Report From Agency

PUBLIC SERVICE COMMISSION OF WISCONSIN

In the Matter of the Rulemaking to Update Wisconsin Administrative Code Chapter PSC 119 for Interconnecting Distributed Generation Facilities 1-AC-256

Clearinghouse Rule No. 22-077

REPORT TO LEGISLATURE

I. Basis and Purpose of the Proposed Rule

The proposed rule updates the existing provisions of Wis. Admin. Code ch. PSC 119 (PSC 119), regarding the interconnection of customer-owned distributed generation facilities with the distribution system of electric public utilities. Updates were informed by the recommendations of a rulemaking advisory committee including representatives from utilities, distributed generation installers, customer and renewable energy advocates, and technical experts on distributed generation issues.

Updates are intended to account for the significant changes in distributed generation technology and operations since the current rules were promulgated in 2004. Specific updates include referencing new technical standards and codes; adding and refining rule definitions to reference considerations raised by new and updated technologies related to distributed generation that have emerged in recent years; and clarifying language related to testing and communication requirements to reflect present practices and requirements.

Updates are also intended to refine rule provisions related to the application process and information sharing. The volume of interconnection requests has substantially increased since the initial rules were promulgated and may continue to increase in future years. To ensure administrative requirements, remain fair and timely, and balance the interests of customers, installers and utilities, in the face of increased application volume, the proposed rule updates seek to clarify and update application process requirements and also update corresponding application forms. The proposed rule updates, including the revised application process, are designed to support more-effective information collection; update timing deadlines and decision criteria for application processing; update application-related fee levels and clarify requirements for fee administration; require utilities to provide more information on application requirements, processing of submitted applications, and grid conditions relevant to interconnections; and establish a more clearly defined dispute resolution process.

II. Summary of Public Comments

The Commission issued a draft economic impact analysis (EIA) and received three sets of comments. The joint set of comments from International Brotherhood of Electrical Workers (IBEW), Utility Local Unions, and Utility Workers Coalition (UWC) and the comments from the Wisconsin Utilities Association (WUA) did not indicate any issues or concerns. Sierra Club requested additional economic impact analysis, expressing concerns about the impact of fees on customers and companies installing distributed generation. The Commission concluded that the draft EIA already considered impacts on customers and distributed generation companies as well as other parties such as utilities and utility ratepayers and determined that no changes were necessary for the EIA.

The Joint Committee for the Review of Administrative Rules (JCRAR) requested that the Commission hold a preliminary hearing on the statement of scope. The Commission held a virtual hearing on March 19, 2021. No

formal comments were submitted at the hearing. The Commission received five written comments in support of the proposed rulemaking.
On November 29, 2022, the Commission held a virtual public hearing to solicit public input on the draft rules. The Commission received thirty-eight written comments from members of the public, Sierra Club, Northern States Power-Wisconsin (NSPW), and the Wisconsin Utilities Association (WUA). Utility comments were generally in support of the proposed draft rules with suggestions to provide further guidance on timelines, suggestions to mitigate impacts of MISO affected system studies, suggestion to reduce privacy concerns from reporting on queues, and suggested modification of capacity definitions. Sierra Club disagreed with the conclusions in the Economic Impact Analysis and made several other suggestions. Public comments suggested reduction of insurance requirements beyond the increased flexibility provided in the proposed draft rules. The suggestions made in the comments were in nearly all cases discussed by the Advisory Committee over the course of the year it met, and therefore considered in developing the committee's recommendations. The Advisory Committee's final recommendations to the Commission represent proposed changes to the rules that are designed to balance the interests of the utilities, distributed generation installers, customer and renewable energy advocates, and other interested parties. At the Commission meeting on June 8, 2023, the Commission determined that rule language should be added to address certain public comments from WUA, NSPW, Sierra Club, and members of the public, including references to the impact of Midwest Independent System Operator (MISO) affected system studies on review timeframes, national security exceptions related to reporting on queues, and to require annual reporting if utilities assess engineering review and distribution study fees for certain interconnection applicants. These changes are further described in Section III.

