

Interconnection Standards Timeline and References

On June 5, 2000, Public Act 141 of 2000 took effect. Subsection 10e(3) provides:
"The commission shall establish standards for the interconnection of merchant plants with the transmission and distribution systems of electric utilities. The standards shall not require an electric utility to interconnect with generating facilities with a capacity of less than 100 kilowatts for parallel operations. The standards shall be consistent with generally accepted industry practices and guidelines and shall be established to ensure the reliability of electric service and the safety of customers, utility employees, and the general public. The merchant plant will be responsible for all costs associated with the interconnection unless the commission has otherwise allocated the costs and provided for cost recovery."

Michigan Customer Choice and Electric Reliability Act - Public Act 141

<http://www.cis.state.mi.us/mpsc/electric/restruct/pa141.htm>

By its order dated June 19, 2000, the Michigan Public Service Commission initiated a proceeding (Case No. U-12485) to establish standards for the interconnection of merchant plants with the transmission and distribution systems of electric utilities. As a part of this proceeding, the Commission directed its Staff to consult with electric utilities, owners and operators of merchant plants and proposed merchant plants in Michigan and other relevant stakeholders. The Commission further directed the Staff to file a status report on the results of its consultations by August 31, 2000, and a final report by October 2, 2000. The Staff Status Report was filed on August 31, 2000. This document is known as the Staff's Final Report on Establishing Interconnection Standards.

Case No. U-12485 is found here:

<http://efile.mpsc.cis.state.mi.us/cgi-bin/efile/viewcase.pl?casenum=12485>

Final Report On Establishing Interconnection Standards

(A Report by the Michigan Public Service Commission Staff - October 2, 2000)

<http://efile.mpsc.cis.state.mi.us/efile/docs/12485/0005.pdf> (27 KB)

Public Act 141 of 2000 also outlined requirements for a Michigan Renewables Energy Program in Subsection 10r (6). On December 14, 2000, the MPSC Staff submitted a comprehensive proposal for implementation of such a program. Subsequently, on April 17, 2001, the MPSC initiated a proceeding to develop such a program (Case No. U-12915).

While the broad goal of the Public Act 141 legislation was to increase awareness of renewables in Michigan and promote new renewable energy facilities development, one of the key issues addressed in the staff proposal was interconnection barriers to small scale renewables and all distributed generation. However, it was not clear how directly the interconnection standards case (U-12485) would impact the renewables and distributed generation community since PA 141 language stated that the interconnection standards developed "shall not require an electric utility to interconnect with generating facilities with a capacity of less than 100 kW for parallel operations."

The Commission did, however, "encourage" electric utilities to adopt interconnection standards for systems smaller than 100 kW and had recently approved a new tariff for Detroit Edison customers with small distributed generators (U-12827, 02/14/01). Michigan electric utilities were ordered to file their draft proposed interconnection standards with an allowance of 30 days for public comment afterwards. The Commission adopted positions on some major issues, including classification by project size, timeliness of review of applications, and reasonable interconnection study costs. Furthermore, the Commission stated it "is persuaded that all affected stakeholders also should be involved in the drafting of the standards."

In its final order in Case No. U-12485, the Commission stated the following:

"The Commission has determined that the next step should be to commence a rulemaking. Rulemaking is

an appropriate vehicle for implementing statutorily mandated standards. A rulemaking will focus on those standards that can be applied to all electric utility systems in Michigan, so that the rules prescribe as much uniformity as possible. At the same time, the rules will allow each utility to develop its own standards to make allowances for its own operating characteristics and clarify how the uniform standards should apply in a specific context. Other advantages of a rulemaking are that it will promote clarity in meaning, reduce the uncertainty of statutory and legal ambiguities, and provide a means to resolve issues that cannot resolve themselves through consensus.”

The final order in U-12485 initiated the rulemaking process in Case No. U-13745. The Commission’s final order in this case resulted in the following public announcement on July 8, 2003.

MPSC Adopts Revised Administrative Rules Governing Electric Interconnection Standards, U-13745
July 8, 2003
http://www.michigan.gov/mpsc/0,1607,7-159-16400_17280-71475--M_2003_7,00.html

The Michigan Public Service Commission (MPSC) today issued an order adopting revised administrative rules governing electric interconnection standards.

On March 26, the Commission issued an order seeking comment on proposed rules that implement Section 10e(3) of the Customer Choice and Electric Reliability Act. That Act requires the MPSC to establish standards for the interconnection of merchant plants with the transmission and distribution systems of electric utilities. The Commission received comments from two individuals, and a group of electric utilities and organizations representing electric utility interests jointly submitted a single set of comments.

Based on some of those comments, the Commission revised its proposed rules governing electric interconnection standards. Rules cover definitions; electric utility interconnection procedures; technical criteria; project applications; project filing fees; interconnection deadlines; additional services provided by electric utilities; pre-certified equipment; and waivers.

MPSC Chairman Laura Chappelle noted that, as the legislature envisioned, "the rules will ensure that developers of new power plants – whatever the size – will be connected to the grid in a safe and efficient manner."

The adopted revised rules will be submitted to the Legislative Service Bureau (LSB) and the Office of Regulatory Reform (ORR) for their approval. Upon approval of the administrative rules by the LSB and ORR, the rules will be submitted to the Joint Committee on Administrative Rules.

The MPSC is an agency within the Department of Consumer and Industry Services.

Case No. U-13745

MPSC Interconnection Standards Rules are available on the Internet at
http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=46000481&Dpt=&RngHigh=48702110

The Commission approved Interconnection Procedures for Michigan utilities in August 2004 Orders in Cases Nos. U-14085, U-14088, and U-14091.

U-14085 is for Northern States Power Company-Wisconsin, doing business as (d/b/a) Xcel Energy. See <http://efile.mpsc.cis.state.mi.us/cgi-bin/efile/viewcase.pl?casenum=14085>

U-14088 covers Alpena Power Company, Consumers Energy Company, The Detroit Edison Company, Edison Sault Electric Company, Upper Peninsula Power Company, Wisconsin Electric Power Company, d/b/a We Energies, Wisconsin Public Service Corporation and the Michigan Electric Cooperative Association. See <http://efile.mpsc.cis.state.mi.us/cgi-bin/efile/viewcase.pl?casenum=14088>

U-14091 is for Indiana Michigan Power Company, d/b/a American Electric Power. See <http://efile.mpsc.cis.state.mi.us/cgi-bin/efile/viewcase.pl?casenum=14091>

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