### STATE OF MICHIGAN

## BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion, to	)	
promulgate rules governing electric interconnection	)	
and distributed generation, and rescind	)	Case No.U-20890
legacy interconnection and net metering rules.	)	
	_)	

### Introduction

Although the Michigan Energy Innovation Business Council ("Michigan EIBC") does not agree with the arguments made by Consumers Energy Company and DTE Electric Company in a Joint Petition for Rehearing ("Joint Petition") filed in this Docket on April 14, 2022, Michigan EIBC appreciates the opportunity to respond to the issues raised in the Joint Petition and to comment on the revised version of the MIXDG rules as proposed by the Commission in its March 17, 2022 Order ("final MIXDG rules"). Overall, Michigan EIBC is broadly supportive of the revised version of the MIXDG rules proposed by the Commission and believes that these standards will help enable the safe, but timely, interconnection of distributed energy resources ("DERs") in Michigan. Given that these rules have not been updated in more than a decade and given the changes that the electric grid has experienced over that time, it is critical that the Commission is able to provide improved guidance, timelines, and standards to meet the needs of the modern grid.

Michigan EIBC has been deeply involved in the Commission's process over the last four years to update the state's interconnection standards. In addition to participating throughout the workgroup process and submitting comments as appropriate, Michigan EIBC submitted comments and a redline of the draft MIXDG rules on November 1, 2021. Among the issues raised by Michigan EIBC in those comments/redline and consistently throughout the workgroup process were issues highlighted in the Joint Petition including those related to limited-export

controls and standard fees. Responses to the concerns raised, as well as other comments on the proposed revised MIXDG rules, are outlined below.

# **Limited-Export Controls**

In general, as stated in previous comments to the Commission, Michigan EIBC strongly believes that the MIXDG rules should include specific standards and definitions to allow for power-limited export DERs. The use of energy storage is growing significantly in Michigan among residential and commercial customers, and we anticipate increasing interest in distribution-connected storage as well. It is important that the interconnection standards spell out how storage will be treated and evaluated during the interconnection screening and study process, as is done in the final MIXDG rules. Furthermore, Michigan EIBC encourages the Commission to bear in mind that limitations on energy exports from DERs will be influenced by implementation of the Federal Energy Regulatory Commission's ("FERC") Order No. 2222. This rule will enable DERs to participate alongside traditional resources in the regional organized wholesale markets through aggregations, opening U.S. organized wholesale markets to new sources of energy and grid services. As FERC itself explains, the rule "will help provide a variety of benefits including lower costs for consumers through enhanced competition, more grid flexibility and resilience, and more innovation within the electric power industry." Clearly FERC Order No. 2222 envisions energy export from DERs.

It is important to note that in the absence of clear Commission rules, as is currently the case, limited-export DERs are not treated consistently across the state. Michigan EIBC members work with customers who have encountered significant roadblocks for behind-the-meter solar plus storage systems with limited export. Specifically, in some cases, customer interconnection requests have been denied because the total capacity of a solar plus storage system is greater than 100 percent of the customers' annual electricity consumption despite the export (as limited by the inverter or power control system) of the solar plus storage system being far less than that amount. We expect this will also be a challenge for front-of-the-meter distribution connected storage. It is important to recognize that export from DC coupled solar plus storage systems is

<sup>&</sup>lt;sup>1</sup> Federal Energy Regulatory Commission. "FERC Order No. 2222: Fact Sheet." September 17, 2020. Available at: <a href="https://www.ferc.gov/media/ferc-order-no-2222-fact-sheet">https://www.ferc.gov/media/ferc-order-no-2222-fact-sheet</a>.

limited by the inverter (and therefore, the total potential output is not the sum of the capacity of the solar system and the storage system). Similarly, in AC coupled systems, energy storage systems will have their own inverters which can limit export.

Throughout the process to develop the final MIXDG rules, Michigan EIBC recommended that the Commission include specific limited-export standards for the utilities to follow as detailed in the 2019 Model Interconnection Rules from the Interstate Renewable Energy Council ("IREC"). These model rules follow guidance provided by FERC Order 845, which allows an interconnection customer to request service at a lower level than the nameplate generating facility capacity with the proper control technologies in place.

