

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Consideration of)	
Adoption of the PURPA Section 111(d)(15))	Case No. EO-2006-0497
Interconnection Standard as Required by)	
Section 1254 of the Energy Policy Act of 2005)	

**Department of Natural Resources Expert Witness Richard Anderson's
Position Statement on Applicability of Prior State Action Exemption**

Issue: Has there been a prior state action in Missouri on interconnection?

Premise: Section 1254 of the Energy Policy Act of 2005 (EPAcT) calls for interconnection of distributed generation to be available to all customers, consistent with provisions of the Institute of Electrical and Electronics Engineers: IEEE Standard 1547-2003 for Interconnecting Distributed Resources with Electric Power Systems. In contrast, instead of invoking a single standard, Missouri's law, §386.887, RSMo, identifies six (6) sets of conditions with which a potential customer-generator is obligated to comply. As these are fundamentally different sets of conditions, the Public Service Commission should conclude that the enactment of § 386.887, RSMo in 2002 is not comparable to §1254 of EPAcT, and, therefore, does not constitute a prior state action, under the terms of EPAcT.

Discussion:

Section 1254 (a) of EPAcT requires that:

Each electric utility shall make available, upon request, interconnection service to any electric consumer that the electric utility serves. For purposes of this paragraph, the term 'interconnection service' means service to an electric consumer under which an on-site generating facility on the consumer's premises shall be connected to the local

distribution facilities. Interconnection services shall be offered based upon the standards developed by the Institute of Electrical and Electronics Engineers: IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, as they may be amended from time to time. In addition, agreements and procedures shall be established whereby the services are offered shall promote current best practices of interconnection for distributed generation, including but not limited to practices stipulated in model codes adopted by associations of state regulatory agencies. All such agreements and procedures shall be just and reasonable, and not unduly discriminatory or preferential.

(Emphasis Added)

The Missouri statute, § 386.887, RSMo, does not include a direct reference to the IEEE Standard 1547. This is not surprising as IEEE Standard 1547 was approved by the IEEE Standards Board in June 2003, nearly a year after the Missouri statute was adopted in 2002.

In contrast, instead of invoking a single standard, Missouri's law identifies six (6) sets of conditions with which a would-be customer-generator is obligated to comply.

They are:

1. ...all applicable safety, performance, synchronization, interconnection and reliability standards established by the commission,
2. the National Electrical Safety Code,
3. the National Electrical Code,
4. the Institute of Electrical, Electronics Engineers,
5. and Underwriters Laboratories.

6. Each qualified net metering unit used by a customer-generator shall also meet all reasonable standards and requirements established by the retail electric supplier.

A potentially more significant issue than the lack of a direct reference to IEEE Standard 1547 is whether the Missouri statute meets the *intent* of the EPAct standard. As the EPAct standard states that "interconnection services shall be offered based upon the standards developed by IEEE Standard 1547," it is appropriate to review the intent of this standard. IEEE describes the purpose of its 1547 standard as "to provide a uniform standard for interconnection of distributed resources with electric power systems. It provides requirements relevant to the performance, operation, testing, safety considerations, and maintenance of the interconnection."¹ (Emphasis Added)

Because the Missouri statute requires the customer to comply with "all applicable ...standards" established by multiple parties and also requires each customer-owned generator unit to meet "all reasonable standards and requirements established by the retail electric supplier", it does not promote a uniform interconnection standard and best practices intended by EPAct. (Emphasis Added).

Rather than assuring compliance with the best available practices, and minimizing the cost to utilities and customers, the lack of uniformity increases confusion and adds uncertainty, resulting in a corresponding increase in costs to customers, installers and utilities. In the course of my work at the Missouri Department of Natural Resources' Energy Center I frequently talk to Missourians who are interested in making use of renewable energy on their farm or in their home. It has become commonplace for callers

to express concern about the steps involved in obtaining the approval of their utility company to interconnect their systems to the electric grid.

In light of the differences between federal and state interconnection requirements, the Department believes that the passage of the interconnection provisions found in § 386.887, RSMo does not constitute a prior state action comparable to the new EAct interconnection standard. We also recognize that the Commission is limited in its consideration and determination of whether to adopt the new standard if it would be in conflict with § 386.887 RSMo.

Former Senator Doyle Childers (now Director of the Department of Natural Resources) sponsored the bill that was enacted in 2002 establishing Missouri's net metering and interconnection law. The former Senator developed the current statute as a compromise measure that was intended to be a first step in assessing the feasibility of small customer-owned distributed generation as a component of Missouri's electric system., Director Childers has stated that he feels it is good practice to review and update issues on a regular basis and that this may be the appropriate time to re-examine the net metering and interconnection statute after several years of operation.

In a similar vein, §1254 (a) of EAct calls for continued refinement of practices related to the interconnection of distributed generation, specifically:

"In addition, agreements and procedures shall be established whereby the services are offered shall promote current best practices of interconnection for distributed generation, including but not limited to practices stipulated in model codes adopted by associations of state regulatory agencies."

¹ http://grouper.ieee.org/groups/scc21/1547/1547_index.html

As such, the Department recommends that the Commission continue this EO proceeding for the purpose of identifying and documenting potential revisions to Missouri's statute, § 386.877, RSMo and rule, 4 CSR 240-20.065, that would be necessary for Missouri to adopt the EPAct interconnection standard.