rule under Minn. Stat. § 14.05, subd. 2 (b). Modifying the language to incorporate flexibility anticipated by the statute is within the scope of the changes contained in the Notice of Intent to Adopt, which states that the proposed rules include changes affecting the uniform statewide contract. It is a logical outgrowth of these changes and the comments received to clarify that parties have the option to terminate their contracts by mutual agreement, or as otherwise specified in the contract.

Furthermore, fair warning of this change was provided. It is consistent with the issues contained in the Notice and is similar in effect to the proposed rules, which incorporate statutory changes governing contract termination, consistent with the statutory changes. And based on the comments of MRES, affected persons should have understood, and did understand, that this rulemaking proceeding could affect their interests.

**K. 7835.5950. Renewable Energy Credit; Ownership.**

Xcel Energy recommended changes to the proposed rule to incorporate the precise language from the Commission's decision on renewable energy credit (REC) ownership.<sup>4</sup> Xcel recommended that the rule be modified to read:

~~A qualifying facility owns~~ Generators own all renewable energy credits unless (1) other ownership is expressly provided for in the by a contract between the qualifying facility a generator and a utility under part 7835.9910; (2) state law specifies a different outcome, or (3) specific Commission orders or rules specify a different outcome.

The Commission concurs with Xcel that this is a reasonable change and will therefore modify the proposed rule as recommended. This change is necessary and reasonable to further clarify the proposed rule, consistent with the Commission's decision governing REC ownership.

This change does not create a substantially different rule under Minn. Stat. § 14.05, subd. 2 (b). The Commission makes this change to simply and clarify its rule language in a manner that does not alter the meaning or effect of the rule as proposed. But this change, to the extent that it is more specific, and therefore different from the proposed rule, is a logical outgrowth of, and within the scope of, the Notice, which provided notice that the proposed rules include housekeeping changes to increase clarity. It is a logical outgrowth of these changes and the comments received to more precisely incorporate the language from the Commission's decision governing REC ownership. And based on Xcel's comments, affected persons should have understood, and did understand, that their interests could be affected by this rulemaking proceeding.

**L. 7835.9910. Uniform Statewide Contract; Form.**

The Commission received comments on proposed changes to the uniform statewide contract from Xcel Energy, the Minnesota Rural Electric Association (MREA), and the Department.

**1. Kilowatt-hour credits**

The recent statutory changes include a provision stating that a net metered facility (with capacity of at least 40 kW but less than 1,000 kW) has the option to be compensated for net input into the utility's system in the form of a kilowatt-hour credit on the customer's bill carried forward and applied to subsequent energy bills.<sup>5</sup> The proposed rules incorporate this statutory provision in proposed rule part 7835.4017. Through inadvertence, however, the proposed rule changes to the uniform statewide contract do not list the kilowatt-credit as an available option to qualifying customers.<sup>6</sup>

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<sup>4</sup> *In the Matter of a Commission Inquiry into Ownership of Renewable Energy Credits Used to Meet Minnesota Requirements*, Docket No. E-999/CI-13-720, Order Determining Renewable Energy Credit Ownership Under Minn. Stat. § 216B.164 (July 22, 2014).

<sup>5</sup> Minn. Stat. § 216B.164, subd. 3a.

<sup>6</sup> The existing contract language lists compensation rates that correspond to rule parts governing the rate category listed. For example, clause 2 of the contract lists three rate categories, each with a citation to the corresponding rule part governing the rate listed.

In response to the proposed rules, Xcel stated that it would not bank a customer's kilowatt-hour credits for net input. Instead, customers would be compensated for net input at the avoided cost rate (generally lower than the kilowatt-hour credit rate) in the form of a payment (not kilowatt-hour credits) each month.

The Commission will therefore modify the proposed rule to include a clause allowing net metered facilities to select the kilowatt-hour credit option; the clause will correspond to rule part 7835.4017 and will read as follows:

5. The Public Utility will buy electricity from a net metered facility under the current rate schedule filed with the Commission or will compensate the facility in the form of a kilowatt-hour credit on the facility's energy bill. If the net metered facility has at least 40 kilowatts capacity but less than 1,000 kilowatt capacity, the QF elects the rate schedule category hereinafter indicated:

- a. kilowatt-hour energy credit on the customer's energy bill, carried forward and applied to subsequent energy bills, with an annual true-up under part 7835.4017.
- b. Simultaneous purchase and sale billing rate under part 7835.4014.
- c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

The Commission will also clarify clause 4 of the contract to state that it applies to *non*-net metered facilities by adding the following language:

If the QF is not a net metered facility and has at least 40 kilowatt capacity but less than 1,000 kilowatt capacity, the QF elects the rate schedule category hereinafter indicated:

These changes are necessary and reasonable to clarify that a net metered facility has the option to elect the compensation rate governed by proposed rule part 7835.4017, which authorizes a customer to elect compensation in the form of a kilowatt-hour credit on the customer's energy bill.

This change does not create a substantially different rule under Minn. Stat. § 14.05, subd. 2 (b). Incorporating a contract clause to allow a net metered customer to select a form of payment, as set forth in a corresponding proposed rule provision, is within the scope of the changes contained in the Notice of Intent to Adopt, which notified persons that the proposed rules incorporate statutory changes governing billing compensation rates for facilities. It is a logical outgrowth of these changes and the comments received to add a contract clause that enables customers to elect the compensation rate set forth in part 7835.4017.

Furthermore, fair warning of this change was provided. It is consistent with the issues contained in the Notice and is similar in effect to the proposed rules, which authorize a customer with a net metered facility to select compensation in the form of a kilowatt-hour credit under part 7835.4017. And based on Xcel's comments, affected persons should have understood, and did understand, that this rulemaking proceeding could affect their interests.

## 2. Use of “utility”

The Department recommended clarifying use of the term “utility” by instead using “cooperative electric association or municipal electric utility” in clause 2 of the contract and by using “public utility” in clauses 3 and 4 of the contract.

MREA similarly recommended that the proposed rule be modified to specify that the contract governs interconnections between: a cooperative electric association or a municipal electric utility and a qualifying facility having less than 40 kW capacity; or a public utility and a qualifying facility having less than 1,000 kW capacity. MREA also recommended adding language to state that contract terms applicable only to public utilities are not required in the contract used by cooperative electric associations or municipal electric utilities.

The Commission concurs with the recommendations of the Department and MREA to clarify its use of “utility.” To address the issues identified in comments, the Commission will modify clause 2 to read:

The Cooperative Electric Association or Municipally Owned Electric Utility will buy electricity from the QF under the current rate schedule filed with the Commission.

The Commission will also modify the first sentence in clauses 3, 4 and 5 of the contract to state that the “public” utility will buy electricity,

Further, the Commission will clarify use of “utility” in the language of clause 7 (previously numbered as clause 6), which governs the form of payment to be made. The Commission will also modify that clause to clarify that the customer, except a net metered customer who has elected compensation in the form of a kilowatt-hour credit, has the option to elect the form of payment listed.

Clause 7 will therefore be modified to read:

7. The Public Utility, the Cooperative Electric Association, or the Municipally Owned Electric Utility will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 5 above, will be made under one of the following options as chosen by the QF:

\_\_\_ + a. Credit to the QF's account with the Utility.

\_\_\_ ~~2~~ b. Paid by check to the QF within 15 days of the billing date.

These changes are necessary and reasonable to increase clarity in the use of “utility” and to ensure that payment options are consistent with existing rule language, as well as with the statutory change governing kilowatt-hour credits for net metered facilities.

The Commission makes these changes to simplify and clarify its rule language in a manner that does not alter the meaning or effect of the rule as proposed. These changes, to the extent that they are more specific, and therefore different from the proposed rule, are also a logical outgrowth of, and within the scope of, the Notice and proposed rules, which provided notice of changes to the uniform statewide contract.

In addition, fair warning was provided. These changes are nearly identical in effect to the proposed rules and are consistent with proposed rule part 7835.4017. And based on the comments of the Department and MREA, affected persons should have understood, and did understand, that their interests could be affected by this rulemaking proceeding.

**M. Average Retail Utility Energy Rate.**

**7835.1400; 7835.1500; 7835.3300; 7835.4012; and 7835.9910 – Average Retail Utility Energy Rate.**

The Commission will make a technical correction to the rules by replacing “net energy billing rate” with “average retail utility energy rate.” These terms are used interchangeably but “net energy billing rate” is not a defined term. The term “average retail utility energy rate” is, however, defined under part 7835.0100, subp. 2a, and the Commission will therefore update the rules to incorporate its use throughout the rule chapter.

The proposed rules use “average retail energy rate” in proposed rule part 7835.4013, but use “net energy billing rate” in proposed rule part 7835.4012. In comments on the proposed rules, Minnesota Power recommended using the retail energy rate in place of the net energy billing rate in proposed rule part 7835.4012.

The Commission concurs with Minnesota Power and will therefore adopt use of “average retail utility energy rate” in proposed rule part 7835.4012, as well as in parts 7835.1400, 7835.1500, 7835.3300, and 7835.9910, clause 2, of the uniform statewide form of contract.<sup>7</sup>

The Commission makes these changes to simplify and clarify its rule language in a manner that does not alter the meaning or effect of the rule as proposed. These changes, to the extent that they are more specific, and therefore different from the proposed rule, are also a logical outgrowth of, and within the scope of, the Notice and proposed rules, which provided notice of housekeeping changes. In addition, fair warning was provided. These changes are nearly identical in effect to the proposed rules, which use the terms interchangeably. And based on Minnesota Power’s comments, affected persons should have understood, and did understand, that their interests could be affected by this rulemaking proceeding.

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<sup>7</sup> The adopted rules will show “average retail utility energy rate” in place of “net energy billed rate” and will show “average retail utility energy billing” in place of “net energy billing.”

#### IV. Modifications Recommended in Public Comments and Not Made

The Commission received comments recommending the following additional changes to the rules as proposed.<sup>8</sup>

##### A. 7835.0100, subp. 9. Firm Power.

The Commission did not propose changing the definition of “firm power,” but the Commission received comments from the Department, Fresh Energy, and the Midwest Cogeneration Association recommending that the Commission adopt a new definition of “firm power.” The existing rule definition reads:

“Firm power” means energy delivered by the qualifying facility to the utility with at least a 65 percent on-peak capacity factor in the month. The capacity factor is based upon the qualifying facility’s maximum on-peak metered capacity delivered to the utility during the month.”