Consumers Energy and DTE Electric claim in their Joint Petition that "proposed Rules R 460.920 and R 460.980 appear designed to foreclose these electric utility legal rights and threaten the safety and reliability of the electric system in Michigan . . ." The utilities appear to be concerned specifically about R 460.980, subsection 4(e), which reads:

(e) DERs may utilize, a Nationally Recognized Testing Laboratory Certified Power Control System and inverter system that results in the DER disconnecting from the distribution system, ceasing to energize the distribution system or halting energy production within 2 seconds if the period of continuous inadvertent export exceeds 30 seconds. Failure of the control or inverter system for more than 30 seconds, resulting from loss of control or measurement signal, or loss of control power, must result in the DER entering an operational mode where no energy is exported across the point of common coupling to the distribution system.<sup>3</sup>

If a power control system does experience a short period of inadvertent export, the utilities argue in their Joint Petition that "[the] proposed rules effectively allow 32 seconds of dangerous operation until the project needs to come back into compliance. This short amount of time can cause a transformer to fail catastrophically (potentially including a fire) and seriously impact

<sup>&</sup>lt;sup>2</sup> DTE Electric Company's and Consumers Energy Company's Joint Petition for Rehearing. Case No. U-20890. April 14, 2022. pp. 7-8.

<sup>&</sup>lt;sup>3</sup> Michigan Public Service Commission Order. Case No. U-20890. March 17, 2022. p. 44.

power quality to adjacent customers (potentially including appliance failures)."<sup>4</sup> For a number of reasons, as outlined below, this argument is false and should be rejected.

First, in general, the maximum amount of inadvertent export from a limited-export system for a short period of time is not sufficient to cause damage to conductors or thermal impacts. According to the Storage Interconnection Committee of the Building a Technically Reliable Interconnection Evolution for Storage ("BATRIES") Project Team, which conducted testing of power control systems, most are able to respond very quickly (i.e., within 10 seconds).<sup>5</sup> For example, of the 59 power control system devices on the California Energy Commission's approved solar equipment list, as of October 2021, all but one have an inadvertent export response time of 10 seconds or less. 6 Simply from a thermodynamics perspective, these potential short periods of inadvertent export cannot cause catastrophic thermal failures as suggested by the utilities. As stated by the BATRIES Project Team, "thermal impacts were not modeled for inadvertent export because both their level (110% max) and duration (typically 2-10 seconds) were below any known thresholds for concern." This is also true because utility infrastructure is designed to safely be operated in overload conditions, especially for these very short time periods, to ensure grid flexibility in meeting unexpected needs. For example, ISO-NE Capacity Rating Procedure requires infrastructure to be designed and rated for overloading operations for 15-minute emergencies and durations up to 12 hours.<sup>8</sup>

Second, the standards proposed by the Commission for limited-export in the final MIXDG rules are aligned with national certifications and codes from UL, the Institute of Electrical and Electronics Engineers ("IEEE") and the National Electrical Code ("NEC"). Currently, the UL 1741 Certification Requirement Decision ("CRD") for power control systems requires a response

<sup>&</sup>lt;sup>4</sup> DTE Electric Company's and Consumers Energy Company's Joint Petition for Rehearing. Case No. U-20890. April 14, 2022. p. 8.

<sup>&</sup>lt;sup>5</sup> Building a Technically Reliable Interconnection Evolution for Storage (BATRIES) Project Team. Storage Interconnection Team. "Toolkit & Guidance for the Interconnection of Energy Storage & Solar-Plus-Storage." March 2022. Available at: <a href="https://energystorageinterconnection.org/resources/batries-toolkit/">https://energystorageinterconnection.org/resources/batries-toolkit/</a>.

<sup>&</sup>lt;sup>6</sup> California Energy Commission. "*Inverter and Energy Storage System PCS List.*" Oct. 21, 2021. Available at: https://solarequipment.energy.ca.gov/Home/DownloadtoExcel?filename=PowerControlSystem.

<sup>&</sup>lt;sup>7</sup> Building a Technically Reliable Interconnection Evolution for Storage (BATRIES) Project Team. Storage Interconnection Team. "Toolkit & Guidance for the Interconnection of Energy Storage & Solar-Plus-Storage." March 2022. Available at: <a href="https://energystorageinterconnection.org/resources/batries-toolkit/">https://energystorageinterconnection.org/resources/batries-toolkit/</a>. pp. 82-83.

