

October 28, 2011

VIA HAND DELIVERY AND E-MAIL

Mark D. Marini, Secretary
Department of Public Utilities
One South Station
Boston, MA 02112

RE: D.P.U 11-75 - Order on an Investigation by the Department of Public Utilities (DPU) on its own Motion into Distributed Generation Interconnection

Dear Secretary Marini:

The Department of Energy Resources (DOER) hereby submits these Initial Joint Comments under the *Order on an Investigation by the Department of Public Utilities (DPU) on its own Motion into Distributed Generation Interconnection, docketed as D.P.U. 11-75* (Order) issued on September 28, 2011.

DOER thanks the Department of Public Utilities (Department) for the opportunity to comment on this docket and looks forward to an opportunity to work with the various stakeholders throughout these proceedings.

On August 18, 2011, DOER filed the *Massachusetts Distributed Generation Interconnection Report* (the DG Report) produced by KEMA Consulting and petitioned the Department to improve the Interconnection process with ten (10) specific recommendations (Petition at 2). On September 28, 2011, the Department opened the investigation into interconnection (Order) and requested comments on the DOER petition, focusing on two specific areas of inquiry:

- a. the appropriate scope of the proceeding, including issues that should be addressed
- b. the procedural mechanisms that are best suited to investigate such issues¹

I. Signatories to the Joint Comments

The Department also encouraged “interested persons to submit comments jointly, when possible” (Order at 3). DOER recognizes there are many stakeholders affected by this proceeding with a potential for many diverging viewpoints. In the interest of seeking timely resolution to the issues presented, DOER has reached out to various stakeholders to achieve consensus around the best procedural path forward.

¹ Order at 3. The Department also stated, “Interested persons will have an opportunity to file substantive comments on DG interconnection issues at a subsequent phase of this investigation.”

In developing these comments the stakeholders generally agreed to the following:

1. Signing on to these Joint Comments does not foreclose any party from filing its own individual, more specific, comments on the subject matter;
2. Agreeing to the recommended procedural mechanisms described herein does not limit the access of any of the parties to due process, and;
3. The support for such procedural mechanisms, if utilized by the DPU, should not be in any way misconstrued as waiving the right of any party for a fully adjudicated public proceeding.

II. The Scope of the DG Interconnection Proceeding

The scope of these proceedings should encompass more streamlined, simplified, and uniform interconnection standards without sacrificing safe or reliable electric service. The Department should ensure that the utilities meet the timelines in the tariff, possibly improve them, provide a mechanism for tracking compliance with the tariff, and address an appropriate incentive and enforcement structure in alignment with these requirements.

III. Issues to be Addressed by This Proceeding

As part of the DG Report, DOER provided the Department with a list of recommendations, developed through the findings in the DG Report as well as anecdotal evidence garnered through DOER's assistance to numerous interconnection customers and project developers. DOER urges the Department to ensure these proceedings accommodate the issues raised by DOER as well as those raised by other parties. Recognizing that some recommendations may be difficult to fully implement in the near term and the potential challenges posed by a complete reform of the process, DOER urges the Department to seek, at minimum, incremental improvements having significant impacts rather than conducting a complete reform (or rebuild) of the existing tariffs.

Additionally, DOER includes as Attachment A a list of topics and issues that have been raised by a wide variety of stakeholders to DOER throughout its work in assisting developers with interconnection.

IV. Procedural Mechanisms to Investigate Such Issues

The Commenters believe that certain issues can and should be addressed swiftly, while others could be resolved through negotiation without extended hearings (provided with proper guidance and strict timelines). More contentious issues may require more formal investigation. Specifically, the Commenters recommend three methods of addressing issues in this proceeding:

- a. **Department Order for Immediate Changes:** To address issues that can be directed immediately without investigation

- b. **Department Order Creating a Working Group:** To address issues that can be resolved after brief collaboration (DPU to direct the Working Group to file a consensus proposal within 1-2 months)
- c. **Department Hearings:** To address issues that must be investigated further (e.g., any matters deemed inappropriate for the Working Group process)

In more detail, the Commenters agree that the Department has at its disposal the procedural mechanisms discussed below.