“Firm power” is used in current rule parts governing compensation rates to qualifying facilities that are interconnected with a public utility, a cooperative electric association, or a municipal electric utility. The proposed rules do not incorporate any changes to the existing definition.

Under the current rules, a qualifying facility that commits to provide firm power will be compensated at the avoided cost rate, which includes an energy and a capacity component.<sup>9</sup> The capacity component is not, however, included in the compensation rate if the qualifying facility does not commit to provide firm power. The existing rules also include a methodology for determining the capacity component. Each utility’s specific costs and calculations are detailed in tariffs.

Commitments to provide firm power help offset a utility’s capacity requirement for serving its load and therefore the capacity component is excluded from the compensation rate paid to qualifying facilities that do not commit to provide firm power.

The proposed rules incorporate existing public policy by requiring larger qualifying facilities (with capacity of at least 40 kW but less than 1,000 kW) to commit to provide firm power to receive the avoided cost rate, including both the energy *and capacity* components.<sup>10</sup>

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<sup>8</sup> By the time the Commission met to consider whether to adopt the proposed rules, Otter Tail Power and Minnesota Power stated that they concurred with staff’s recommendation to make no further changes to the definition of “capacity,” although in comments they had recommended modifying the proposed rule definition.

<sup>9</sup> The exception to this billing rate applies to net metered facilities that produce monthly net input and elect to be compensated in the form of a kilowatt-hour credit carried forward to subsequent energy bills.

<sup>10</sup> Language in the proposed rules incorporates language from existing rule parts 7835.3400 and 7835.3500.

## 1. Comments

The Department, Fresh Energy, and the Midwest Cogeneration Association recommended repealing the existing definition and instead using a definition consistent with how Midcontinent Independent System Operator (MISO) determines accredited capacity for specific types of generation in its Business Practices Manual.

The Department recommended the following definition:

“Firm power” means the capacity credit for the specified type of generation as determined by the methodology in the most recently approved MISO Resource Adequacy Business Practices Manual.

The Department stated that the current definition of “firm power” is outdated, is contrary to MISO rules and practices, and is inconsistent with recent Commission orders and Department positions.

Fresh Energy and the Midwest Cogeneration Association also recommended further exploring how firm power requirements affect all types of distributed generation.

The Midwest Cogeneration Association stated that limiting compensation (excluding the capacity component) to qualifying facilities that do not commit to provide firm power unfairly penalizes qualifying facilities that use the majority of their power to meet their own load. Further, the Midwest Cogeneration Association stated that the statute requires compensation at the avoided cost rate, which includes the capacity component.

The Commission also received comments from A Work of Art Solar Sales and Sundial Solar recommending that qualifying facilities not be required to make commitments to provide firm power.<sup>11</sup>

## 2. Commission Action

The MISO methodology for determining capacity credits varies because there are multiple types of capacity credits (e.g., intermittent, region wide, or wind). And use of a MISO methodology may not be applicable to all utilities, such as cooperatives and municipalities, meaning that a new definition of “firm power” would not necessarily fit all rule parts where the term is used.

It is also unclear if adopting the MISO methodology would conflict with the existing rule methodology for determining the capacity component of the avoided cost rate. Any correlation between the MISO methodology and the rule’s methodology could be considered when evaluating individual utility tariffs detailing capacity costs and credits, and therefore analyzing utility filings might be more effective than amending the rule at this time.

The advisory committee did not develop this issue, which appears to warrant additional discussion before making rule changes. Further, Minn. R. 7829.3200 governs rule variances, which can be used to vary a Commission rule under certain circumstances.

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<sup>11</sup> These comments were filed on April 14, 2015, after the comment period closed.

For these reasons, the Commission declines to adopt a new definition of “firm power.”

**B. 7835.0100, Subparts 20a and 20b. Standby Charge and Standby Service.**

Fresh Energy and the Midwest Cogeneration Association recommended using the statutory definition of standby charge, stating that it is more accurate. The Midwest Cogeneration Association stated that the proposed rule should not limit standby service to “backup, maintenance and related services” and recommended that these issues be further explored, consistent with the Commission’s directive to open a generic proceeding to address standby rates.<sup>12</sup>

Although the Midwest Cogeneration Association had recommended against limiting the definition of standby service to “backup, maintenance, and related services,” the proposed rule is consistent with utility tariffs, which ordinarily treat backup and maintenance services as types of standby service.

The Commission declines to adopt the exact statutory language without any clarifications. The existing rules contain definitions of: backup power, interruptible power, maintenance power, and supplementary power. Typically, utility tariffs do not describe standby service as interruptible and supplementary power; and no one recommended considering other types of power, other than these, for inclusion in the definition.

Further, these issues will continue to be developed in the Commission’s generic proceeding on standby rates. For these reasons, the Commission declines to adopt this change.

**C. 7835.4020. Amount of Capacity Payments; Considerations.**

The City of Minneapolis, Hennepin County, the Metropolitan Council, and the Metropolitan Airports Commission jointly recommended adding a definition of “accredited capacity” to be used in part 7835.4020, which governs capacity payments.

They recommended the following definition:

“Accredited capacity” means the capacity of a qualifying facility determined by the Midcontinent Independent System Operator (“MISO”) or such governing organization that replaces MISO, that allows the facility’s accredited capacity to be included as part of a load serving entity’s plan for resource adequacy.

They recommended using the term in proposed rule part 7835.4020 as follows:

The qualifying facility which negotiates a contract under part 7835.4019 must be entitled to the full avoided capacity costs of the utility if the utility needs capacity within a 10-year planning period. The amount of capacity payments must be determined through consideration of the following, without requirement that all be met: \_\_\_\_\_

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<sup>12</sup> See *In the Matter of a Rate for Large Solar Photovoltaic Installations* Order Setting Final Solar Photovoltaic Standby Service Capacity Credit, Requiring Updates, and Requiring Compliance Filing, Docket No. E-002/M-13-315 (May 19, 2014).

- A. the capacity factor of the qualifying facility;
- B. the cost of the utility's avoidable capacity;
- C. the length of the contract term;
- D. reasonable scheduling of maintenance;
- E. the willingness and ability of the qualifying facility to provide firm power during system emergencies;
- F. the willingness and ability of the qualifying facility to allow the utility to dispatch its generated energy;
- G. the willingness and ability of the qualifying facility to provide firm capacity during system peaks;
- H. the sanctions for noncompliance with any contract term; and
- I. the smaller capacity increments and the shorter lead times available when capacity is added from qualifying facilities.
- J. the expected accredited capacity, capacity value, or expected capacity value to the utility in its resource plan.

This issue was not developed by the advisory committee, and it is unclear, without further discussion, whether a definition based on a MISO determination would effectively address the issue identified.

Further, this change appears to be unnecessary because accredited capacity can be considered under F or G above. The Commission therefore declines to adopt this change.

#### **V. Modification to the Statement of Need and Reasonableness (SONAR)**

Minnesota Power recommended amending language on page 24 of the SONAR, which identifies the persons who will probably benefit from the proposed rule. Included in the list are “retail electric customers, who will offset reliability concerns during outages by using electricity they are producing.”

Minnesota Power stated the Commission’s interconnection standards require that during outages, the qualifying facility’s generation system be shut down as well. As a result, customers without a backup generator installed will not have power during outages. According to Minnesota Power, this prevents unintentional back feed and energizing of the utility system.

The Commission concurs with Minnesota Power that this is generally true and will therefore correct the SONAR as recommended by striking the following language:

retail electric customers, who will offset reliability concerns during outages by using electricity they are producing.

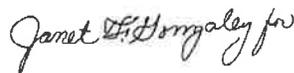
## VI. Conclusion

The Commission adopts and incorporates the Statement of Need and Reasonableness as the factual basis for the proposed rules, as modified above. The Commission finds that the proposed rules, as modified above, are needed and reasonable. The Commission adopts the proposed rules, as modified above.

### ORDER

1. The Commission adopts the above-captioned rules, in the form set out in the *State Register* on December 29, 2014, with the modifications set forth above and indicated in the Revisor's draft, file number AR4214, dated July 14, 2015.
2. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Daniel P. Wolf  
Executive Secretary



This document can be made available in alternative formats (e.g., large print or audio) by calling 651.296.0406 (voice). Persons with hearing loss or speech disabilities may call us through their preferred Telecommunications Relay Service.

**O.**

**Not Enclosed: Notice of Submission of  
Rules to OAH**

**This is not enclosed because no persons  
requested notification of the submission of the  
rules to OAH**

**P.**

**Other Documents, including a copy of the letter showing the agency sent notice sent to Legislators; and a copy of the letter showing that the Commission consulted with MMB**

**Minnesota Public Utilities Commission**

**CERTIFICATE OF SENDING THE NOTICE AND THE STATEMENT OF NEED AND REASONABLENESS TO LEGISLATORS AND THE LEGISLATIVE COORDINATING COMMISSION**

**Proposed Rules Governing Cogeneration and Small Power Production, Minnesota Rules, Chapter 7835  
Revisor's ID Number R-04214**

I certify that on December 29, 2014, when the Commission mailed Notice of Intent to Adopt Rules under Minnesota Statutes, section 14.14 or 14.22, I sent a copy of the Notice and the Statement of Need and Reasonableness to certain Legislators and the Legislative Coordinating Commission by either depositing them in the United States mail with postage prepaid. I mailed these documents to comply with Minnesota Statutes, section 14.116. A copy of the cover letter is attached to this Certificate.



---

Kate Kahlert  
Commission Attorney



December 29, 2014

Senator John Marty  
Environment and Energy Committee  
323 State Capitol  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, Minnesota 55155

Senator David M. Brown  
Environment and Energy Committee  
109 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, Minnesota 55155

Senator David J. Tomassoni  
Environment, Economic Development and  
Agriculture Budget Division  
State Capitol, Room G-9  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, Minnesota 55155

Senator Bill Ingebrigsten  
Environment, Economic Development and  
Agriculture Budget Division  
143 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, Minnesota 55155

Representative Melissa Hortman  
Energy Policy Committee  
377 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, Minnesota 55155

Representative Pat Garofalo  
Energy Policy Committee  
247 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, Minnesota 55155

Representative Joe Atkins  
Commerce and Consumer Protection  
Finance and Policy Committee  
583 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, Minnesota 55155

Representative Joe Hoppe  
Commerce and Consumer Protection  
Finance and Policy Committee  
343 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, Minnesota 55155

Legislative Coordinating Commission  
72 State Office Building  
100 Rev. Dr. Martin Luther King, Jr. Blvd.  
St. Paul, MN 55155

Re: In The Matter of the Proposed Rules of the Public Utilities Commission Governing  
Cogeneration and Small Power Production; Revisor's ID Number R-04214

Dear Legislators:

The Public Utilities Commission intends to adopt rule amendments that incorporate recent statutory changes to Minn. Stat. § 216B.164 governing cogeneration and small power production.

