

June 27, 2003

Dr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East
St. Paul, MN 55101-2147

Re: In the Matter of ALL ELECTRIC COMPANIES Establishing Generic Standards for
Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities Under MN
Law, Chapter 212 (Docket No.: E999/CI-01-1023)

Dear Dr. Haar,

Clean Water Action Alliance (CWAA) welcomes the opportunity to comment on the above
docket and submit the attached comments for the Commission's consideration.

Sincerely,

Andrea Kiepe
Energy Program Organizer

cc: **Docket No.: E999/CI-01-1023** Service list

**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

LeRoy Koppendrayner
Ellen Gavin
Marshall Johnson
Phyllis Reha
Gregory Scott

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of ALL ELECTRIC COMPANIES
Establishing Generic Standards for
Utility Tariffs for Interconnection and
Operation of Distributed Generation
Facilities Under MN Law, Chapter 212

Docket No.: E999/CI-01-1023

26 June 2003

**REPLY COMMENTS OF CLEAN WATER ACTION ALLIANCE (CWAA) ON THE
DEPARTMENT OF COMMERCE'S FINAL REPORT ON THE DISTRIBUTED
GENERATION WORKING GROUPS**

Clean Water Action Alliance (CWAA) welcomes the opportunity to comment on the Department of Commerce's Final Report on the Distributed Generation Working Groups. CWAA is a community-based environmental organization with over 55,000 members throughout Minnesota. As a member of the Sustainable Energy for Economic Development (SEED) coalition and the Minnesotans for an Energy-Efficient Economy (ME3) Coalition, CWAA has worked for the transition away from coal and nuclear generation towards cleaner, non-polluting sources of energy for over ten years.

CWAA support the comments of the Distributed Generation Coalition. Leveling the playing field for DG projects is a very important step toward making the transition to cleaner, safer sources of electricity. Removing barriers to DG offers additional benefits beyond reducing the health and environmental damage from power plant pollution. Decreasing the need for investments in transmission infrastructure, diversifying fuel sources and increased resource planning flexibility are but a few potential rewards of DG. It is clearly in the public interest to adopt rules that eliminate the obstacles that currently face DG projects, particularly for renewable energy. Fairness towards these projects in the new standards is very important.

CWAA is especially supportive of these DG Coalition recommendations:

- DG customers should receive a payment (credit) for producing renewable energy, in an amount at least equal to the additional price that utilities charge in their green pricing premium, minus administrative costs,
- electric utilities should not be allowed to apply the demand ratchet if a customer installs DG at its facility,
- DG customers who wish should always receive payments (credits) for the capacity value of the energy they produce, providing their DG system is certified,
- standby rates should be waived for small renewable generators.

Finally, CWAA urges the Commission to promote renewable DG as much as possible within rulemaking.