<sup>&</sup>lt;sup>8</sup> ISO-NE. "Capacity Rating Procedures by the System Design Task Force." Corrected October 2004. Available at: <a href="https://www.iso-ne.com/static-assets/documents/rules-proceds/isone-plan/pp07/capacity-rating-procedures.pdf">https://www.iso-ne.com/static-assets/documents/rules-proceds/isone-plan/pp07/capacity-rating-procedures.pdf</a>.

time of under 30 seconds to instances of inadvertent export. Similarly, the NEC, which is a standard for safety related to fires, includes a requirement that any inadvertent export is limited to less than 30 seconds. A similar situation can be found in the IEEE 1547-2018 standard, which requires in section 4.6.1 that a DER "shall be capable of disabling the permit service setting and shall cease to energize the Area EPS and trip in no more than 2 s." Section 4.6.2 goes on to indicate that "The DER shall limit its active power output to not greater than the active power limit set point in no more than 30 s or in the time it takes for the primary energy source to reduce its active power output to achieve the requirements of the active power limit set point, whichever is greater." In general, IEEE standards are developed by consensus and reflect the accepted best practice at the time of adoption. IEEE 1547-2018 was developed by a working group of more than 100 experts, and balloted by a pool of more than 300 voters, which was balanced across user communities, including electric utilities. An approval rate of at least 75% was required, with an answer provided to all comments. As such, it is clear that these standards reflect consensus, reasonable, best practices.

Third, the standards proposed by the Commission for limited-export in the final MIXDG rules are aligned with the Model Interconnection Procedures from IREC.<sup>11</sup> Moreover, Michigan EIBC is unaware of any state jurisdictions that have gone through a formal energy storage interconnection rulemaking process and have not adopted rules to enable limited-export allowances. While terminology may vary within the actual rules across different jurisdictions, Illinois recently adopted rules allowing for limited-export<sup>12, 13</sup> and similar rules are pending in New Mexico, Connecticut, Massachusetts, Vermont, and Puerto Rico. Furthermore, limited-export allowances and standards have been established within interconnection rules using a variety of approaches in New York, Maryland, Colorado, Arizona, Nevada, Minnesota,

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<sup>&</sup>lt;sup>9</sup> IEEE Standards Association. "IEEE Standard for Interconnection and Interoperability of Distributed Energy Resources with Associated Electric Power Systems Interfaces." 2018. Available at: <a href="https://web.nit.ac.ir/~shahabi.m/M.Sc%20and%20PhD%20materials/DGs%20and%20MicroGrids%20Course/Standards/IEEE%20Std%201547/IEEE%20Std%201547\*M-2018.pdf">https://web.nit.ac.ir/~shahabi.m/M.Sc%20and%20PhD%20materials/DGs%20and%20MicroGrids%20Course/Standards/IEEE%20Std%201547/IEEE%20Std%201547\*M-2018.pdf</a>.

<sup>10</sup> *Ibid.* 

<sup>&</sup>lt;sup>11</sup> Interstate Renewable Energy Council. "Model Interconnection Procedures." 2019. Available at: https://irecusa.org/resources/irec-model-interconnection-procedures-2019/.

<sup>&</sup>lt;sup>12</sup> Illinois Commerce Commission. Docket 20-0700. Final Order. May 25, 2022. Available at: <a href="https://www.icc.illinois.gov/docket/P2020-0700/documents/324414">https://www.icc.illinois.gov/docket/P2020-0700/documents/324414</a>.

<sup>&</sup>lt;sup>13</sup> Misbrener, K. "Illinois rule changes will simplify solar + storage interconnection." *Solar Power World*. Available at: <a href="https://www.solarpowerworldonline.com/2022/06/illinois-rule-changes-will-simplify-solar-storage-interconnection/">https://www.solarpowerworldonline.com/2022/06/illinois-rule-changes-will-simplify-solar-storage-interconnection/</a>.

California and Hawaii. In Hawaii, for example, limited-export standards have been in place since 2016. Despite the incredibly high penetration of DERs in Hawaii, Hawaiian Electric has not filed comments or discussed with stakeholders any record of thermal impacts or reported safety concerns related to inadvertent export from systems with limited-export controls.