The Commission currently has rules governing interconnections between utilities and qualifying facilities (cogeneration and small power production facilities) entitled under federal law to sell their output to utilities. The rules govern filing and reporting requirements, conditions of service, compensation rates, wheeling and exchange agreements, interconnection guidelines, and they also establish a uniform statewide contract.

During the 2013 legislative session, the Legislature amended Minn. Stat. § 216B.164 governing cogeneration and small power production. The statutory changes primarily affect interconnections between qualifying facilities and *public utilities*.

The statutory changes increase the capacity limit for facilities interconnecting to a public utility. Under the changes, the limit increases from *less than 40 kilowatts (kW)* to *less than 1,000 kW*.

The statutory changes also include:

- establishing a new annual billing/accrediting method;
- prohibiting standby charges for facilities under 100 kW;
- requiring public utilities to aggregate meters for net metering at customer's request;
- authorizing the Commission to limit cumulative generation from net-metered facilities and permitting a public utility to request that the Commission set such limits;
- authorizing public utilities to limit capacity to 120% of demand for wind customers and to 120% of energy consumption for solar photovoltaic customers; and
- changing requirements governing the uniform statewide contract to incorporate the new net-metering threshold.

This rulemaking proceeding will update the rules to incorporate the recent statutory changes and to make housekeeping changes as necessary.

Minnesota Statutes, section 14.116, states:

**“14.116 NOTICE TO LEGISLATURE.**

When an agency mails notice of intent to adopt rules under section 14.14 or 14.22, the agency must send a copy of the same notice and a copy of the statement of need and reasonableness to the chairs and ranking minority party members of the legislative policy and budget committees with jurisdiction over the subject matter of the proposed rules and to the Legislative Coordinating Commission.

In addition, if the mailing of the notice is within two years of the effective date of the law granting the agency authority to adopt the proposed rules, the agency shall make reasonable efforts to send a copy of the notice and the statement to all sitting legislators who were chief house and senate authors of the bill granting the

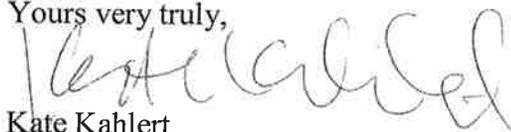
rulemaking authority. If the bill was amended to include this rulemaking authority, the agency shall make reasonable efforts to send the notice and the statement to the chief house and senate authors of the amendment granting rulemaking authority, rather than to the chief authors of the bill.”

We plan to publish a Notice of Intent to Adopt Rules in the December 29, 2014 State Register and are now mailing the Notice under section 14.14 or 14.22.

As required by section 14.116, the Commission is sending you a copy of the notice and the Statement of Need and Reasonableness. For your information, we are also enclosing a copy of the proposed rules.

If you have any questions about these rules, please contact me at 651-201-2239.

Yours very truly,



Kate Kahlert  
Commission Attorney

Enclosures: Notice of Intent to Adopt Rules  
Statement of Need and Reasonableness  
Proposed Rules

CC: Legislative Coordinating Commission

**Minnesota Public Utilities Commission**

**CERTIFICATE OF CONSULTING WITH COMMISSIONER OF MANAGEMENT AND BUDGET IN COMPLIANCE WITH MINNESOTA STATUTES, SECTION 14.131**

**Proposed Rules Governing Cogeneration and Small Power Production, Minnesota Rules, Chapter 7835**

I certify that on December 2, 2014, at St. Paul, Ramsey County, Minnesota, I:

- consulted with the Commissioner of Minnesota Management and Budget in compliance with Minnesota Statutes, section 14.131, by mailing a letter with these enclosures:
  1. The Governor's Office Proposed Rule and SONAR Form.
  2. The Revisor's draft of the proposed rule.
  3. The December 2, 2014 draft of the SONAR.
- Copies of both the letter sent to the Minnesota Office of Management and Budget and the response received from the Office are attached to this Certificate.



---

Kate Kahlert  
Commission Attorney



STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

December 2, 2014

Elisabeth Hammer  
Executive Budget Officer  
Minnesota Management and Budget  
658 Cedar St., Suite 400  
St. Paul, MN 55155

Re: In The Matter of the Proposed Rules of the Public Utilities Commission Relating to  
Cogeneration and Small Power Production; Governor's Tracking R-04214

Dear Ms. Hammer:

Minnesota Statutes, section 14.131, requires that an agency engaged in rulemaking consult with the Commissioner of Minnesota Management & Budget, "to help evaluate the fiscal impact and fiscal benefits of the proposed rule on units of local government."

Enclosed for your review are copies of the following documents on proposed rules governing cogeneration and small power production.

1. The Governor's Office Proposed Rule and SONAR Form.
2. The Revisor's draft of the proposed rule.
3. The December 2, 2014, draft of the SONAR.

I am also delivering copies of these documents to the Governor's Office today.

If you or any other representative of Minnesota Management & Budget has questions about the proposed rule, please call me at 651-201-2239. Please send any correspondence about this matter to me at the following address: Kate Kahlert, Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, Minnesota 55101; or email at: [kate.kahlert@state.mn.us](mailto:kate.kahlert@state.mn.us).

Yours very truly,

A handwritten signature in blue ink, appearing to read "Kate Kahlert".

Kate Kahlert  
Commission Attorney



## Office Memorandum

**Date:** December 16, 2014

**To:** Kate Kahlert  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101

**From:** Betsy Hammer, Executive Budget Officer  
Minnesota Management & Budget

**Phone:** 651-201-8022

**Subject:** Review of Proposed Amendments of the Rules Relating to Cogeneration and Small Power Production; Revisor's ID Number R-04214

### BACKGROUND

The Public Utilities Commission currently has rules governing interconnections between utilities and qualifying facilities, cogeneration, and small power production facilities. Qualifying facilities are cogeneration or small power production facilities that meet certain federal standards. During the 2013 legislative session, statutory changes were made that primarily affect interconnections between qualifying facilities and public utilities.

The proposed rule amendments update rules to incorporate the recent statutory changes and to make housekeeping changes. The rule amendments primarily affect public utilities, and would have a limited impact on municipal or cooperative utilities. Without these updates, rules would be inconsistent with statutes governing cogeneration and small power production.

### EVALUATION

On behalf of the Commissioner of Management & Budget, I have reviewed the proposed rule and related SONAR. Based upon the information provided to me by the Public Utilities Commission, there does not appear to be a significant cost to local units of government.

The impact to local units of government is primarily related to their status as utility customers and ratepayers. To the extent that local units of government choose to become customers offsetting their energy usage by producing energy, their utility bills may change. However, the cost advantage or offset would depend on other investments made (such as purchasing and installing solar panels). The proposed rule amendments may also have some impacts on ratepayers. To the extent that local units of government or state agencies are ratepayers, they may experience some changes. How ratepayers are ultimately affected will vary by utility, and rate changes are subject to contested case proceedings and review by the PUC.

The proposed rule amendments make other minor changes that may have some impact on municipally-owned or co-operative utilities. For example, a change is made to filing options that could have a limited impact resulting in fewer tariff filing updates required.

cc: Angela Vogt, Budget Division Team Leader



## MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

600 North Robert Street  
Saint Paul, Minnesota 55101

**Mailing Address:**  
P.O. Box 64620  
St. Paul, Minnesota 55164-0620

Voice: (651) 361-7900  
TTY: (651) 361-7878  
Fax: (651) 539-0300

July 27, 2015

Katherine M. Kahlert  
Commission Attorney  
Minnesota Public Utilities Commission  
350 Metro Square Building  
121 Seventh Pl E  
Saint Paul, MN 55101

**Re: In the Matter of the Proposed Rules of the Public Utilities Commission Governing Cogeneration and Small Power Production OAH 5-2500-32078; Revisor R-4214**

Dear Ms. Kahlert:

Enclosed herewith and served upon you is the **ORDER ON REVIEW OF RULES UNDER MINN. STAT. § 14.26** in the above-entitled matter. The Administrative Law Judge has determined there are no negative findings in these rules.

The Office of Administrative Hearings has closed this file and is returning the rule record so that the Minnesota Public Utilities Commission can maintain the official rulemaking record in this matter as required by Minn. Stat. § 14.365. Please ensure that the agency's signed order adopting the rules is filed with our office. The Office of Administrative Hearings will request copies of the finalized rules from the Revisor's office following receipt of that order. Our office will then file four copies of the adopted rules with the Secretary of State, who will forward one copy to the Revisor of Statutes, one copy to the Governor, and one to the agency for its rulemaking record. The Commission will then receive from the Revisor's office three copies of the Notice of Adoption of the rules.

The Commission's next step is to arrange for publication of the Notice of Adoption in the State Register. Two copies of the Notice of Adoption provided by the Revisor's office should be submitted to the State Register for publication. A permanent rule without a hearing does not become effective until five working days after a Notice of Adoption is published in the State Register in accordance with Minn. Stat. § 14.27.

Katherine M. Kahlert  
July 27, 2015  
Page 2

If you have any questions regarding this matter, please contact Denise Collins at (651) 361-7875 or [denise.collins@state.mn.us](mailto:denise.collins@state.mn.us).

Sincerely,

A handwritten signature in black ink that reads "Jim Mortenson" followed by a stylized flourish.