III. Modifications Made

As described in Section VI., the Commission made changes to the final rule language and treatment of the rule sections based on feedback from Legislative Council. In instances in which the Commission did not agree with Legislative Council's feedback or Legislative Council requested additional clarity, the Commission provided explanations in Section VI. The Commission also made changes to address certain public comments. In PSC 119.04(7), the Commission added language allowing for an extension of distribution system study timelines if additional studies are required by the Midwest Independent System Operator (MISO). The Commission also added language to PSC 119.04(5) to allow for applications to be removed from monthly reporting due to national security concerns. This is to account for installations that may be located at military bases or other premises where national security concerns may be present. Finally, the Commission added language to require public utilities to report on engineering review and distribution study fees charged to interconnection applicants, if the public utility assesses these fees for Category 1 and 2 DG facilities.

IV. Appearances at the Public Hearing

There were no appearances or oral comments at the public hearing.

V. Changes to Rule Analysis and Fiscal Estimate

No changes were made to the rule analysis or fiscal estimate.

VI. Response to Legislative Council Rules Clearinghouse Report

The Legislative Council Rules Clearinghouse submitted comments on November 29, 2022. The comments pertained to: statutory authority; form, style, and placement in administrative code; adequacy of references to related statutes, rules and form; and clarity, grammar, punctuation, and use of plain language. Changes to the proposed rule were made to address recommendations by the Legislative Council Rules Clearinghouse. The Commission provided an explanation in instances in which the Commission did not take one of Legislative Council's recommendations or Legislative Council asked for additional clarification to explain rule language.

Comments related to Statutory Authority

Comment 1a. *- SECTION 27 of the proposed rule text includes a requirement that "reasonable efforts are made" not to adversely impact other complete applications when an exception is made under the provision. To ensure compliance with the requirement of uniform standards under s. 196.496 (2), Stats., consider whether another standard might be more appropriate, such as a determination that there is no material adverse impact on processing of other complete applications when an exception is made under the provision. Such revision would avert the ambiguity that may arise regarding an individual utility's interpretation of "reasonableness" under the provision as currently drafted.*

Response: Agree. The Commission revised the language as recommended by the Legislative Council to ensure compliance with s. 196.496 (2), Stats.

Comment 1b. - *More generally, the proposed rule makes numerous references incorporating the service rules of a public utility into the application and approval process for interconnection of a distributed generation facility. While the agency explains that these service rules are subject to agency oversight pursuant to ss. 196.20 and 196.37, Stats., the extent to which such rules vary from one utility to another is unclear. As such, it may be useful for the agency to consider or more clearly explain how the incorporation of service rules comports with the requirement of uniform standards under s. 196.496 (2), Stats., as significant variation between service rules could effectively result in different standards across the state.*

Response: Explanation. There are variations in service rules across the state and between different utilities as each utility has differing design criteria at the point of interconnection. Local jurisdictions have varying requirements for in-home electrical configurations with which DG facilities need to interact. Therefore, it is difficult to prescribe standard service rules that would meet these varying requirements. For example, a utility may have service rules dictating the maximum allowable distance from the electric service circuit breaker box to the utility meter. Other utilities may have different distances or may not have a requirement at all. These variations relate to requirements set forth by local jurisdictions, which are managed in the utility service rules appropriately and may impact the safe interconnection of a DG facility.

Comments related to Form, Style and Placement in the Administrative Code

Comment 2a. *- In addition to the comments below, the agency should generally review s. 1.07 of the Manual, relating to the appropriate use of definitions. For example, all definitions should be reviewed to avoid incorporation of substantive provisions.*

Response: Disagree. The definitions for categories seek to describe the nature of the DG facility being referenced. Determination of a category as a procedure would prove burdensome and confusing. The identification of the category that defines a DG facility is foundational to understanding which requirements and prohibitions in the rules apply. Another similar example of where physical electrical equipment is defined using capacities is the definition for large electric generating facilities in s. 196.491 (g).