Overall, it is clear both that multiple states have adopted or are adopting rules similar to what the Commission contemplates and to which Consumers Energy and DTE Electric object, and regardless of what rules a state adopts, the safety and technical standards still apply. For these reasons, Consumers Energy and DTE Electric's "safety arguments" should be seen for what they are — an attempt to dissuade the Commission from adopting meaningful updates to its interconnection rules that will advance customers' energy independence and resiliency.

#### **Standard Fees**

In general, as stated in previous comments to the Commission, Michigan EIBC believes that fees for the pre-application reports, simplified track (see comments below), non-export track, and fast track should be established uniformly by the Commission. It is well-established that interconnection applicants should pay the full costs of any required in-depth studies, but reasonable initial fee caps should also be established by the Commission. The final MIXDG rules establish reasonable fees for pre-application reports, non-export track, and fast track as well as initial fee caps for more in-depth studies. However, the utilities argue in their Joint Petition that "[there] is a problem with the fees that the MIXDG rules use for actions and studies required by the rules. . ."14

The initial fees established in the final MIXDG rules for the pre-application report (\$300), non-export track (\$100 + \$1/kWac), and fast track initial review (\$100 + \$1/kWac for certified DERs and \$100 + \$2/kWac for non-certified DERs) are aligned with those in the Model Interconnection Procedures established by IREC. <sup>15</sup> As such, similar standard fees have been

<sup>&</sup>lt;sup>14</sup> DTE Electric Company's and Consumers Energy Company's Joint Petition for Rehearing. Case No. U-20890. April 14, 2022. p. 18.

<sup>&</sup>lt;sup>15</sup> Interstate Renewable Energy Council. "Model Interconnection Procedures." 2019. Available at: https://irecusa.org/resources/irec-model-interconnection-procedures-2019/.

established by other states including, for example Illinois, <sup>16</sup> New Mexico, <sup>17</sup> Pennsylvania, <sup>18</sup> and Utah. <sup>19</sup> The reviews required by the utilities for the pre-application report, non-export track, and fast track initial review are relatively limited in scope. For example, in the final MIXDG rules, according to R 460.932, "[the] pre-application report may include only existing and readily available data. A request for a pre-application report does not obligate an electric utility to conduct a study or other analysis of the proposed DER if data is not readily available." Similarly, for the initial fast track review, the utility is required only to review the DER using a limited number of relatively simple initial review screens (R 460.946). There is no clear reason why Michigan's utilities should have significantly higher costs than other Midwest utilities to conduct these initial reviews or, if they do currently have higher costs, why efficiencies could not be found to decrease costs.

The fees, as outlined in the final MIXDG rules, for the pre-application report, non-export track, and fast track initial review are reasonable and should serve as reasonable limits on what a utility may collect. However, as outlined below, according to R 460.926 (4), an electric utility "that expects to incur costs greater than the fees listed in subrule (2) or initial fee caps listed in subrule (3) of this rule in the evaluation of an interconnection application may file a request for a waiver pursuant to R 460.910."<sup>20</sup> A determination as to whether such a waiver is warranted would likely be made by the Commission under an expedited proceeding and without the level of stakeholder participation that occurs during a contested case proceeding. Given the language in R 460.926, it is unclear whether a utility would have to prove, via the provision of actual expenses, that their costs exceed those listed in the final MIXDG rules to obtain a waiver. As such, Michigan EIBC

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<sup>&</sup>lt;sup>16</sup> Illinois Joint Committee on Administrative Rules. Title 83: Public Utilities, Chapter 1: Illinois Commerce Commission, Subchapter c: Electric Utilities, Part 466 Electric Interconnection of Distributed Generation Facilities. Available at: https://www.ilga.gov/commission/jcar/admincode/083/08300466sections.html.

<sup>&</sup>lt;sup>17</sup> New Mexico Commission of Public Records. Title 17: Public Utilities and Utility Services, Chapter 9: Electric Services, Part 568: Interconnection of Generating Facilities with a Rated Capacity up to and Including 10 MW Connecting to a Utility System. Available at: <a href="https://www.srca.nm.gov/parts/title17/17.009.0568.html">https://www.srca.nm.gov/parts/title17/17.009.0568.html</a>.