Jim Mortenson  
Administrative Law Judge

Enclosure

cc: Office of the Governor  
Office of the Attorney General  
Legislative Coordinating Commission ([lcc@lcc.leg.mn](mailto:lcc@lcc.leg.mn))  
Revisor of Statutes ([paul.marinac@revisor.mn.gov](mailto:paul.marinac@revisor.mn.gov))

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of the Proposed Rules of the  
Public Utilities Commission Governing  
Cogeneration and Small Power Production

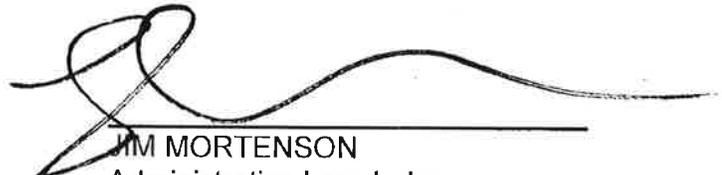
**ORDER ON REVIEW OF  
RULES UNDER  
MINN. STAT. § 14.26**

The Minnesota Public Utilities Commission (Commission) is seeking review and approval of the above-entitled rules, which were adopted by the agency pursuant to Minn. Stat. § 14.26 (2014). On July 17, 2015, the Office of Administrative Hearings (OAH) received the documents that must be filed by the Commission under Minn. Stat. § 14.26 and Minn. R. 1400.2310 (2013). Based upon a review of the written submissions and filings, Minnesota Statutes, Minnesota Rules,

**IT IS HEREBY ORDERED:**

1. The Commission has the statutory authority to adopt the rules.
2. The rules were adopted in compliance with the procedural requirements of Minnesota Statutes, Chapter 14, and Minnesota Rules, Chapter 1400 (2014).
3. The record demonstrates the rules are needed and reasonable.
4. The rules are **APPROVED**.

Dated: 7/24/2015

  
JIM MORTENSON  
Administrative Law Judge

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
ADMINISTRATIVE LAW SECTION  
PO BOX 64620  
600 NORTH ROBERT STREET  
ST. PAUL, MINNESOTA 55164

**CERTIFICATE OF SERVICE**

In the Matter of the Proposed Rules of the Public Utilities Commission Governing Cogeneration and Small Power Production	OAH Docket No. 5-2500-32078 Revisor R-4214
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Rachel Youness certifies that on July 27, 2015, she served a true and correct copy of the attached **Order on Review of Rules**; by placing it in the United States mail or by courier service with postage prepaid, addressed to the following individuals:

Katherine M. Kahlert Commission Attorney Minnesota Public Utilities Commission 350 Metro Square Building 121 Seventh Pl E Saint Paul, MN 55101	Elizabeth Dressel Policy Coordinator Office of Governor Mark Dayton 20 W Twelfth St Ste 116 St Paul, MN 55155
Legislative Coordinating Commission ( <a href="mailto:lcc@lcc.leg.mn">lcc@lcc.leg.mn</a> )	The Honorable Lori Swanson Minnesota Attorney General 102 Capitol Building 75 Rev. Dr. Martin Luther King Jr. Blvd St. Paul, MN 55155
Paul Marinac Office of the Revisor of Statutes <a href="mailto:paul.marinac@revisor.mn.gov">paul.marinac@revisor.mn.gov</a>	



RECEIVED  
SEP 08 2015  
MINNESOTA PUBLIC  
UTILITIES COMMISSION

## MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

600 North Robert Street  
Saint Paul, Minnesota 55101

**Mailing Address:**  
P.O. Box 64620  
St. Paul, Minnesota 55164-0620

August 28, 2015

Voice: (651) 361-7900  
TTY: (651) 361-7878  
Fax: (651) 539-0300

Nancy Breems  
Secretary of State, Elections Division  
180 State Office Building  
100 Rev Dr Martin Luther King Jr Blvd  
St. Paul, Minnesota 55155-1299

**Re: *In the Matter of the Proposed Rules of the Public Utilities Commission Governing Cogeneration and Small Power Production***  
**OAH 5-2500-32078; Revisor AR-4214**

Dear Ms. Breems:

Pursuant to Minn. Stat. § 14.26, and Minn. R. 1400.2300, subp. 8, the Office of Administrative Hearings is filing with the Secretary of State four copies of the above-entitled adopted rules. The rules were approved for legality by the Office of Administrative Hearings on August 28, 2015.

Please send the agency copy of the rules to:

Katherine M. Kahlert  
Commission Attorney  
Minnesota Public Utilities Commission  
121 Seventh Pl E Ste 350  
Saint Paul, MN 55101

If you have any questions regarding this matter, please contact Denise Collins at 651-361-7875 or [denise.collins@state.mn.us](mailto:denise.collins@state.mn.us).

Sincerely,

Kendra McCausland  
Legal Assistant

Enclosures

cc: Katherine M. Kahlert (via email)

# Adopted Rules

A rule becomes effective after the requirements of *Minnesota Statutes* §§ 14.05-14.28 have been met and five working days after the rule is published in the *State Register*, unless a later date is required by statutes or specified in the rule. If an adopted rule is identical to its proposed form as previously published, a notice of adoption and a citation to its previous *State Register* publication will be printed. If an adopted rule differs from its proposed form, language which has been deleted will be printed with strikeouts and new language will be underlined. The rule's previous *State Register* publication will be cited.

**KEY: Proposed Rules** - Underlining indicates additions to existing rule language. ~~Strikeouts~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." **Adopted Rules** - Underlining indicates additions to proposed rule language. ~~Strikeout~~ indicates deletions from proposed rule language.

## Public Utilities Commission

### Adopted Permanent Rules Relating to Cogeneration and Small Power Production

The rules proposed and published at State Register, Volume 39, Number 26, pages 959-968, December 29, 2014 (39 SR 959), are adopted with the following modifications:

#### 7835.0100 DEFINITIONS.

Subp. 5. **Capacity costs.** "Capacity costs" means the costs associated with providing the capability to deliver energy. The utility capital costs consist of the costs of facilities used to generate, transmit, and distribute electricity and the fixed operating and maintenance costs of these facilities.

Subp. 17a. **Point of common coupling.** "Point of common coupling" means the point where the qualifying facility's generation system, including the point of generator output, is connected to the utility's electric power grid.

Subp. ~~17a~~ 17b. **Public utility.** "Public utility" has the meaning given in Minnesota Statutes, section 216B.02, subdivision 4.

Subp. 20a. **Standby charge.** "Standby charge" means the rate or fee a utility charges for the recovery of costs for the provision of standby service or standby power.

Subp. 20b. **Standby service.** "Standby service" means:

A. for public utilities, service or power that includes backup, ~~or maintenance, and related services necessary to make electricity service available to the facility,~~ as described in the public utility's commission-approved standby tariff, necessary to make electricity service available to the distributed generation facility; and

*[For text of subps 21 to ~~24~~ 23, see M.R.]*

Subp. 24. **Utility.** "Utility" means:

*[For text of item A, see M.R.]*

B. for the purposes of parts 7835.0200 to 7835.1200, 7835.1900 to 7835.4400, 7835.4600 to 7835.6100, ~~and 7835.9910, and 7835.9920,~~ any public utility, including municipally owned electric utilities and cooperative electric associations, that sells electricity at retail in Minnesota, except those municipally owned electric utilities that have adopted and have in effect rules consistent with this chapter.

#### 7835.0800 SCHEDULE E.

Schedule E must contain the utility's safety standards, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus. These standards and procedures must not be more restrictive than the standards contained in the electrical code under part 7835.2100 or the interconnection standards distributed to customers under part 7835.4750. The utility may include in schedule E suggested types of equipment to perform the specified functions. No standard or procedure may be established to discourage cogeneration or small power production.

#### 7835.1400 ~~NET AVERAGE RETAIL UTILITY ENERGY BILLED QUALIFYING FACILITIES.~~

For qualifying facilities under net average retail utility energy billing, the utility must provide the commission with the following information:

*[For text of item A, see M.R.]*

B. for each qualifying facility type, the total kilowatt-hours delivered per month to the utility by all net average retail utility energy billed rate qualifying facilities;

C. for each qualifying facility type, the total kilowatt-hours delivered per month by the utility to all net average retail utility energy billed rate qualifying facilities; and

D. for each qualifying facility type, the total net energy delivered per month to the utility by net average retail utility energy billed rate qualifying facilities.

## **7835.1500 OTHER QUALIFYING FACILITIES.**

For all qualifying facilities not under net average retail utility energy billing, the utility must provide the commission with the following information:

*[For text of items A and B, see M.R.]*

## **7835.2100 ELECTRICAL CODE COMPLIANCE.**

Subpart 1. **Compliance; standards.** The interconnection between the qualifying facility and the utility must comply with the requirements in the most recently published edition of the National Electrical Safety Code issued by the Institute of Electrical and Electronics Engineers. The interconnection is subject to subparts 2 and 3.

Subp. 2. **Interconnection.** The ~~interconnection customer~~ qualifying facility is responsible for complying with all applicable local, state, and federal codes, including building codes, the National ~~Electric~~ Electrical Code (NEC), the National ~~Electric~~ Electrical Safety Code (NESC), and noise and emissions standards. The ~~Area Electric Power System will~~ utility must require proof of complying that the qualifying facility is in compliance with the NEC before the interconnection is made. The ~~interconnection customer~~ qualifying facility must obtain installation approval from an electrical inspector recognized by the Minnesota State Board of Electricity.

Subp. 3. **Generation system.** The ~~interconnection customer's~~ qualifying facility's generation system and installation must comply with the American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) standards applicable to the installation.

## **7835.3300 NET AVERAGE RETAIL UTILITY ENERGY BILLING RATE.**

Subpart 1. **Applicability.** The net average retail utility energy billing rate is available only to qualifying facilities with capacity of less than 40 kilowatts which choose not to offer electric power for sale on either a time-of-day basis or a simultaneous purchase and sale basis.

*[For text of subps 2 and 3, see M.R.]*

## **7835.4012 COMPENSATION.**

Subpart 1. **Facilities with less than 40 kilowatt capacity.** A qualifying facility with less than 40 kilowatt capacity has the option to be compensated at the net average retail utility energy billing rate, the simultaneous purchase and sale billing rate, or the time-of-day billing rate.

## **7835.4019 QUALIFYING FACILITIES OF 1,000 KILOWATT CAPACITY OR MORE.**

A qualifying facility with capacity of 1,000 kilowatt capacity or more must negotiate a contract with the public utility to set the applicable rates for payments to the customer of avoided capacity and energy costs. Nothing in parts 7835.4010 to 7835.4015 prevents a utility from connecting qualifying facilities of greater than 1,000 kilowatt capacity under its avoided cost rates.

