MEGA Informal Comments on MN-DIP
for MPSC DG/Interconnection Meeting of 1-10-19

These informal comments are submitted by MEGA for discussion purposes, recognizing that efforts will be made to coordinate industry comments and electric members may have differing positions as this process moves forward. MEGA individual members may provide comments as well.

A. MPSC Process

1. It may be necessary to revisit earlier sections of the MN-DIP as later changes relate back to issues with the earlier language. The ability to refer back as needed should not be unduly restricted.

2. Participation at the informal stage should not prohibit a participant from making comments on any issue at the formal stage of rulemaking.

3. At some point, there needs to be an effort to transform the MN-DIP into appropriate Michigan rule form.

4. We appreciate the time allowed for this process to develop a good draft rule and address many issues in developing the draft. Flexibility is important.

5. The Request for Rulemaking will need to lay out problems with the existing rules to be addressed through this process. There should be some consideration of what is right or wrong with the existing interconnection rules, beyond simply accepting that MN has it entirely right.

6. MEGA will make efforts to coordinate with other industry participants to aid in this process.

B. Foreword

1. Michigan rulemaking does not typically include an advisory "foreword" with statements of purpose, general interpretive minimum standards and expressions of appreciation. Such matters could be included in an MPSC order, although not binding for later interpretation of the rules.

2. The last sentence about the standards being a "living document" is not consistent with the Michigan legal requirements for administrative rules. The rulemaking process is used for updates and amendment.

3. Legal rulemaking authority is set forth in a preamble to Michigan rules. The relevant law providing for the rules is Part 5 of 2008 PA 295 (as amended); particularly MCL 460.1173(1). The statutes contain detailed requirements that must be respected in the rules: 10-year life, annual consumption limit, project selection in order of applications received, statewide

uniformity, uniform application, application fee cap, code compliance, metering, true and modified net metering and more.

4. Companion documents, such as a standard interconnection agreement and technical requirements, could be adopted through rulemaking; however, flexibility to adjust these documents quickly is lost if they become part of the rules. A less formal, voluntary process could be used or the MPSC could provide for filing of applications to approve forms and procedures as was done with the existing standards for the smaller Project Categories. See R 460.615.

5. Footnote 2 incorporates an attachment with certified codes and standards (Attachment 4). That attachment contains a provision to automatically update the referenced standards. This conflicts with the Michigan APA provision allowing incorporation by reference but requiring rule amendment to update the incorporated standards. MCL 24.232(4).

C. Sections 1 – 1.4 of MN-DIP

1.1.1: The MN process applies to defined DERs that include storage devices. Michigan law speaks of distributed generation (DG) but not energy storage. There is no statutory definition in MI comparable to the definition of DER in the MN standards. IEEE 1547-2018 includes storage (but not EVs, DR and efficiency) as a DER but the question is whether there is a conflict if MI rules enlarge the statutory concept. This may require stator amendments.

Michigan statutes use the term "electric provider" in MCL 460.1005 and "electric utility" in MCL 460.1171 (for the DG programs). Introducing a new definition such as "Area EPS Operator" (from IEEE) may be confusing and arguably expand DG program regulation to municipal and cooperative utilities not subject to MPSC rate regulation or the statutory DG program requirements.

1.1.1.4: Use of attachments may conflict with MI rule format – flow charts can be helpful and may need to be in the rule itself.

1.1.2: Michigan rules include defined terms as part of the rule itself. See R 460.601a. There are statutory definitions that also apply.

1.1.3: The date specified (6-17-19) is based on Minnesota law. Michigan rules would apply on and after the effective date and existing interconnection rules would apply before that.

1.1.4: This point is already covered in other rules and statutes. See MCL 460.1173(1) and (6)(b).

1.1.5: Michigan has no uniform statewide contract established in a statute that would replace a contract under the rules. The draft MN standards indicate two possibilities for the contract, one by statute and one by the standards. A similar approach in MI will complicate the effort.

The pre-application report process is a much more detailed requirement than the no cost technical consultation under R 460.620(1) in the current rules. Does the "up to $300" fee conflict with the $50 maximum in MCL 460.1175(1)? The entire pre-application report process in Section 1.4.1 requires consideration of whether the process will impose significant compliance costs on utilities and how to handle potential situations where numerous batched requests are made or technical issues with one response hold up the process. Apparently, this has not been a problem in MN but there may not be enough experience yet. Most MEGA electric utilities are seeing low levels of DG requests.

Potential difficulties and administrative burdens, associated with pre-application information gathering, point to the need for a waiver process that does not require consent of all parties, similar to the existing provision of R 460.612 (good cause and public interest). Larger utilities are experiencing many simultaneous requests and if that occurs, the time deadlines could become difficult and a source of complaints and controversy.

1.4: See above comments concerning the pre-application process.

D. Simplified Process

Comments above concerning lack of a statutory contract option apply to this section, where such an option is assumed. The simplified process deadlines are no more restrictive, and in some cases better, than those set forth for Category 1 projects ($\leq$ 20 kW inverter based, certified) under existing R 460.620. This process appears workable for the smallest category of projects. Certified equipment is addressed in the statute, MCL 460.1173(6)(b). Use of Attachment 4 and automatic updating is problematic with rulemaking int his state, as noted above.