

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1174  
**Version:** As introduced

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**Subject:** Interconnection of distributed energy generation

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### Overview

In 2001, the legislature enacted legislation requiring the Minnesota Public Utilities Commission to convene a proceeding that would culminate in a commission order establishing terms and conditions for the interconnection of distributed generation facilities (those under 10 megawatts capacity) to a utility's grid. House File 1174 calls for a similar proceeding to update those terms and conditions in light of the experience of the last ten years and the different circumstances that prevail today with respect to these issues.

The proceeding called for in this bill would focus on interconnections with a utility's distribution system below 100 kilovolts. It calls for the tariff standards developed in a commission order to:

- encourage maximum penetration of distributed generation;
- expedite the application approval process;
- include payments for ancillary services and other system benefits provided by distributed generation;
- reflect the savings to utilities from distributed generation (avoided demand charges, lower transmission infrastructure costs)

The bill also requires the commission to develop financial incentives based on a utility's performance in encouraging distributed generation interconnection, such as steps taken to reduce barriers to distributed generation development and the extent to which a utility has analyzed available locations on its distribution system for interconnection and provided that information to developers. Annual reports from electric utilities to the commission must include a list of the most optimal locations for interconnection.