## **7835.4750 INTERCONNECTION STANDARDS.**

~~Prior to signing~~ Before a customer signs the uniform statewide contract, a utility must distribute to each that customer a copy of, or electronic link to, the commission's order establishing interconnection standards dated September 28, 2004, in docket number E-999/CI-01-1023, or to currently effective interconnection standards established by subsequent commission order. ~~The utility must provide each customer a copy of, or electronic link to, subsequent changes made by the commission to any of those standards.~~

# Adopted Rules

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## 7835.5900 EXISTING CONTRACTS.

Any existing interconnection contract executed between a utility and a qualifying facility with capacity of less than 40 kilowatts remains in force until terminated by mutual agreement of the parties or as otherwise specified in the contract.

## 7835.5950 RENEWABLE ENERGY CREDIT; OWNERSHIP.

~~A qualifying facility owns~~ Generators own all renewable energy credits unless:

A. other ownership is expressly provided for in the by a contract between the qualifying facility a generator and a utility under part 7835.9910;

B. state law specifies a different outcome; or

C. specific commission orders or rules specify a different outcome.

## 7835.9910 UNIFORM STATEWIDE CONTRACT; FORM.

The form for the uniform statewide contract must be applied to all new and existing interconnections between a utility and cogeneration and small power production facilities having less than 1,000 kilowatts of capacity, except as described in part 7835.5900.

### UNIFORM STATEWIDE CONTRACT FOR COGENERATION AND SMALL POWER PRODUCTION FACILITIES

THIS CONTRACT is entered into \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_ (hereafter called "Utility") and \_\_\_\_\_ (hereafter called "QF").

#### RECITALS

The QF has installed electric generating facilities, consisting of \_\_\_\_\_ (Description of facilities), rated at \_\_\_\_\_ kilowatts of electricity, on property located at \_\_\_\_\_.

The QF is prepared to generate electricity in parallel with the Utility.

The QF's electric generating facilities meet the requirements of the Minnesota Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and Small Power Production and any technical standards for interconnection the Utility has established that are authorized by those rules.

The Utility is obligated under federal and Minnesota law to interconnect with the QF and to purchase electricity offered for sale by the QF.

A contract between the QF and the Utility is required by the Commission's rules.

#### AGREEMENTS

The QF and the Utility agree:

1. The Utility will sell electricity to the QF under the rate schedule in force for the class of customer to which the QF belongs.

2. The Cooperative Electric Association or Municipally Owned Electric Utility will buy electricity from the QF under the current rate schedule filed with the Commission. The QF elects the rate schedule category hereinafter indicated:

\_\_\_\_ a. Net Average retail utility energy billing rate under part 7835.3300.

\_\_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.3400.

\_\_\_\_ c. Time-of-day purchase rates under part 7835.3500.

A copy of the presently filed rate schedule is attached to this contract.

3. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF has less

than 40 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated:

- a. ~~Net Average retail utility~~ energy ~~billing~~ rate under part 7835.4013.
- b. Simultaneous purchase and sale billing rate under part 7835.4014.
- c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

4. The Public Utility will buy electricity from the QF under the current rate schedule filed with the Commission. If the QF is not a net metered facility and has at least 40 kilowatts capacity but less than 1,000 kilowatt capacity, the QF elects the rate schedule category hereinafter indicated:

- a. Simultaneous purchase and sale billing rate under part 7835.4014.
- b. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

5. The Public Utility will buy electricity from a net metered facility under the current rate schedule filed with the Commission or will compensate the facility in the form of a kilowatt-hour credit on the facility's energy bill. If the net metered facility has at least 40 kilowatts capacity but less than 1,000 kilowatts capacity, the QF elects the rate schedule category hereinafter indicated:

- a. Kilowatt-hour energy credit on the customer's energy bill, carried forward and applied to subsequent energy bills, with an annual true-up under part 7835.4017.
- b. Simultaneous purchase and sale billing rate under part 7835.4014.
- c. Time-of-day purchase rates under part 7835.4015.

A copy of the presently filed rate schedule is attached to this contract.

5.6. The rates for sales and purchases of electricity may change over the time this contract is in force, due to actions of the Utility or of the Commission, and the QF and the Utility agree that sales and purchases will be made under the rates in effect each month during the time this contract is in force.

6.7. The Public Utility, Cooperative Electric Association, or Municipally Owned Electric Utility will compute the charges and payments for purchases and sales for each billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 5. will be made under one of the following options as chosen by the QF:

- 1 a. Credit to the QF's account with the Utility.
- 2 b. Paid by check to the QF within 15 days of the billing date.

7.8. Renewable energy credits associated with generation from the facility are owned by:

---

8.9. The QF must operate its electric generating facilities within any rules, regulations, and policies adopted by the Utility not prohibited by the Commission's rules on Cogeneration and Small Power Production which provide reasonable technical connection and operating specifications for the QF. This agreement does not waive the QF's right to bring a dispute before the Commission as authorized by Minnesota Rules, part 7835.4500, and any other provision of the Commission's rules on Cogeneration and Small Power Production authorizing Commission resolution of a dispute.

9.10. The Utility's rules, regulations, and policies must conform to the Commission's rules on Cogeneration and Small Power Production.

10.11. The QF will operate its electric generating facilities so that they conform to the national, state, and local electric and safety codes, and will be responsible for the costs of conformance.

11.12. The QF is responsible for the actual, reasonable costs of interconnection which are estimated to be \$ \_\_\_\_\_. The QF will pay the Utility in this way: \_\_\_\_\_.

# Adopted Rules

12.13. The QF will give the Utility reasonable access to its property and electric generating facilities if the configuration of those facilities does not permit disconnection or testing from the Utility's side of the interconnection. If the Utility enters the QF's property, the Utility will remain responsible for its personnel.

13.14. The Utility may stop providing electricity to the QF during a system emergency. The Utility will not discriminate against the QF when it stops providing electricity or when it resumes providing electricity.

14.15. The Utility may stop purchasing electricity from the QF when necessary for the Utility to construct, install, maintain, repair, replace, remove, investigate, or inspect any equipment or facilities within its electric system. The Utility will notify the QF before it stops purchasing electricity in this way: \_\_\_\_\_.

15.16. The QF will keep in force liability insurance against personal or property damage due to the installation, interconnection, and operation of its electric generating facilities. The amount of insurance coverage will be \$\_\_\_\_\_ (The amount must be consistent with the Commission's interconnection standards under Minnesota Rules, part 7835.4750).

16.17. This contract becomes effective as soon as it is signed by the QF and the Utility. This contract will remain in force until either the QF or the Utility gives written notice to the other that the contract is canceled. This contract will be canceled 30 days after notice is given.

17.18. This contract contains all the agreements made between the QF and the Utility except that this contract shall at all times be subject to all rules and orders issued by the Public Utilities Commission or other government agency having jurisdiction over the subject matter of this contract. The QF and the Utility are not responsible for any agreements other than those stated in this contract.

THE QF AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT THE BEGINNING OF THIS CONTRACT.

QF By: \_\_\_\_\_

UTILITY By: \_\_\_\_\_ (Title)

## Official Notices

Pursuant to *Minnesota Statutes* §§ 14.101, an agency must first solicit comments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency by publishing a notice in the *State Register* at least 60 days before publication of a notice to adopt or a notice of hearing, and within 60 days of the effective date of any new statutory grant of required rulemaking.

The *State Register* also publishes other official notices of state agencies and non-state agencies, including notices of meetings and matters of public interest.

## Minnesota Comprehensive Health Association Notice of Enrollee Appeal Hearing

Notice is hereby given that a meeting of the Minnesota Comprehensive Health Association's (MCHA) Enrollee Appeal will be held at 2 p.m. on Tuesday, Sept. 21, 2015.

The meeting will be initiated at the MCHA Executive Office, 5775 Wayzata Blvd., Suite 910, St. Louis Park, MN; it should be noted that some attendees will participate telephonically.

If anyone wishes to attend or participate in this meeting please contact MCHA's Executive Office, 952-593-9609, for additional information.

1.1 **Public Utilities Commission**

1.2 **Adopted Permanent Rules Relating to Cogeneration and Small Power Production**

1.3 **7835.0100 DEFINITIONS.**

1.4 [For text of subps 1 to 3, see M.R.]

1.5 Subp. 4. **Capacity.** "Capacity" means the capability to produce, transmit, or deliver  
1.6 electric energy, and is measured by the number of megawatts alternating current at the  
1.7 point of common coupling between a qualifying facility and a utility's electric system.

1.8 Subp. 5. **Capacity costs.** "Capacity costs" means the costs associated with  
1.9 providing the capability to deliver energy. The utility capital costs consist of the costs  
1.10 of facilities used to generate, transmit, and distribute electricity and the fixed operating  
1.11 and maintenance costs of these facilities.

1.12 [For text of subp 6, see M.R.]

1.13 Subp. 6a. **Customer.** "Customer" means the person named on the utility electric  
1.14 bill for the premises.

1.15 [For text of subps 7 to 15, see M.R.]

1.16 Subp. 15a. **Net metered facility.** "Net metered facility" means an electric generation  
1.17 facility constructed for the purpose of offsetting energy use through the use of renewable  
1.18 energy or high-efficiency distributed generation sources.

1.19 [For text of subps 16 and 17, see M.R.]

1.20 Subp. 17a. **Point of common coupling.** "Point of common coupling" means the  
1.21 point where the qualifying facility's generation system, including the point of generator  
1.22 output, is connected to the utility's electric power grid.

1.23 Subp. ~~17a~~ 17b. **Public utility.** "Public utility" has the meaning given in Minnesota  
1.24 Statutes, section 216B.02, subdivision 4.

2.1 [For text of subp 18, see M.R.]

2.2 Subp. 19. **Qualifying facility.** "Qualifying facility" means a cogeneration or small  
2.3 power production facility which satisfies the conditions established in Code of Federal  
2.4 Regulations, title 18, part 292. The initial operation date or initial installation date of a  
2.5 cogeneration or small power production facility must not prevent the facility from being  
2.6 considered a qualifying facility for the purposes of this chapter if it otherwise satisfies  
2.7 all stated conditions.

2.8 [For text of subp 20, see M.R.]

2.9 Subp. 20a. **Standby charge.** "Standby charge" means the rate or fee a utility charges  
2.10 for the recovery of costs for the provision of standby service or standby power.

2.11 Subp. 20b. **Standby service.** "Standby service" means:

2.12 A. for public utilities, service or power that includes backup, or maintenance,  
2.13 and related services necessary to make electricity service available to the facility, as  
2.14 described in the public utility's commission-approved standby tariff, necessary to make  
2.15 electricity service available to the distributed generation facility; and

2.16 B. for a utility not subject to the commission's rate authority, the service  
2.17 associated with the applicable tariff in effect under Minnesota Statutes, section 216B.1611,  
2.18 subdivision 3, clause (2).