V. Department Order for Immediate Changes:

The Commenters agree that there are a number of issues already identified that need no further review in order for the Department to order changes immediately. Many recommendations are included in the DG Report filed by DOER. Arguably, certain recommendations could be implemented after some discussion with the utilities. Indeed, over the past few years DOER and the utilities have significantly improved matters where a tariff change is not needed.² However, some Commenters feel that certain improvements can only be made if the Department directs the utilities. The Commenters provide here a few brief examples of actions that DPU could direct without further review:

- 1) On-Line Application- Order that the distribution company RFP ordered under D.P.U. 11-11 require that the third party administrator have the capability to develop with the companies an on-line application for interconnection;
- 2) Make changes to the Tariff to correct any typographical errors. If these errors are the result of the use or interpretation of a faulty provision in the Model Tariff, then fix the Model Tariff;
- 3) Establish a DG Working Group to seek consensus on interconnection improvements with a report to be filed within 2 months (see below).

VI. Department Order Creating a Working Group:

The Commenters agree that the creation of a DG Working Group charged with the objective of delivering a report to the DPU within a short timeframe would yield significant improvements to the existing Interconnection Tariff. The Commenters believe a brief round of discussions between the DG Stakeholders (that is, those seeking to interconnect and the utility representatives implementing the Interconnection Tariff) could effectively identify issues, find solutions, and implement changes without burdening the Department with hearings on every issue.

² For instance, the utilities have agreed to certain voluntary reporting of interconnection projects following the Expedited and Standard Review processes and have been holding monthly DG Workshops.

The DG Working Group should be created by Department Order and should have the following objectives:

- 1) Ensure the report is filed no later than at the end of 2011; therefore an Order should be issued as close to November 15 as possible.
- 2) Seek consensus on the best approach for each recommendation or issue listed by DPU. As a first step, survey the stakeholders to determine the following:
 - a) How important is each issue?
 - b) What level of agreement exists on the solution?
 - c) How much time is needed to address each issue?
- 3) File a DG Working Group Report within 2 months of the Department Order, with final recommendations or, in the alternative where necessary, progress on the following issues:
 - a) areas of agreement;
 - b) issues needing to be addressed;
 - c) for issues of agreement: provides specific solutions to be directed by the Department;
 - d) for issues *without* agreement: provide a summary of the disagreement and potential procedural mechanism to resolve (e.g., whether the group agreed on seeking an extension for the working group or could only be resolved in Department hearings).

The Commenters believe that there is a desire and ability to achieve consensus on many issues raised in this proceeding, but nonetheless believe that the Working Group would benefit from an independent facilitator from the Department to ensure a cohesive productive process.

VII. Department Hearings:

The Commenters agree that there may be some areas where consensus may not be achieved and should be resolved through formal adjudicated hearings at the Department.

While it is clear that there are a number of different procedural mechanisms (e.g., technical sessions vs. expert witness testimony involving cross examination conducted by various interveners), the group agrees that the Department should determine the scope and scale of the hearings on the merits while balancing the need for thoroughness and timeliness in issuing its decision.

Joint Comments Regarding a DG Collaborative

It is important to note that the DG Report strongly urged the Department to reinvigorate the DG Collaborative. It is the sense of the Commenters that, although certain less pressing issues could be addressed through ongoing collaboration over extended time periods and regular meetings³, a structure like the former DG Collaborative should not be used. While that approach effectively

³ But, perhaps only as a standing DPU directed DG Working Group. See, for example, the effectiveness of the Electronic Business Transactions Working Group conducted in an orderly fashion on a monthly basis with representatives of both the Licensed Competitive Suppliers and the utilities, made necessary by the implementation of the Restructuring Act.

produced the Model Interconnection Tariff, the group sensed that utilizing such a structure at this time would be a drain on resources for the developers and utility representatives.

In closing, the Commenters hope these comments are useful to the Department as it deliberates on these important matters, and DOER again thanks the Department for the opportunity to provide these comments. We look forward to continued participation through reply comments and other proceedings the Department may order.

Sincerely,



Courtney Feeley Karp, Esq.
cc: Service List

Stakeholders Endorsing the Joint Comments

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Founder / V.P. of Development
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{Signing in individual capacity and not as a legal representative of the Net Metering Coalition}

Barry J. Sanders
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Attachment A: Interconnection Issues Raised by DG Stakeholders in MA