<sup>&</sup>lt;sup>18</sup> Commonwealth of Pennsylvania. Pennsylvania Code. Title 52, Chapter 69. Available at: <a href="https://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/052/chapter69/s69.2104.html&d=reduce#:~:text=\% 2069.2104.-</a>

<sup>&</sup>quot;Interconnection% 20application% 20fees., relating% 20to% 20interconnection% 20standards)% 3A.

<sup>&</sup>lt;sup>19</sup> Utah Admin. Code 746-312-13. Available at: <a href="https://casetext.com/regulation/utah-administrative-code/public-service-commission/title-r746-administration/rule-r746-312-electrical-interconnection/section-r746-312-13-interconnection-fees-and-charges.">https://casetext.com/regulation/utah-administrative-code/public-service-commission/title-r746-administration/rule-r746-312-electrical-interconnection/section-r746-312-13-interconnection-fees-and-charges.</a>

<sup>&</sup>lt;sup>20</sup> Michigan Public Service Commission Order. Case No. U-20890. March 17, 2022.

does not believe that a utility should be allowed to petition for a waiver of the fees listed in R 460.926 subrule (2) for the pre-application report, non-export track, and fast track initial review without a clear showing with evidence (e.g., through a contested case process) that reasonable utility processes to undertake these reviews cost more than the established fees.

### **Material Modifications**

In their Joint Petition, the utilities state that changes to the definition of "material modification" in the final MIXDG rules "presents the [utilities] with a virtually infinite number of illegal, unsafe, and unreliable configurations with no apparent recourse." Specifically, the Joint Petition notes concerns with the addition of a statement in R 460.901b(n) that "[replacing] a component with another component that has near-identical characteristics does not constitute a material modification." Michigan EIBC strongly encourages the Commission to reject these arguments and retain the language in R 460.901b(n), including the description of the required review to determine that a modification is material, in the final MIXDG rules.

Throughout the development of the MIXDG rules, Michigan EIBC provided comments emphasizing the importance of ensuring that fair, thorough reviews are conducted to determine whether or not a modification is "material" in nature. It is critical, as is done in the final MIXDG rules, that the Commission spell out clearly in the rules what types of changes are material and what types of changes are not material. This is especially important for projects that go through the study track, given that the time between initial application and approved interconnection agreement can be quite long. As a result, equipment or parts included in an initial application may no longer be available. If that is the case, it is critical that an applicant be able to substitute a "near-identical" component from a different manufacturer, and that such an allowance be clearly indicated in the rules.

Separately, it is critical in the legacy net metering ("LNM") and distributed generation ("DG") section of the MIXDG rules that the addition of energy storage to an existing DG system does

<sup>&</sup>lt;sup>21</sup> DTE Electric Company's and Consumers Energy Company's Joint Petition for Rehearing. Case No. U-20890. April 14, 2022. p. 13.

not result in an applicant being terminated from the LNM or DG program. The final rules state in R 460.1001 (7)(c) that:

The addition of an energy storage device to an existing approved legacy net metering program system or distributed generation program system is considered a material modification. The electric utility interconnection procedures must include details describing how energy storage equipment may be integrated into an existing legacy net metering program system without impacting the 10-year grandfathering period or participation in the distributed generation program.<sup>22</sup>

It appears that the intention of the Commission is to avoid the situation where a rooftop solar customer in the LNM or DG program with multiple years still left on their agreement is removed from the program when that customer adds an on-site energy storage system. However, if the addition of an energy storage device to an existing LNM or DG program system is considered a material modification (as stated in the final MIXDG rules), it is likely that a utility would require a customer adding an energy storage device to file a new interconnection application, which could trigger removal from the LNM or DG program. However, given that these systems would be export-limited with an inverter or power supply controller, the addition of storage will not increase the generation capacity of the customer's electric generator. As such, based on a plain reading of section 183 of Public Act 342, it would be illegal to remove the customer against their will from the LNM or DG program prior to the end of the grandfathering period.<sup>23</sup> This will become more critical toward the end of 2022 as installations near the DG program caps for both DTE Electric and Consumers Energy. If the relevant DG cap has been reached, a customer who needs to reapply when adding a storage system may find the DG program closed and then may not only not be able to add their storage device, but also, may be unable to continue to use their existing solar panels. If the Commission retains the language in R 460.1001 (7)(c), it is critical that the Commission also clearly confirm that utility procedures must ensure that customers are not harmed.