2.19 [For text of subps 21 to ~~24~~ 23, see M.R.]

2.20 Subp. 24. **Utility.** "Utility" means:

2.21 [For text of item A, see M.R.]

2.22 B. for the purposes of parts 7835.0200 to 7835.1200, 7835.1900 to 7835.4400,  
2.23 7835.4600 to 7835.6100, ~~and 7835.9910,~~ and 7835.9920, any public utility, including  
2.24 municipally owned electric utilities and cooperative electric associations, that sells

3.1 electricity at retail in Minnesota, except those municipally owned electric utilities that  
3.2 have adopted and have in effect rules consistent with this chapter.

3.3 **7835.0200 SCOPE AND PURPOSE.**

3.4 The purpose of this chapter is to implement certain provisions of Minnesota Statutes,  
3.5 section 216B.164; the Public Utility Regulatory Policies Act of 1978, United States Code,  
3.6 title 16, section 824a-3; and the Federal Energy Regulatory Commission regulations,  
3.7 Code of Federal Regulations, title 18, part 292. Nothing in this chapter excuses any utility  
3.8 from carrying out its responsibilities under these provisions of state and federal law. This  
3.9 chapter must at all times be applied in accordance with its intent to give the maximum  
3.10 possible encouragement to cogeneration and small power production consistent with  
3.11 protection of the ratepayers and the public.

3.12 **7835.0400 FILING OPTION.**

3.13 If, after the January 1, 2015, filing, schedule C is the only change in the cogeneration  
3.14 and small power production tariff to be filed in a subsequent year, the utility may notify  
3.15 the commission in writing, by the date the tariff is due, that there is no other change in the  
3.16 tariff. This notification and new schedule C will serve as a substitute for the refile of  
3.17 the complete tariff in that year.

3.18 **7835.0800 SCHEDULE E.**

3.19 Schedule E must contain the utility's safety standards, required operating procedures  
3.20 for interconnected operations, and the functions to be performed by any control and  
3.21 protective apparatus. These standards and procedures must not be more restrictive than  
3.22 the standards contained in the electrical code under part 7835.2100 or the interconnection  
3.23 standards distributed to customers under part 7835.4750. The utility may include in  
3.24 schedule E suggested types of equipment to perform the specified functions. No standard  
3.25 or procedure may be established to discourage cogeneration or small power production.

4.1 **7835.1200 AVAILABILITY OF FILINGS.**

4.2 All filings required by parts 7835.0300 to 7835.1100 must be filed in the commission's  
4.3 electronic filing system and be maintained at the utility's general office and any other  
4.4 offices of the utility where rate case filings are kept. These filings must be available for  
4.5 public inspection at the commission and at the utility offices during normal business hours.

4.6 **7835.1300 GENERAL REPORTING REQUIREMENTS.**

4.7 Each utility interconnected with a qualifying facility must provide the commission  
4.8 with the information in parts 7835.1400 to 7835.1800 annually on or before March 1, and  
4.9 in such form as the commission may require.

4.10 **7835.1400 NET AVERAGE RETAIL UTILITY ENERGY BILLED QUALIFYING**  
4.11 **FACILITIES.**

4.12 For qualifying facilities under net average retail utility energy billing, the utility must  
4.13 provide the commission with the following information:

4.14 [For text of item A, see M.R.]

4.15 B. for each qualifying facility type, the total kilowatt-hours delivered per month  
4.16 to the utility by all net average retail utility energy billed rate qualifying facilities;

4.17 C. for each qualifying facility type, the total kilowatt-hours delivered per month  
4.18 by the utility to all net average retail utility energy billed rate qualifying facilities; and

4.19 D. for each qualifying facility type, the total net energy delivered per month to  
4.20 the utility by net average retail utility energy billed rate qualifying facilities.

4.21 **7835.1500 OTHER QUALIFYING FACILITIES.**

4.22 For all qualifying facilities not under net average retail utility energy billing, the  
4.23 utility must provide the commission with the following information:

4.24 [For text of items A and B, see M.R.]

5.1 **7835.2100 ELECTRICAL CODE COMPLIANCE.**

5.2 Subpart 1. **Compliance; standards.** The interconnection between the qualifying  
5.3 facility and the utility must comply with the requirements in the most recently published  
5.4 edition of the National Electrical Safety Code issued by the Institute of Electrical and  
5.5 Electronics Engineers. The interconnection is subject to subparts 2 and 3.

5.6 Subp. 2. **Interconnection.** The ~~interconnection customer~~ qualifying facility is  
5.7 responsible for complying with all applicable local, state, and federal codes, including  
5.8 building codes, the National ~~Electric~~ Electrical Code (NEC), the National ~~Electric~~  
5.9 Electrical Safety Code (NESC), and noise and emissions standards. The ~~Area Electric~~  
5.10 ~~Power System will~~ utility must require proof of ~~complying~~ that the qualifying facility is  
5.11 in compliance with the NEC before the interconnection is made. The ~~interconnection~~  
5.12 ~~customer~~ qualifying facility must obtain installation approval from an electrical inspector  
5.13 recognized by the Minnesota State Board of Electricity.

5.14 Subp. 3. **Generation system.** The ~~interconnection customer's~~ qualifying facility's  
5.15 generation system and installation must comply with the American National Standards  
5.16 Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) standards  
5.17 applicable to the installation.

5.18 **7835.2600 TYPES OF POWER TO BE OFFERED; STANDBY SERVICE.**

5.19 Subpart 1. **Service to be offered.** The utility must offer maintenance, interruptible,  
5.20 supplementary, and backup power to the qualifying facility upon request.

5.21 Subp. 2. **Standby service; public utility.** A public utility may not impose a standby  
5.22 charge for standby service on a qualifying facility having 100 kilowatt capacity or less. A  
5.23 utility imposing rates on a qualifying facility having more than 100 kilowatt capacity must  
5.24 comply with an order of the commission establishing allowable costs.

6.1 Subp. 3. **Standby service; cooperative or municipality.** A cooperative electric  
6.2 association or municipal utility must offer a qualifying facility standby power or service  
6.3 consistent with its applicable tariff for such service adopted under Minnesota Statutes,  
6.4 section 216B.1611, subdivision 3, clause (2).

6.5 **7835.3000 RATES FOR UTILITY SALES TO A QUALIFYING FACILITY TO**  
6.6 **BE GOVERNED BY TARIFF.**

6.7 Except as otherwise provided in part 7835.3100, rates for sales to a qualifying facility  
6.8 must be governed by the applicable tariff for the class of electric utility customers to  
6.9 which the qualifying facility belongs or would belong were it not a qualifying facility.

6.10 **7835.3150 INTERCONNECTION WITH COOPERATIVE ELECTRIC**  
6.11 **ASSOCIATION OR MUNICIPAL UTILITY.**

6.12 Parts 7835.3200 to 7835.4000 apply to interconnections between a qualifying facility  
6.13 and a cooperative electric association or municipal utility.

6.14 **7835.3200 STANDARD RATES FOR PURCHASES BY COOPERATIVE**  
6.15 **ELECTRIC ASSOCIATIONS AND MUNICIPAL UTILITIES FROM**  
6.16 **QUALIFYING FACILITIES.**

6.17 Subpart 1. **Qualifying facilities with 100 kilowatt capacity or less.** For qualifying  
6.18 facilities with capacity of 100 kilowatts or less, standard purchase rates apply. The utility  
6.19 must make available three types of standard rates, described in parts 7835.3300, 7835.3400,  
6.20 and 7835.3500. The qualifying facility with a capacity of 100 kilowatts or less must  
6.21 choose interconnection under one of these rates, and must specify its choice in the written  
6.22 contract required in part 7835.2000. Any net credit to the qualifying facility must, at its  
6.23 option, be credited to its account with the utility or returned by check within 15 days of the  
6.24 billing date. The option chosen must be specified in the written contract required in part  
6.25 7835.2000. Qualifying facilities remain responsible for any monthly service charges and  
6.26 demand charges specified in the tariff under which they consume electricity from the utility.

7.1 Subp. 2. **Qualifying facilities over 100 kilowatt capacity.** A qualifying facility with  
7.2 more than 100 kilowatt capacity has the option to negotiate a contract with a utility or, if it  
7.3 commits to provide firm power, be compensated under standard rates.

7.4 **7835.3300 NET AVERAGE RETAIL UTILITY ENERGY BILLING RATE.**

7.5 Subpart 1. **Applicability.** The net average retail utility energy billing rate is available  
7.6 only to qualifying facilities with capacity of less than 40 kilowatts which choose not to  
7.7 offer electric power for sale on either a time-of-day basis or a simultaneous purchase  
7.8 and sale basis.

7.9 [For text of subps 2 and 3, see M.R.]

7.10 **7835.4010 INTERCONNECTION WITH PUBLIC UTILITY.**

7.11 Parts 7835.4011 to 7835.4023 apply to interconnections between a qualifying facility  
7.12 and a public utility.

7.13 **7835.4011 STANDARD RATES FOR PURCHASES BY PUBLIC UTILITIES**  
7.14 **FROM QUALIFYING FACILITIES.**

7.15 Subpart 1. **Standard rates.** For qualifying facilities with less than 1,000 kilowatt  
7.16 capacity, standard rates apply. The utility must make available the types of standard rates  
7.17 described in parts 7835.4012 to 7835.4015. Qualifying facilities remain responsible for  
7.18 any monthly service charges and demand charges specified in the tariff under which  
7.19 they consume electricity from the utility.

7.20 Subp. 2. **Negotiated rates.** A qualifying facility with 1,000 kilowatt capacity or  
7.21 more has the option to negotiate a contract with a utility or, if it commits to provide firm  
7.22 power, be compensated under standard rates.

7.23 **7835.4012 COMPENSATION.**

7.24 Subpart 1. **Facilities with less than 40 kilowatt capacity.** A qualifying facility  
7.25 with less than 40 kilowatt capacity has the option to be compensated at the net average

8.1 retail utility energy billing rate, the simultaneous purchase and sale billing rate, or the  
8.2 time-of-day billing rate.