Comment 2b. *- The agency should review the proposed rule for compliance with s. 1.04 (4) of the Manual, relating to the proper indication of amendments to existing rule provisions. For example, SECTION 32 should be revised to properly amend the word "upon" and to show stricken material prior to underscored material.*

Response: Agree. The Commission has revised Section 32 (now Section 31 with renumbering) and reviewed the entire rule to ensure compliance with s. 1.04 (4) of the Manual, relating to the proper indication of amendments to existing rule provisions.

Comment 2c. *- Throughout the proposed rule, references to tables should include "PSC" in the table name. For example, in SECTION 44, write "Table PSC 119.05-1" rather than "Table 119.05-1".*

Response: Agree. The Commission has revised Sections 44 and 46 (now Section 43 and 45 with numbering) to "Table PSC" then the corresponding administrative code number as recommended by Legislative Council.

Comment 2d. *– Throughout the proposed rule, cross-references should conform to the style described in s. 1.15 of the Manual. [See, e.g., the references in SECTION 42, which should be revised to "sub. (4) (a), (c), or (g)".]*

Response: Agree. The Commission has revised Section 42 (now Section 41 with renumbering) and reviewed and revised the entire rule to conform with s. 1.15 of the Manual.

Comment 2e. *– SECTIONS 1 to 4 propose to amend the definitions of the various categories of DG facilities. While these categories are used to describe DG facilities, the definitions provide that the categories themselves are DG facilities (e.g., "'Category 1' means a DG* ***facility****…"). [Emphasis added.] These SECTIONS of the rule could be amended to define "Category 1 facility", "Category 2 facility", "Category 3 facility", and "Category 4 facility".*

Response: Disagree. The use of a category as a descriptor of a DG facility is common practice in the existing rules, and throughout the state and the industry. Other states have similar definitions which use either categories or levels to describe the type or size of distributed generation facilities. The Commission has changed references to a Category "DG Project" to "facility" to match the terminology of facility.

Comment 2f. *– SECTIONS 2 to 4 each refer to a non-exporting energy storage system, but in a slightly different manner than the similar reference in SECTION 1, resulting in confusion. As such, it appears the provisions would benefit from further revision. Additionally, the requirements of these provisions should be reviewed for consistency with SECTION 9, which appears to define nameplate rating as the default definition of export capacity.*

Response: Partially Agree and Explanation. The Commission has removed "paired" from the definition of "Category 1" in Section 1 so that this Section is consistent with Sections 2 to 4 and Section 9. Section 9 is not in conflict with Sections 1, 2, and 3 as the export capacity describes either the full nameplate capacity or a lower amount if there are components that reduce the capacity. Sections 1, 2, and 3 reference which capacity should be used depending on the size of the non-exporting component of the system. As such, each definition for capacities feed into the definitions for categories appropriately. The appearance of the nameplate as the default definition for any capacity is correct as it is inclusive of all systems, whether or not that system includes components that may or may not have the ability to reduce or limit the capacity of the system to export to the distribution system.

Comment 2g. *– SECTION 5 proposes to define "energy storage system" to mean "devices", rather than "a device". This definition could be modified to indicate whether an energy storage system must necessarily consist of several devices, or if a single device could constitute a system.*

Response: Agree. The Commission has revised Section 5 to clarify that energy storage system consists of "a device" or "devices."

***Comment 2h.** – SECTIONS 6 through 8 propose definitions of "energy storage system max continuous output (kW in alternating current)", "energy storage system max usable energy (kWh in alternating current)", and "Energy storage system peak output (kW in alternating current)". However, neither these terms, nor variations on these terms, appear in the proposed rulemaking order, or ch. PSC 119, as currently promulgated. The definitions should be omitted or text should be provided within the rulemaking order to make use of these terms. The same consideration could be made with respect to SECTION 10.*

Response: Partially Agree and Explanation. The Commission has removed Section 10 from the rule language. The defined terms in Sections 6 through 8 apply to the standard application form that is being updated with the proposed rule. The defined terms provide clarity and information regarding the interconnection process to assist the customer and utility in understanding how to complete the form. Therefore, the Commission has updated PSC 119.02 (16h), (16p), and (16t) to include a Note under each defined term that "the defined term should be used when completing the standard application form."