<sup>&</sup>lt;sup>22</sup> Michigan Public Service Commission Order. Case No. U-20890. March 17, 2022. p. 49.

<sup>&</sup>lt;sup>23</sup> Public Act 342 of 2016. Section 183. Available at: <a href="https://www.legislature.mi.gov/documents/2015-2016/publicact/htm/2016-PA-0342.htm">https://www.legislature.mi.gov/documents/2015-2016/publicact/htm/2016-PA-0342.htm</a>.

# **Simplified Track**

In the final MIXDG rules as proposed, the Commission deleted the simplified track, which was a set of limited screens to evaluate level 1 or level 2 projects. Throughout the process to develop the MIXDG rules, Michigan EIBC advocated for and supported the addition of the simplified track. Although the screens in the simplified track were a subset of those included in the fast track, by selecting the screens most critical to evaluate small projects, the simplified track would enable a faster, more streamlined evaluation of the smallest on-site generators that are very unlikely to require additional study.

Michigan EIBC strongly recommends that the Commission retain the simplified track in the MIXDG rules. In addition to the ability to streamline projects, the simplified track also required that the fee for the simplified track plus any LNM or DG program application fee could not together exceed a total of \$50. However, with the deletion of the simplified track (as is done in the final MIXDG rules), level 1 and 2 projects would instead go through fast track, which has a fee of \$100 + \$1/kWac. There is no language in the final MIXDG rules to ensure that a customer would not be charged both a LNM or DG program application fee of \$50 plus a fast track fee of \$100 + \$1/kWac. A customer with a 50 kW level 2 project applying for interconnection under the DG program would have paid \$50 in total under the previous version of the MIXDG rules. With the elimination of the simplified track, that same customer may have to pay a \$50 application fee for the DG program plus a \$150 fee for the fast track, for a total of \$200. In addition to the ability to streamline and quickly review level 1 and 2 projects, the retention of the simplified track would provide clear, reasonable, and standard fees for customers. Moreover, increased fees for level 1 customers do nothing to help ensure that middle- and lower-income customers can access DERs. It is these customers who could often benefit most from the longterm savings provided by DERs.

# **Interconnection Penalties**

Michigan EIBC observes that the interconnection penalties provided for in R 460.990 only apply to DERs greater than 100 kW. Smaller systems are more frequently associated with smaller customers, who are less likely to have the resources to protect their right to interconnect under the MIXDG rules. Allowing an electric utility to impede interconnection for smaller systems

without consequences sends the wrong message to utilities and treats smaller customers as second-class customers. Michigan EIBC recommends that the Commission revise R 460.990 to remove 100 kW limitation on the availability of penalties as follows:

R 460.990 Interconnection penalties.

Rule 90. Pursuant to section 10e of 1939 PA 3, MCL 460.10e, an electric utility shall take all necessary steps to ensure that DERs are connected to the distribution systems within their operational control. If the commission finds, after notice and hearing, that an electric utility has prevented or unduly delayed the ability of a DER greater than 100 kW to connect to the distribution system of the electric utility, the commission may order remedies designed to make whole the applicant proposing the DER, including, but not limited to, reasonable attorney fees. If the electric utility violates this rule, the commission may order fines of not more than \$50,000 per day, commensurate with the demonstrated impact of the violation.

#### **Recommended Clarifications**

As the Commission considers further comments on the MIXDG rules, Michigan EIBC suggests certain clarifications to improve the rules and facilitate interconnection.

First, related to informal mediation under R 460.904, rule 4(3) provides that the parties to an interconnection dispute may request informal mediation by a Commission interconnection ombudsperson. The rule, however, does not specify any timeframe by when such informal mediation must occur. Because time is often important to the interconnection process and the MIXDG rules *require* other dispute resolution steps that may be needed before an interconnection dispute is resolved, Michigan EIBC suggests that the Commission require an initial meeting with the ombudsperson within 10 days of the request for informal mediation being submitted. The absence of such language may unnecessarily prolong the resolution of an interconnection dispute. Specifically, Michigan EIBC recommends that Rule 4(3) be revised as follows:

(3) In the event that parties are unable to resolve the dispute privately, the parties may, by mutual agreement, make a written request for informal mediation to the commission staff. The informal mediation shall **commence within 10 days of submission of the written request and** be conducted by an interconnection ombudsperson who shall be a member of the commission staff and designated by the commission. Both parties may choose to have attorneys or appropriate representation present.