8.3 Subp. 2. **Facilities with at least 40 kilowatt capacity but less than 1,000 kilowatt**  
8.4 **capacity.** A qualifying facility with at least 40 kilowatt capacity but less than 1,000  
8.5 kilowatt capacity has the option to be billed at the simultaneous purchase and sale billing  
8.6 rate, or at the time-of-day billing rate.

8.7 **7835.4013 AVERAGE RETAIL ENERGY RATE.**

8.8 Subpart 1. **Method of billing.** The utility must bill the qualifying facility for the  
8.9 energy supplied by the utility that exceeds the amount of energy supplied by the qualifying  
8.10 facility during each billing period according to the utility's applicable retail rate schedule.

8.11 Subp. 2. **Additional calculations for billing.** When the energy generated by the  
8.12 qualifying facility exceeds that supplied by the utility during a billing period, the utility  
8.13 must compensate the qualifying facility for the excess energy at the average retail utility  
8.14 energy rate.

8.15 **7835.4014 SIMULTANEOUS PURCHASE AND SALE BILLING RATE.**

8.16 Subpart 1. **Method of billing.** The qualifying facility must be billed for all energy  
8.17 and capacity it consumes during a billing period according to the utility's applicable retail  
8.18 rate schedule.

8.19 Subp. 2. **Compensation to qualifying facility.** The utility must purchase all energy  
8.20 and capacity which is made available to it by the qualifying facility. At the option of the  
8.21 qualifying facility, its entire generation must be deemed to be made available to the utility.  
8.22 Compensation to the qualifying facility must be the sum of items A and B.

8.23 A. The energy component must be the appropriate system average incremental  
8.24 energy costs shown on schedule A; or if the generating utility has not filed schedule A,  
8.25 the energy component must be the energy rate of the retail rate schedule applicable to the

9.1 qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has  
9.2 not filed schedule A, the energy component must be the energy rate shown on schedule H.

9.3 B. If the qualifying facility provides firm power to the utility, the capacity  
9.4 component must be the utility's net annual avoided capacity cost per kilowatt-hour  
9.5 averaged over all hours shown on schedule B; or if the generating utility has not filed  
9.6 schedule B, the capacity component must be the demand charge per kilowatt, if any, of the  
9.7 retail rate schedule applicable to the qualifying facility, filed in lieu of schedules A and B,  
9.8 divided by the number of hours in the billing period; or if the nongenerating utility has not  
9.9 filed schedule B, the capacity component must be the capacity cost per kilowatt shown on  
9.10 schedule H, divided by the number of hours in the billing period. If the qualifying facility  
9.11 does not provide firm power to the utility, no capacity component may be included in the  
9.12 compensation paid to the qualifying facility.

9.13 **7835.4015 TIME-OF-DAY PURCHASE RATES.**

9.14 Subpart 1. **Method of billing.** The qualifying facility must be billed for all  
9.15 energy and capacity it consumes during each billing period according to the utility's  
9.16 applicable retail rate schedule. Any utility rate-regulated by the commission may propose  
9.17 time-of-day retail rate tariffs which require qualifying facilities that choose to sell power  
9.18 on a time-of-day basis to also purchase power on a time-of-day basis.

9.19 Subp. 2. **Compensation to qualifying facility.** The utility must purchase all energy  
9.20 and capacity which is made available to it by the qualifying facility. Compensation to the  
9.21 qualifying facility must be the sum of items A and B.

9.22 A. The energy component must be the appropriate on-peak and off-peak system  
9.23 incremental costs shown on schedule A; or if the generating utility has not filed schedule  
9.24 A, the energy component must be the energy rate of the retail rate schedule applicable to  
9.25 the qualifying facility, filed in lieu of schedules A and B; or if the nongenerating utility has  
9.26 not filed schedule A, the energy component must be the energy rate shown on schedule H.

10.1 B. If the qualifying facility provides firm power to the utility, the capacity  
10.2 component must be the utility's net annual avoided capacity cost per kilowatt-hour  
10.3 averaged over the on-peak hours as shown on schedule B; or if the generating utility has  
10.4 not filed schedule B, the capacity component must be the demand charge per kilowatt,  
10.5 if any, of the retail rate schedule applicable to the qualifying facility, filed in lieu of  
10.6 schedules A and B, divided by the number of on-peak hours in the billing period; or if  
10.7 the nongenerating utility has not filed schedule B, the capacity component must be the  
10.8 capacity cost per kilowatt shown on schedule H, divided by the number of on-peak hours  
10.9 in the billing period. The capacity component applies only to deliveries during on-peak  
10.10 hours. If the qualifying facility does not provide firm power to the utility, no capacity  
10.11 component may be included in the compensation paid to the qualifying facility.

10.12 **7835.4016 INDIVIDUAL SYSTEM CAPACITY LIMITS.**

10.13 Subpart 1. **Applicability.** Individual system capacity limits are subject to the  
10.14 requirements in Minnesota Statutes, section 216B.164, subdivision 4c.

10.15 Subp. 2. **Usage history.** A facility subject to capacity limits with less than 12 calendar  
10.16 months of actual electric usage or no demand metering available is subject to limits based  
10.17 on data for similarly situated customers combined with any actual data for the facility.

10.18 **7835.4017 NET METERED FACILITY; BILL CREDITS.**

10.19 Subpart 1. **Kilowatt-hour credit.** A customer with a net metered facility can elect  
10.20 to be compensated for net input into the utility's system in the form of a kilowatt-hour  
10.21 credit on the customer's bill, subject to Minnesota Statutes, section 216B.164, subdivision  
10.22 3a, and the following conditions:

10.23 A. the customer is not receiving a value of solar rate under Minnesota Statutes,  
10.24 section 216B.164, subdivision 10;

10.25 B. the customer is interconnected with a public utility; and

11.1 C. the net metered facility has a capacity of at least 40 kilowatt capacity but  
11.2 less than 1,000 kilowatt capacity.

11.3 Subp. 2. **Notification to customer.** A public utility must notify the customer of the  
11.4 option to be compensated for net input in the form of a kilowatt-hour credit under subpart  
11.5 1. The public utility must inform the customer that if the customer does not elect to be  
11.6 compensated for net input in the form of a kilowatt-hour credit on the bill, the customer  
11.7 will be compensated for the net input at the utility's avoided cost rate, as described in  
11.8 the utility's tariff for that customer class.

11.9 Subp. 3. **End-of-year net input.** A public utility must compensate the customer, in  
11.10 the form of a payment, for any net input remaining at the end of the calendar year at the  
11.11 utility's avoided cost rate, as described in the utility's tariff for that class of customer.

11.12 **7835.4018 AGGREGATION OF METERS.**

11.13 A public utility must aggregate meters at the request of a customer as described in  
11.14 Minnesota Statutes, section 216B.164, subdivision 4a.

11.15 **7835.4019 QUALIFYING FACILITIES OF 1,000 KILOWATT CAPACITY OR**  
11.16 **MORE.**

11.17 A qualifying facility with capacity of 1,000 kilowatt capacity or more must negotiate  
11.18 a contract with the public utility to set the applicable rates for payments to the customer of  
11.19 avoided capacity and energy costs. Nothing in parts 7835.4010 to 7835.4015 prevents  
11.20 a utility from connecting qualifying facilities of greater than 1,000 kilowatt capacity  
11.21 under its avoided cost rates.

11.22 **7835.4020 AMOUNT OF CAPACITY PAYMENTS; CONSIDERATIONS.**

11.23 The qualifying facility which negotiates a contract under part 7835.4019 must be  
11.24 entitled to the full avoided capacity costs of the utility. The amount of capacity payments  
11.25 must be determined through consideration of:

11.26 A. the capacity factor of the qualifying facility;

- 12.1 B. the cost of the utility's avoidable capacity;
- 12.2 C. the length of the contract term;
- 12.3 D. reasonable scheduling of maintenance;
- 12.4 E. the willingness and ability of the qualifying facility to provide firm power
- 12.5 during system emergencies;
- 12.6 F. the willingness and ability of the qualifying facility to allow the utility to
- 12.7 dispatch its generated energy;
- 12.8 G. the willingness and ability of the qualifying facility to provide firm capacity
- 12.9 during system peaks;
- 12.10 H. the sanctions for noncompliance with any contract term; and
- 12.11 I. the smaller capacity increments and the shorter lead times available when
- 12.12 capacity is added from qualifying facilities.

12.13 **7835.4021 UTILITY TREATMENT OF COSTS.**

12.14 All purchases from qualifying facilities with capacity of less than 40 kilowatts and

12.15 purchases of energy from qualifying facilities with capacity of 40 kilowatts or more must

12.16 be considered an energy cost in calculating a utility's fuel adjustment clause.

12.17 **7835.4022 LIMITING CUMULATIVE GENERATION.**

12.18 A public utility requesting that the commission limit cumulative generation of net

12.19 metered facilities under Minnesota Statutes, section 216B.164, subdivision 4b, must file

12.20 its request with the commission under chapter 7829.

12.21 **7835.4023 ALTERNATIVE TARIFF FOR VALUE OF SOLAR.**

12.22 If a public utility has received commission approval of an alternative tariff for the

12.23 value of solar under Minnesota Statutes, section 216B.164, subdivision 10, the tariff

12.24 applies to new solar photovoltaic interconnections effective after the tariff approval date.

13.1 **7835.4750 INTERCONNECTION STANDARDS.**

13.2 ~~Prior to signing~~ Before a customer signs the uniform statewide contract, a utility  
 13.3 must distribute to ~~each~~ that customer a copy of, or electronic link to, the commission's  
 13.4 order establishing interconnection standards dated September 28, 2004, in docket number  
 13.5 E-999/CI-01-1023, or to currently effective interconnection standards established by  
 13.6 subsequent commission order. ~~The utility must provide each customer a copy of, or~~  
 13.7 ~~electronic link to, subsequent changes made by the commission to any of those standards.~~

13.8 **7835.5900 EXISTING CONTRACTS.**

13.9 Any existing interconnection contract executed between a utility and a qualifying  
 13.10 facility with capacity of less than 40 kilowatts remains in force until terminated by mutual  
 13.11 agreement of the parties or as otherwise specified in the contract.