| | TOPIC |
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| TC-1 | 1. Timelines- Establish how long it should take the utilities to process an interconnection application in the best of circumstances, with adequate staffing, and then establish binding timelines for the interconnection process. (DOER/KEMA) |
| TC-2 | 2. Fees- Establish what it would cost the utilities to provide interconnection services that meet those timelines and determine if utilities are currently under-collecting. (DOER/KEMA) |
| TC-3 | 3. Penalties/Incentives- Design an incentive structure that encourages the utilities to engage the appropriate staffing to meet these newly-established timelines. Among the incentives considered should be increased application and interconnection fees, penalties for failing to meet the timelines and creating incentives within Service Quality metrics. (DOER/KEMA) |
| TC-4 | 4. On-Line Application- Revise the tariff to mandate the creation of a uniform on-line interconnection application system consistent with recommendation 3 on pages 118-121 of the KEMA report. (DOER/KEMA) |
| TC-5 | 5. Upgrade Standards- Require the utilities to establish transparent criteria for what triggers the requirement of various system upgrades paid for by interconnecting customers, and a formal process by which the utilities update the criteria. (DOER/KEMA) |
| TC-6 | 6. Area Networks- Revise the tariff to require utilities to address area networks. DOER to lead collaboration to make interconnection consistent with IEEE 1547.6 (now approved); review and enhance monitoring efforts; research other jurisdictions (including international progress) (DOER/KEMA) |
| TC-7 | 7. Application Process – Reduce delays from requests for additional information; establish all information required up front. (DOER/KEMA) |
| TC-8 | 8. Alternate Dispute Resolution- Make consistent with new ombudsperson role. (DOER/KEMA) |
| TC-9 | 9. Interconnection Application– Ask applicants: “Have you attended a DG Workshop?” (utilities/DOER) |
| TC-10 | 10. Fix typos in the Interconnection Agreement. (utilities/developers) |
| TC-11 | 11. Insurance Requirements - Prohibit requirements for additional insurance (DOER/IREC) |
| TC-12 | 12. External Disconnect- Prohibit the use of a redundant external disconnect switch (DOER/IREC) |
| TC-13 | 13. Optional Detailed Cost Study- Make the Detailed Study optional for those willing to waive estimate with accuracy within 10%. (utility) |
| TC-14 | 14. Accelerated Track- Provide an option for an accelerated track for those willing to pay. (utility/developers) |
| TC-15 | 15. Construction Timelines- Add post-agreement steps in the tracking of timelines – Construction / Upgrades. Make case-by-case timing of construction in interconnection agreements binding. (DOER) |

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| TC-16 | 16. Circuit Queue- Establish a protocol to handle a queue of multiple projects on one circuit. Address cost sharing, identification of parties, standard for cancellation, formalize rationale for capacity limits at substations. (utility) |
| TC-17 | 17. Interconnection Costs- Review requirement of the tax markup on upgrades for public entities. (customer) |
| TC-18 | 18. Upgrade Costs- Analyze benefits provided by installed DG and required upgrades. Revise standard to accommodate cost sharing. (developer) |
| TC-19 | 19. Establish a uniform list of project documentation required at the following stages (a) application, (b) construction completion, (c) witness test. (DOER/KEMA/developer) |
| TC-20 | 20. Intentionally islanded distribution systems (microgrids)- Revise the tariff to require utilities to address microgrids. DOER to lead collaboration to make interconnection consistent with IEEE 1547.4 (now approved); review and enhance monitoring efforts; research other jurisdictions (including international progress) (developer) |
| NT-1 | Non-Tariff Changes #1: Process Assistance / Dispute Resolution: Hire an ombudsperson at DPU who will hear and quickly resolve interconnection disputes between developers and utilities. (DOER/KEMA) |
| NT-2 | Non-Tariff Changes #2: Collaboration: Require the utilities to continue ongoing collaborative efforts with DOER, including the new technologies working group, interconnection workshops, and other efforts that DOER may direct. (DOER/KEMA) |
| NT-3 | Non-Tariff Changes #3: Process Awareness: Require the utilities to increase reporting of certain interconnection project tracking data. (DOER/KEMA) |
| NT-4 | Non-Tariff Changes #4: Process Awareness: Require the utilities to collect and publish information to optimize results of DG site selection, with specific attention given to recommendation 3.5 on pages 120-121 of the KEMA report. (DOER/KEMA) |
| NT-5 | Non-Tariff Changes #5: Process Awareness: Convene Working Group to clarify/document guidance for ISO vs. state interconnection (DOER to lead) (DOER/KEMA) |
| NT-6 | Non-Tariff Changes #6: Establish a "Developer Accreditation" or "Certified Developer" process that would allow quicker interconnection timelines. (developer) |
| NT-7 | Non-Tariff Changes #7: Ensure procedures are uniform across utilities, particularly adopting the best practices of each. (developer) |
| NT-8 | Non-Tariff Changes #8: Investigate utility upgrade requirements to determine less expensive and equally effective configurations (particularly for projects <250 kW). (developer) |
| NT-9 | Non-Tariff Changes #9: Develop a Guidebook for "MA DG Installers" consistent with an approach used in NY state. (developer) |