***Comment 2i.** – In SECTIONS 9 and 10, what are the means by which a limit on capacity lower than nameplate rating may be approved?*

Response: Explanation. The terms used in these sections are commonly understood in the industry and are derived from the IREC 2019 Model Interconnection Procedures, which is the basis and standard for many state interconnection rules and informs other aspects of the proposed rules for Wisconsin.

***Comment 2j.** – Considering the effects of SECTIONS 11 and 12, it appears the parenthetical clauses in SECTIONS 6 to 10 and 13 should be omitted. Also, these provisions modify the definitions of "kW" and "MW" to provide that these units reference units in alternating current, unless otherwise specified. However, it appears that neither the proposed rulemaking order, nor ch. PSC 119, as currently promulgated, include an instance where "kW" or "MW" is specified to mean something other than alternating current.*

Response: Agree and Explanation. The Commission has revised Sections 6, 7, 8, 9, and 13 (now Section 12 with renumbering) to omit the parenthetical clauses as recommended by Legislative Council. As noted in the response to 2h., the Commission has removed Section 10 from the rule language. The inclusion of the parenthetical clauses related to specifying each definition as units in alternating current as the definitions were being developed was helpful in development to technical experts. Additionally, the use of establishing the units served to reduce confusion with the energy component of some system capacities which might be measured in "kWh". Ultimately the definitions can still be appropriately interpreted without specifying the units since the wording is correct in differentiating power and energy.

***Comment 2k.** – SECTION 13 of the proposed rulemaking order uses the slashed alternative "and/or". If the thought to be expressed involves a choice between one of two alternatives, or both, the proper phrasing to be used is "_________ or _________, or both". [See s. 1.08 (1) (d), Manual.]*

Response: Agree. The Commission has revised Section 13 (now Section 12 with renumbering) from "and/or" to "or" and "or both" to indicate a choice between the two alternatives as recommended by Legislative Council.

***Comment 2l.** – SECTION 14 proposes to amend the definition of "point of common coupling". The second sentence of the proposed definition should be modified as it is currently an incomplete sentence. Additionally,*

the proposed definition is ambiguous to the extent that it is unclear when the defined term is equivalent to "service point" and when it is not.

Response: Agree. The Commission has revised the incomplete sentence in Section 14 (now Section 13 with renumbering). The sentence seeks to add clarity by referencing the practice for uniform or standard installations. There are many possible exceptions which would not be possible to comprehensively describe. The definition aligns with the definition found in IEEE 1547-2018, which also references how the point of common coupling is determined using definitions from the National Electrical Code and National Electrical Safety Code.

Comment 2m. *– In SECTION 15, the order of code citations could be swapped to "chs. PSC 114 and SPS 316" in order to match the sequence of references to the national electric codes.*

Response: Agree. The Commission has swapped the order of "chs. PSC 114 and SPS 316" to match the sequence of references to the national electric codes as recommended by Legislative Council.

Comment 2n. *– As referenced in SECTION 17, the agency should clarify the decision to require "supplements" and the relationship of those supplements to the completeness of an application.*

Response: Explanation. The standard application form explains when supplements are appropriate as they are labeled and related to technology type. The technology types include, energy storage system, solar photovoltaic, wind turbine, and generator. The supplements are required when a given technology type is being applied for as part of the distributed generation facility.

Comment 2o. *– In SECTION 39, s. PSC 119.04 (4) (h) (intro.) and 3. result in a confusing interaction between the 10-day deadline of the introductory material and "completion" of a waiver under subd. 3. Is the testing right waived if no action is taken by a public utility within 10 working days? [See, for comparison, the "deemed withdrawn" effect of applicant non-compliance in SECTION 31.] Additionally, in SECTIONS 39 and 40, par. (h) (intro.) and pars. (i) and (j) appear to be in conflict as to who, between an applicant and a utility, must obtain or conduct the referenced testing.*

Response: Explanation. The deadline does not provide that the utility waives its right to test by default. If the utility fails to meet its deadline this may result in a regulatory response or review of a customer complaint. The rules do not prescribe which entity conducts the testing as it may involve roles performed by either party or both parties depending on which of the routes in subd. 1 through 3 are selected.