13.12 **7835.5950 RENEWABLE ENERGY CREDIT; OWNERSHIP.**

13.13 ~~A qualifying facility owns~~ Generators own all renewable energy credits unless:

13.14 A. other ownership is expressly provided for ~~in the~~ by a contract between the  
 13.15 ~~qualifying facility~~ a generator and a utility ~~under part 7835.9910.;~~

13.16 B. state law specifies a different outcome; or

13.17 C. specific commission orders or rules specify a different outcome.

13.18 **7835.9910 UNIFORM STATEWIDE CONTRACT; FORM.**

13.19 The form for the uniform statewide contract must be applied to all new and existing  
 13.20 interconnections between a utility and cogeneration and small power production facilities  
 13.21 having less than 1,000 kilowatts of capacity, except as described in part 7835.5900.

13.22 **UNIFORM STATEWIDE CONTRACT FOR COGENERATION AND SMALL POWER**  
 13.23 **PRODUCTION FACILITIES**

13.24 THIS CONTRACT is entered into \_\_\_\_\_, \_\_\_\_\_, by  
 13.25 \_\_\_\_\_ (hereafter called "Utility") and

14.1 \_\_\_\_\_  
14.2 (hereafter called "QF").

14.3 RECITALS

14.4 The QF has installed electric generating facilities, consisting  
14.5 of \_\_\_\_\_

14.6 \_\_\_\_\_  
14.7 \_\_\_\_\_ (Description of facilities),

14.8 rated at \_\_\_\_\_ kilowatts of electricity, on property located at

14.9 \_\_\_\_\_  
14.10 \_\_\_\_\_.

14.11 The QF is prepared to generate electricity in parallel with the Utility.

14.12 The QF's electric generating facilities meet the requirements of the Minnesota  
14.13 Public Utilities Commission (hereafter called "Commission") rules on Cogeneration and  
14.14 Small Power Production and any technical standards for interconnection the Utility has  
14.15 established that are authorized by those rules.

14.16 The Utility is obligated under federal and Minnesota law to interconnect with the QF  
14.17 and to purchase electricity offered for sale by the QF.

14.18 A contract between the QF and the Utility is required by the Commission's rules.

14.19 AGREEMENTS

14.20 The QF and the Utility agree:

14.21 1. The Utility will sell electricity to the QF under the rate schedule in force for the  
14.22 class of customer to which the QF belongs.

14.23 2. The Cooperative Electric Association or Municipally Owned Electric Utility will  
14.24 buy electricity from the QF under the current rate schedule filed with the Commission.

14.25 The QF elects the rate schedule category hereinafter indicated:

14.26 \_\_\_\_\_ a. Net Average retail utility energy billing rate under part 7835.3300.

14.27 \_\_\_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.3400.

15.1 \_\_\_\_ c. Time-of-day purchase rates under part 7835.3500.

15.2 A copy of the presently filed rate schedule is attached to this contract.

15.3 3. The Public Utility will buy electricity from the QF under the current rate schedule  
15.4 filed with the Commission. If the QF has less than 40 kilowatts capacity, the QF elects the  
15.5 rate schedule category hereinafter indicated:

15.6 \_\_\_\_ a. Net Average retail utility energy billing rate under part 7835.4013.

15.7 \_\_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.4014.

15.8 \_\_\_\_ c. Time-of-day purchase rates under part 7835.4015.

15.9 A copy of the presently filed rate schedule is attached to this contract.

15.10 4. The Public Utility will buy electricity from the QF under the current rate schedule  
15.11 filed with the Commission. If the QF is not a net metered facility and has at least 40  
15.12 kilowatts capacity but less than 1,000 kilowatt capacity, the QF elects the rate schedule  
15.13 category hereinafter indicated:

15.14 \_\_\_\_ a. Simultaneous purchase and sale billing rate under part 7835.4014.

15.15 \_\_\_\_ b. Time-of-day purchase rates under part 7835.4015.

15.16 A copy of the presently filed rate schedule is attached to this contract.

15.17 5. The Public Utility will buy electricity from a net metered facility under the current  
15.18 rate schedule filed with the Commission or will compensate the facility in the form of a  
15.19 kilowatt-hour credit on the facility's energy bill. If the net metered facility has at least 40  
15.20 kilowatts capacity but less than 1,000 kilowatts capacity, the QF elects the rate schedule  
15.21 category hereinafter indicated:

15.22 \_\_\_\_ a. Kilowatt-hour energy credit on the customer's energy bill, carried forward  
15.23 and applied to subsequent energy bills, with an annual true-up under part 7835.4017.

15.24 \_\_\_\_ b. Simultaneous purchase and sale billing rate under part 7835.4014.

15.25 \_\_\_\_ c. Time-of-day purchase rates under part 7835.4015.

15.26 A copy of the presently filed rate schedule is attached to this contract.

16.1           ~~5~~ 6. The rates for sales and purchases of electricity may change over the time this  
16.2 contract is in force, due to actions of the Utility or of the Commission, and the QF and the  
16.3 Utility agree that sales and purchases will be made under the rates in effect each month  
16.4 during the time this contract is in force.

16.5           ~~6~~ 7. The Public Utility, Cooperative Electric Association, or Municipally Owned  
16.6 Electric Utility will compute the charges and payments for purchases and sales for each  
16.7 billing period. Any net credit to the QF, other than kilowatt-hour credits under clause 5,  
16.8 will be made under one of the following options as chosen by the QF:

16.9           \_\_\_ ~~1~~ a. Credit to the QF's account with the Utility.

16.10          \_\_\_ ~~2~~ b. Paid by check to the QF within 15 days of the billing date.

16.11          ~~7~~ 8. Renewable energy credits associated with generation from the facility are  
16.12 owned by:

16.13

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16.14          ~~8~~ 9. The QF must operate its electric generating facilities within any rules,  
16.15 regulations, and policies adopted by the Utility not prohibited by the Commission's  
16.16 rules on Cogeneration and Small Power Production which provide reasonable technical  
16.17 connection and operating specifications for the QF. This agreement does not waive the  
16.18 QF's right to bring a dispute before the Commission as authorized by Minnesota Rules,  
16.19 part 7835.4500, and any other provision of the Commission's rules on Cogeneration and  
16.20 Small Power Production authorizing Commission resolution of a dispute.

16.21          ~~9~~ 10. The Utility's rules, regulations, and policies must conform to the Commission's  
16.22 rules on Cogeneration and Small Power Production.

16.23          ~~10~~ 11. The QF will operate its electric generating facilities so that they conform to  
16.24 the national, state, and local electric and safety codes, and will be responsible for the  
16.25 costs of conformance.

16.26          ~~11~~ 12. The QF is responsible for the actual, reasonable costs of interconnection  
16.27 which are estimated to be \$\_\_\_\_\_. The QF will pay the Utility in this

17.1 way: \_\_\_\_\_

17.2 \_\_\_\_\_

17.3 ~~12~~ 13. The QF will give the Utility reasonable access to its property and electric  
17.4 generating facilities if the configuration of those facilities does not permit disconnection  
17.5 or testing from the Utility's side of the interconnection. If the Utility enters the QF's  
17.6 property, the Utility will remain responsible for its personnel.

17.7 ~~13~~ 14. The Utility may stop providing electricity to the QF during a system  
17.8 emergency. The Utility will not discriminate against the QF when it stops providing  
17.9 electricity or when it resumes providing electricity.

17.10 ~~14~~ 15. The Utility may stop purchasing electricity from the QF when  
17.11 necessary for the Utility to construct, install, maintain, repair, replace, remove,  
17.12 investigate, or inspect any equipment or facilities within its electric system.  
17.13 The Utility will notify the QF before it stops purchasing electricity in this  
17.14 way: \_\_\_\_\_

17.15 \_\_\_\_\_

17.16 ~~15~~ 16. The QF will keep in force liability insurance against personal or property  
17.17 damage due to the installation, interconnection, and operation of its electric generating  
17.18 facilities. The amount of insurance coverage will be \$ \_\_\_\_\_ (The amount  
17.19 must be consistent with the Commission's interconnection standards under Minnesota  
17.20 Rules, part 7835.4750).

17.21 ~~16~~ 17. This contract becomes effective as soon as it is signed by the QF and the  
17.22 Utility. This contract will remain in force until either the QF or the Utility gives written  
17.23 notice to the other that the contract is canceled. This contract will be canceled 30 days  
17.24 after notice is given.

17.25 ~~17~~ 18. This contract contains all the agreements made between the QF and the Utility  
17.26 except that this contract shall at all times be subject to all rules and orders issued by  
17.27 the Public Utilities Commission or other government agency having jurisdiction over

18.1 the subject matter of this contract. The QF and the Utility are not responsible for any  
18.2 agreements other than those stated in this contract.

18.3 THE QF AND THE UTILITY HAVE READ THIS CONTRACT AND AGREE  
18.4 TO BE BOUND BY ITS TERMS. AS EVIDENCE OF THEIR AGREEMENT, THEY  
18.5 HAVE EACH SIGNED THIS CONTRACT BELOW ON THE DATE WRITTEN AT  
18.6 THE BEGINNING OF THIS CONTRACT.

18.7 \_\_\_\_\_

18.8 QF

18.9 By: \_\_\_\_\_

18.10 \_\_\_\_\_

18.11 \_\_\_\_\_

18.12 UTILITY

18.13 By: \_\_\_\_\_

18.14 \_\_\_\_\_

18.15 (Title)

18.16 **7835.9920 NONSTANDARD PROVISIONS.**

18.17 A utility intending to implement provisions other than those included in the uniform  
18.18 statewide form of contract must file a request for authorization with the commission. The  
18.19 filing must conform with chapter 7829 and must identify all provisions the utility intends  
18.20 to use in the contract with a qualifying facility.

18.21 **REPEALER.** Minnesota Rules, parts 7835.2300; 7835.2500; 7835.2700; 7835.2900;  
18.22 7835.4800; 7835.4900; 7835.5000; 7835.5100; 7835.5200; 7835.5300; 7835.5400;  
18.23 7835.5500; 7835.5600; 7835.5700; and 7835.5800, are repealed.

# Office of the Revisor of Statutes

## Administrative Rules



**TITLE:** Adopted Permanent Rules Relating to Cogeneration and Small Power Production

**AGENCY:** Public Utilities Commission

**MINNESOTA RULES:** Chapter 7835



**RULE APPROVED**  
**OFFICE OF ADMINISTRATIVE HEARINGS**

8/28/2015

**DATE**

[Signature]  
**ADMINISTRATIVE LAW JUDGE.**

The attached rules are approved for  
filing with the Secretary of State

[Signature]

Ryan S. Inman  
Assistant Deputy Revisor

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