

DG RATE GROUP TARIFF MEETING

August 7, 2002

Docket No.E999/CI-01-1023

Summary of Events

The Work Group agreed that:

1. The Group will use the Department of Commerce agenda proposed in the July 17, 2002 letter to potential participants as the guideline for a working agenda. The items listed in the DOC agenda are as follows:
 - A. Determine which modes of operation should be covered under the tariff (i.e., Continuous Parallel interconnection, Momentary Parallel interconnection [few minutes at most], Isolated non-grid connected operation).
 - B. Which other services should be covered under the tariff (such as Standby power Supplemental power, and Maintenance power).
 - C. Determine the principles to be used in setting the appropriate rates (i.e., avoided costs or other methods).
 - D. Procedural issues, such as time line, minutes of the meeting, etc.
2. The Group will generally meet every three weeks. To accommodate requests by participants, the next meeting will be on Wednesday September 4th, at which time a subsequent meeting date will be set.
3. The Group will need to clearly define Supplemental service, Standby service, and Maintenance service to avoid possible confusion during future discussions. The participating utilities agreed to provide their own existing definitions to the DOC around August 15th.
4. The Group began to discuss the first two items (A) and (B) in the agenda. Regarding (A) *Determine which modes of operation should be covered under the tariff (i.e., Continuous Parallel interconnection, Momentary Parallel interconnection [few minutes at most], Isolated non-grid connected grid operation)*, the Group decided that the following Methods of Operation should be included in the future discussions:
 - a) Isolated (non parallel or non synchronized)
 - b) Parallel
 - i) Buy-all sell-all setup
 - ii) Supplemental only
 - iii) Supplemental with additional output being sold to the utility
 - c) Momentary Parallel

5. Regarding (B) *Which other services should be covered under the tariff (such as Standby power, Supplemental power, and Maintenance power)*, the Group decided that other services include, at a minimum:
 - a) Interconnection Services
Paul Lehman (Xcel) will provide a draft Interconnection Services definition
 - b. Supplemental service
 - c. Standby service
 - d. Maintenance service

The Group will discuss at the meeting whether any other items need to be added to this list.

The Group set the following for the September 4th agenda:

1. Finalize the list of other services to be covered under the tariff (including discussion of definition of interconnection services).
2. Determine the principles to be used in setting appropriate rates.

Miscellaneous:

The Group agreed all interested parties should attempt to:

- i) Gather as much helpful information as possible about DG rate issues. This includes searching such sources as NARUC, the Internet, regulatory commissions of other states, and FERC.
- ii) Assist one another by sharing information, and opening up channels of communication. The DOC will attempt to secure better meeting facilities to encourage better discussion among participants.
- iii) Accomplish as much as possible between meetings to ensure efficient use of meeting time.

All attending parties were asked to provide the name(s) of their representative(s), and an e-mail address and/or phone number where they can be contacted to the DOC. Kate O'Connell (DOC) has provided a complete e-mail/phone list to all interested parties. The DOC asks that anyone wishing to make an addition and/or amendment to this list contact Kate O'Connell at kate.oconnell@state.mn.us. If you suggest the name of a person other than yourself, please ensure that the person wishes to be added to the list. Also, we note John

Bailey of the Institute for Self-Reliance has developed an e-mail group for discussion of items. As such, please contact John at bailey@ilsr.org for any changes to that list.

The DOC would like to inform the people on service list that the only way to get e-mail interim reports on the workgroup from the DOC is to contact the DOC (as identical above), and ask to be on the e-mail list. However, all parties on the service list will still receive official documents by mail simply by being on the service list. (Anyone who wishes to remove their name from the official service list may contact the Minnesota Public Utilities Commission.)

The DOC would like to thank everyone for attending the first meeting. We look forward to working with the Parties in creating principles for developing DG tariffs.