Comment 2p. *– In SECTIONS 40 and 42, what is the relationship between an interconnection agreement and an interconnection approval memorandum in s. PSC 119.04 (4) (k) and (6), respectively?*

Response: Explanation. The interconnection approval memorandum serves as advanced notification of an anticipated interconnection agreement and provides applicants an advantage as they develop projects. The memorandum affirms that the application is approved and conceptually agreed upon by both the applicant and utility and acknowledges that the physical interconnection is planned to occur in the future. This affirmation provides applicants the ability to commit to constructing the facilities given a long potential time span, particularly on many larger projects, between when contracts may be signed and when final interconnection agreements may become available.

***Comment 2q.** – The treatment clause for SECTION 55 references creation of pars. (c) and (d), but the provisions do not appear in the rule text. Also, as currently proposed, the text of SECTIONS 54 to 56 may be consolidated into a single SECTION that creates s. PSC 119.20 (15), (16), and (16) (Note).*

Response: Agree. The Commission has revised Section 55 (now Section 54 with renumbering) to remove references to pars (c) and (d) in the treatment clause and has also consolidated Sections 54 to 56 (now Section 53) into a single section that creates s. PSC 119.20 (15), (16), and (16) (Note).

***Comment 2r.** – In SECTION 57, the treatment may be consolidated to the amendment of s. PSC 119.25 (1) and (3) (intro.) and (b) 6.*

Response: Agree. The Commission has revised the treatment clause in Section 57 (now Section 54 with renumbering) to consolidate the amendment of s. PSC 119.25 (1) and (3) (intro.) and (b) 6.

***Comment 2s.** – SECTION 62 should be reviewed for form and clarity. For example, what is the agency's intended purpose for the phrase "in compliance with the requirements of this chapter according to the provisions of this section" in s. PSC 119.40 (1)? Additionally, the agency should review s. PSC 119.40 (7) for clarity, and s. PSC 119.40 (3) for form and style, as it appears the paragraphs that subdivide the latter subsection do not follow the typical format in relation to the introductory material. Also, it appears that s. PSC 119.40 (1) refers to the interconnection application process, but subs. (4) and (8) refer to avoidance of disconnection, suggesting a relationship to an existing, previously approved interconnection. The provision could be clarified as to whether it applies to the application and approval process, or to existing connections, or both. Are existing connections governed by the agreement or approval memorandum referenced in SECTIONS 40 and 42?*

Response: Agree and Explanation. The Commission has revised language in s. PSC 119.40 (1) to clarify that the dispute process applies to disputes related to ch. PSC 119, including but not limited to, the application and approval process for interconnection under s. PSC 119.04 and to disconnections for current interconnections under s. PSC 119.09. Wis. Admin. Code § PSC 119.40 (7) uses the standard dispute language as other PSC chapters which reference a dispute process, including chs. PSC 113, 135, and 185. The Commission reorganized and revised s. PSC 119.40 (3) for form, style, and clarity, and it now has similar form and style to the other chs. PSC 113, 135, and 185. The dispute procedures would govern all disputes related to the interconnection rules in ch. PSC 119, although disputes related to interconnections completed before the enactment of revised rules would be assessed under the previous rules in place at the time of the interconnection. At this time there are no existing approval memorandums which would be subject to these requirements as that would be a new provision created by these proposed draft rules.

***Comment 2t.** – At the end of the proposed rule text, include the statement regarding publication in the Administrative Register, as described in s. 1.03 (4) of the Manual.*

Response: Agree. The Commission has added the statement regarding publication in the Administrative Register, as described in s. 1.03 (4) of the Manual at the end of the rule in Section 61 (now Section 60 with renumbering).

Comments related to Adequacy of References to Related Statutes, Rules and Form

Comment 4. – *In SECTION 31, the reference to "s. PSC 119(6)(a)" is invalid, and should be revised.*

Response: Agree. The Commission has revised the reference in Section 31 (now Section 30 with renumbering) to s. PSC 119.04 (4) (a) or par. (a) as it is written in Section 30. The previous reference to s. PSC 119 (6) (a) was incorrect and missing the section number.

