

**216B.1611 INTERCONNECTION OF ON-SITE DISTRIBUTED GENERATION.**

Subdivision 1. **Purpose.** The purpose of this section is to:

- (1) establish the terms and conditions that govern the interconnection and parallel operation of on-site distributed generation;
- (2) provide cost savings and reliability benefits to customers;
- (3) establish technical requirements that will promote the safe and reliable parallel operation of on-site distributed generation resources;
- (4) enhance both the reliability of electric service and economic efficiency in the production and consumption of electricity; and
- (5) promote the use of distributed resources in order to provide electric system benefits during periods of capacity constraints.

Subd. 2. **Distributed generation; generic proceeding.** (a) The commission shall initiate a proceeding within 30 days of July 1, 2001, to establish, by order, generic standards for utility tariffs for the interconnection and parallel operation of distributed generation fueled by natural gas or a renewable fuel, or another similarly clean fuel or combination of fuels of no more than ten megawatts of interconnected capacity. At a minimum, these tariff standards must:

- (1) to the extent possible, be consistent with industry and other federal and state operational and safety standards;
- (2) provide for the low-cost, safe, and standardized interconnection of facilities;
- (3) take into account differing system requirements and hardware, as well as the overall demand load requirements of individual utilities;
- (4) allow for reasonable terms and conditions, consistent with the cost and operating characteristics of the various technologies, so that a utility can reasonably be assured of the reliable, safe, and efficient operation of the interconnected equipment; and
- (5) establish (i) a standard interconnection agreement that sets forth the contractual conditions under which a company and a customer agree that one or more facilities may be interconnected with the company's utility system, and (ii) a standard application for interconnection and parallel operation with the utility system.

(b) The commission may develop financial incentives based on a public utility's performance in encouraging residential and small business customers to participate in on-site generation.

Subd. 3. **Distributed generation tariff.** Within 90 days of the issuance of an order under subdivision 2:

- (1) each public utility providing electric service at retail shall file a distributed generation tariff consistent with that order, for commission approval or approval with modification; and
- (2) each municipal utility and cooperative electric association shall adopt a distributed generation tariff that addresses the issues included in the commission's order.

Subd. 4. **Reporting requirements.** (a) Each electric utility shall maintain records concerning applications received for interconnection and parallel operation of distributed generation. The records must include the date each application is received, documents generated in the course of

processing each application, correspondence regarding each application, and the final disposition of each application.

(b) Every electric utility shall file with the commissioner a distributed generation interconnection report for the preceding calendar year that identifies each distributed generation facility interconnected with the utility's distribution system. The report must list the new distributed generation facilities interconnected with the system since the previous year's report, any distributed generation facilities no longer interconnected with the utility's system since the previous report, the capacity of each facility, and the feeder or other point on the company's utility system where the facility is connected. The annual report must also identify all applications for interconnection received during the previous one-year period, and the disposition of the applications.

**History:** 2001 c 212 art 3 s 1