

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

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

**STAFF’S RESPONSE TO COMMISSION’S DECEMBER 26, 2006 ORDER**

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”) and respectfully states as follows:

1. A threshold question in this proceeding is whether or not, under the Energy Policy Act of 2005 (“EPAAct 2005”), prior state action exempts the Commission from having to consider and determine whether to adopt the Interconnection Standard, which was added to the Public Utility Regulatory Policies Act of 1978 (“PURPA”) standards by EPAAct 2005. If the Commission decides that the prior state action exemption applies, under the federal law it need not pursue the matter any further. Instead, the Commission may simply issue an order to that effect and close the case.

2. On December 26, 2006, the Commission issued an Order directing any party wishing to file an additional pleading on the applicability of the prior state action exemption to the Interconnection Standard, to do so by February 9, 2007. An analogous order was issued in each of the other four cases ---Case Nos. EO-2006-0493, EO-2006-0494, EO-2006-0495 and EO-2006-0496---established to address the other newly created PURPA standards.

3. The exemption language is set forth in 16 USC §2622(f), which provides: “Prior State Actions – Subsections (b) and (c) of this section shall not apply to the standard established by paragraph (15) of section 2621(d) of this title in the case of any electric utility in a State if, before August 8, 2005-



(1) the State has implemented for such utility the standard concerned (or a comparable standard);

(2) the State regulatory authority for such State or relevant nonregulated electric utility has conducted a proceeding to consider implementation of the standard concerned (or a comparable standard) for such utility; or

(3) the State legislature has voted on the implementation of such standard (or a comparable standard) for such utility.”

4. 16 U.S.C. §2621(d)(15) describes the Interconnection Standard as follows:

INTERCONNECTION – 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.

5. Section 386.887 RSMo 2005 (the “Consumer Clean Energy Act”) and the implementing Commission rule (4 CSR 240-20.065) govern interconnection of customer-owned renewable generation sources less than 100 kW in Missouri. Although prior state action with respect to interconnection exists, the Staff is of the opinion that it is not adequate to support a determination that such action serves to exempt the Commission from considering and determining whether or not to adopt the Interconnection Standard. As shown above, the Interconnection Standard requires that interconnection services be offered based on the standards developed by the Institute of Electrical and Electronics Engineers (“IEEE”), and specifically identifies IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems. Neither the Missouri statute nor the Commission’s rule requires the use of that



standard. The Staff believes that a rulemaking (EX) docket should be opened for the limited purpose of amending Commission rule 4 CSR 240-20.065 to require adherence to the standards set forth by IEEE 1547.

6. The Staff would note that if the Commission agrees that the prior state action exemption is inapplicable, the federal statute requires it to determine whether or not to adopt the Interconnection Standard by August 8, 2007.

**WHEREFORE**, the Staff respectfully recommends that the Commission determine that the prior state action exemption of EPAct 2005 does not apply to the Interconnection Standard. If the Commission adopts this recommendation, the Staff will file, pursuant to 4 CSR 240-2.180, a petition for amendment of 4 CSR 240-20.065, within 30 days of the Commission's Order, for the limited purpose of updating the rule to mandate compliance with IEEE 1547.

Respectfully submitted,

**/s/ Dennis L. Frey**

Dennis L. Frey  
Senior Counsel  
Missouri Bar No. 44697  
Attorney for the Staff of the  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
573-751-8700 (telephone)  
573-751-9285 (fax)  
e-mail: [denny.frey@psc.mo.gov](mailto:denny.frey@psc.mo.gov)

### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed by first-class mail, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 9th day of February 2007.

**/s/ Dennis L. Frey**