Comments related to Clarity, Grammar, Punctuation and Use of Plain Language

Comment 5.a. *– Throughout the proposed rule and the existing ch. PSC 119, the agency should review the use of the phrases "DG facility", "DG project", and "DG system" to ensure that each phrase refers to a different concept. When referring to a single concept, the proposed rule and existing code should use the same phrase consistently throughout the rule text.*

Response: Agree. The Commission has reviewed the proposed rule and revised the language to replace "DG project", "project", or "DG application" with either "facility" or "DG facility" so that the same phase is used consistently throughout the rule text.

Comment 5.b. *– In SECTION 14, insert "a" before "DG facility" in the proposed rule text.*

Response: Agree. The Commission has revised Section 14 (now Section 13 with renumbering) to insert "a" before "DG facility."

Comment 5.c. *– SECTION 18 proposes to amend s. PSC 119.02 (35) (Note). The text of this note could be amended to eliminate the use of the second-person, for formality.*

Response: Agree. The Commission has revised Section 18 (now Section 17 with renumbering) to eliminate the use of the second-person by replacing "your" with "the" in front of "local electric utility" for formality.

Comment 5.d. *– In SECTION 21, the agency states that the defined term "may include" certain elements. In what circumstances are these elements included?*

Response: Explanation. The definition deliberately keeps general the circumstances of when certain elements are included, as there are technical considerations that guide whether and when each are needed on a given project. The definition provides clarification of what may be inclusive of telemetry. There is not an industry standard definition for which systems are included in telemetry in relation to distributed generation facilities and describing all elements that may be included would be overly burdensome.

Comment 5.e. *– In SECTION 27, the proposed rule text states that exceptions may be made if an applicant exceeds any timing requirements identified in s. PSC 119.06. This provision could be further clarified. For example, is exceeding a timing requirement the same as missing a deadline, in this instance? To further clarify the intent of the provision, consider stating more specifically what "exception" would apply if the applicant exceeds a timing requirement. Presumably, this would not allow the applicant to be considered earlier. Does it mean the application may be considered later, because it may be set aside until the missed requirement has been satisfied?*

Response: Explanation. The earliest an applicant may be considered is based on the order in which the application is deemed complete, which would be congruent with keeping a spot in a queue. The exception clause provides for extenuating circumstances in which an applicant can seek to maintain a queue position if a deadline is expected to be missed.

Comment 5.f. *– SECTION 41 includes the date September 1, 2023. Is this date related to an anticipated effective date of the proposed rule? If so, see s. 1.08 (1) (e) of the Manual for proper drafting style. If not, does the agency intend for this date to be applied retroactively or prospectively depending on the effective date of the proposed rule? Also in this SECTION, the rule text should be revised to avoid the use of parenthetical clauses.*

Response: Agree. The Commission revised Section 41 (now Section 40) to state "after the effective date of this paragraph…..[LRB inserts date]:" The intent is for all interconnection applications to be in the application queue for approval by the utility upon the effective date of the proposed rule. LRB will add the effective date of the rule once the rule is published and promulgated.

Comment 5.g. *– In SECTION 47, a table column is created under the heading "Commissioning Fee" and in the third cell down, for category 3, it appears to show $1,000 with a strike-through, but this should instead be underlined.*

Response: Agree. The Commission has made the recommended changes and underlined $1,000 in the table column for Category 3 in Section 47 (now Section 46 with renumbering).

Comment 5.h. *– In SECTION 49, if retained, the imposition of a $300 fee at the discretion of an individual utility could be revised for clarity to state that a utility "may assess a fee of up to $300". However, prior to retaining that type of discretionary fee, the agency should explain how such a fee would comport with the requirement of uniform standards under s. 196.496 (2), Stats.*

Response: Agree and Explanation. The Commission has revised Section 49 (now Section 48 with renumbering) to state that the utility "may" assess a fee "up to $300." The discretion for the utility to assess a fee for the pre-application report aligns with s. 196.496 (2), Stats., as this fee addresses application processing costs borne by utilities. The fee aligns with national standards such as the IREC 2019 Model Interconnection Procedures. Some variation between utilities regarding application processing costs is made allowable through the discretionary fee while a uniform maximum is imposed.