Second, related to R 460.906 and the provisions governing formal mediation, rule 6(1) provides that if "the parties have been unable to resolve a dispute through the informal mediation process under R 460.904, the parties shall then attempt to resolve the dispute in the following manner:" This language implies that informal mediation is required, but R 460.904 clearly characterizes informal mediation as voluntary after the direct discussion and informal negotiation required under Rule 4(2). Because time is often important in interconnection, Michigan EIBC agrees with treating informal mediation as an optional step in the dispute resolution process. To remedy this inconsistency with R 460.904, Michigan EIBC recommends revising Rule 6(1) of R 406.906 to read as:

(1) If the parties have been unable to resolve a dispute through <u>either the</u>

<u>required direct discussion or informal negotiation or</u> the <u>voluntary</u> informal mediation process under R 460.904, the parties shall then attempt to resolve the dispute in the following manner:

Third, we recommend a revision related to R 460.910, which provides for waivers. As written, Rule 10 is ambiguous as to which party has the burden of demonstrating the necessity of a waiver, the duration of any waiver, and the circumstances under which a waiver may be granted. Michigan EIBC proposes deleting the existing Rule 10 and replacing it with the following:

R 460.910 Waivers

Rule 10. (1) The Commission may, on application of an electric utility, customer, alternative electric supplier, or interconnection customer, or on its own motion,

grant a temporary or permanent waiver from 1 or more provisions of these rules in situations in which the Commission finds that:

- (a) the provision from which the waiver is granted is not statutorily mandated;
- (b) there is good cause for the waiver, and it is in the public interest; and
- (c) the provision from which the waiver is granted would, as applied in the presented situation, be unreasonable or unnecessarily burdensome.
- (2) The burden of proof in establishing a right to a waiver shall be on the party seeking the waiver.
- (3) An applicant for a waiver may request expeditious processing.

Fourth, related to interconnection applications under R 460.936, rule 36(7)(b) sets forth the electric utility's obligation to provide a written list of deficiencies in an interconnection application and how such deficiencies are to be addressed. Importantly, however, the rule does not prevent the utility from later adding to the list new, unrelated deficiencies. To prevent a utility from unnecessarily prolonging the interconnection process, the Commission should clarify the rule to confirm the utility's obligation to provide a *comprehensive* list of deficiencies within 10 days of submission of an interconnection application. Michigan EIBC proposes the following modification of Rule 36(7)(b):

(b) If the application is incomplete or non-conforming, the electric utility shall provide to the applicant a written list of all deficiencies with the notification. The applicant shall have 60 business days from the date of electric utility notification to submit the necessary information and may provide up to 2 submissions during this time period. After each submission of information, the electric utility shall have 10 business days to notify the applicant that the interconnection application is either accepted or rejected due to continuing deficiencies. A utility may not identify additional deficiencies beyond those originally identified. If the applicant does not meet the timelines required by this rule, the utility may withdraw the application.

Michigan EIBC's final recommendation is related to the requirement in R 460.938 that an electric utility publish on its website a list of interconnection requests it has received. As written, the rule seems to suggest that in a month in which no changes have occurred, no update whatsoever is required to the list. In such situations, it would not be clear whether the lack of an update is due to the lack of any changes or the failure to update the list as required. To avoid any confusion, Michigan EIBC recommends that the rule require a utility to at least update the list to indicate that no changes have occurred since the prior month. Michigan EIBC suggests the following language to reflect this:

(1) An electric utility shall maintain a publicly available interconnection list, which is available in a sortable spreadsheet format. The sortable spreadsheet must be provided to the public upon request. An electric utility that has received not less than 100 complete interconnection applications in a year shall publish this list on the electric utility's website. The public interconnection list must be updated monthly. If unless-no changes to the spreadsheet have occurred in that month, a note to that effect must be clearly indicated on the spreadsheet. The date of the most recent update must be clearly indicated.