Comment 5.i. *– In SECTION 52, a space should be inserted after the comma and before the year "2021" in the date September 28, 2021.*

Response: Agree. The Commission has inserted a space after the comma and before the year "2021" in the date of September 28, 2021 in Section 52 (now Section 51 with renumbering).

Comment 5.j. *– Also in SECTION 52, after the date September 28, 2021, the word "listed" appears in the proposed rule text and it appears this should be removed. Or if the word "listed" is intentionally included, the meaning here should be clarified. See, also, SECTION 55, which uses similar phrasing.*

Response: Agree and Explanation. The Commission has revised Section 52 to remove the word "certified." The word "listed" in Section 52 (now Section 51 with renumbering) and Section 54 (formerly Section 55) conforms with industry standards which state that equipment is listed by a nationally recognized testing laboratory, or in this case more specifically the Underwriters Laboratories. This phrasing is used to describe the process in which equipment is certified, hence why the term "certified" was originally in the proposed draft rules but recognized to be redundant and removed.

Comment 5.k. *– In SECTION 54, could the agency directly establish "minimum standard technical and communication requirements" rather than deferring the establishment of those requirements to an applicant and a public utility?*

Response: Explanation. The agency cannot establish the minimum technical requirements as they would need to be established on a case-by-case basis for each DG facility. The communication requirements for different DG facility can range widely from no requirements at all up to very sophisticated system requirements. The industry standards related to communications protocols are in IEEE 1547-2018 which is incorporated by reference in the proposed draft rules, but there are not industry standards related to the communication medium that may or may not be needed to interconnect certain DG facilities.

Comment 5.l. *– In SECTION 58, what is the relationship between the two cited standards, UL 1741 and the "applicable codes and standards listed in s. PSC 119.025"? Could the required standards be consolidated directly in a single rule provision?*

Response: Explanation. Section 58 (now Section 55 with renumbering) specifically references UL 1741 as the applicable standards but also references applicable codes to include electrical codes and local building codes as they may apply.

Comment 5.m. *– In SECTION 60, could the phrase "site conditions acceptable to both parties" be clarified or further defined?*

Response: Explanation. This phrase cannot be further defined as it is intentionally designed to allow for variations in weather conditions at the time of the testing. There is also consideration for variation in the operational status of equipment and its availability to perform certain functions at the time of testing.

Comment 5.n. *– In SECTION 61, how does the term "party responsible for the re-testing" differ from the previous standard of "party requesting such re-testing"? It may be useful for the agency to provide additional detail for the departure from the "requesting party" standard.*

Response: Explanation. The utility may require re-testing for failure of the applicant to represent aspects of their facility correctly through the interconnection application process. Therefore, the responsible party may or may not be the party requesting the re-testing depending on the situation. The phrasing in this section was developed to encompass the variety of possible re-testing scenarios that may arise throughout the interconnection process.

VII. Final Regulatory Flexibility Analysis

The proposed rule changes are not expected result in significant economic impact on small businesses. The definition of "small business" in Wisconsin Stat. § 227.114 (1) states that to be considered a small business, the business must not be dominant in its field. Since utilities are monopolies in their service territories, they are dominant in their fields and are not small businesses. The Commission's fiscal estimate and economic impact analysis also determined that the proposed rules will not have an economic impact on small businesses. The Commission sought input from all utilities, electric cooperatives, installers of distributed generation technology, manufacturers of distributed generation technologies, customer advocates, Wisconsin Utilities Association, Utility Workers' Coalition, and National Federation of Independent Businesses.

VIII. Response to Small Business Regulatory Review Board Report

The Small Business Regulatory Review Board did not prepare a report on this rule proposal.

IX. Wisconsin Environmental Policy Act and Housing Analysis

The Commission evaluated whether the rules would have an environmental impact and concluded that the rules do not result in any possible significant, adverse environmental or social impacts. Therefore, preparation of an environmental assessment or environmental impact statement under Wisconsin Stat. § 1.11 was not necessary. The Commission completed an evaluation of the potential impact on housing under Wisconsin Stat. § 227.115 and concluded the rules do not impact housing.