

**NOTE: This is an earlier version of the fiscal note for HF5097-0.**

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Fiscal Note

2023-2024 Legislative Session

**HF5097 - 0 - Interconnection Ombudsperson Established**

Chief Author: **Patty Acomb**  
 Committee: **Climate And Energy Finance And Policy**  
 Date Completed: **3/29/2024 4:10:19 PM**  
 Agency: **Public Utilities Commission**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	-	1.75	1.75	1.5
<b>Total</b>	-	-	<b>1.75</b>	<b>1.75</b>	<b>1.5</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Karl Palm      **Date:** 3/29/2024 4:10:19 PM  
**Phone:** 651-296-6055      **Email:** karl.palm@lbo.mn.gov

**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
Restrict Misc. Special Revenue	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Restrict Misc. Special Revenue	-	-	266	266	231	
<b>Total</b>	-	-	<b>266</b>	<b>266</b>	<b>231</b>	
<b>Biennial Total</b>			<b>266</b>		<b>497</b>	
<b>2 - Revenues, Transfers In*</b>						
Restrict Misc. Special Revenue	-	-	266	266	231	
<b>Total</b>	-	-	<b>266</b>	<b>266</b>	<b>231</b>	
<b>Biennial Total</b>			<b>266</b>		<b>497</b>	

**Bill Description**

HF5097-0 directs the Public Utilities Commission (PUC) to initiate a proceeding on interconnection issues and establishes an Interconnection Ombudsperson position at the PUC.

Section 1 directs the PUC to initiate a proceeding to establish generic standards for the allocation of utility costs necessary to upgrade the distribution system at a congested location to allow for interconnection of distributed generation (DG) facilities. The proceeding must be initiated no later than September 1, 2024. This section lists various goals that the generic standards must reflect, including accelerating hosting capacity, ensuring that the cost of upgrades is shared fairly among owners of DG projects, reducing capital burden on DG owners, establishing a process for initiating the cost-sharing mechanism, and establishing certain requirements for the cost-sharing mechanism.

Section 2 directs the PUC to establish a new position of Interconnection Ombudsperson to assist applicants seeking to interconnect DG projects to utility distribution systems under the generic standards established in the proceeding directed in section 1. This section lists various duties of the Interconnection Ombudsperson and provides that the position is to be funded through a surcharge on interconnection applications, which the PUC may adjust to ensure that the position is fully funded and that the special reserve account created for this purpose does not exceed a certain reserve percentage.

**Assumptions**

For the proceeding directed in section 1, the PUC would open a docket, solicit public comments, hold public meetings, analyze and summarize public comments, make recommendations, and issue written orders. DG issues are historically complicated and contentious, with many involved stakeholders, and the PUC anticipates that this may need to be a multi-stage proceeding with several rounds of comments, public meetings, and orders needed to establish the generic standards. The PUC anticipates that .5 FTE PURA 3 would be needed to handle this proceeding and ongoing work relating to the generic standards for cost allocation.

Additionally, the PUC anticipates that .25 FTE Accounting Officer Senior would be needed in the second half of FY25 and first half of FY26 to set up the special revenue account and establish procedures for review and modification of the surcharge amount. For the second half of FY26 and thereafter, the PUC assumes that all expenses related to the Interconnection Ombudsperson position (including managing the special revenue account) would be funded through the special revenue account.

**Expenditure and/or Revenue Formula**

	FY24	FY25	FY26	FY27
Salary - .50 FTE Rates Analyst 3		51,083	51,083	51,083
Salary - .25 FTE Acctg. Officer Sr.		22,086	22,086	-
Salary - 1.0 FTE Ombudsman (Rates Analyst 3)		102,166	102,166	102,166
Fringe		52,601	52,601	45,975
Other Personnel Related Costs		37,625	37,625	32,250
TOTAL Cost		265,561	265,561	231,474

**Long-Term Fiscal Considerations**

N/A

**Local Fiscal Impact**

N/A

**References/Sources**

N/A

**Agency Contact:** Lauren Bethke

**Agency Fiscal Note Coordinator Signature:** Kay Urquhart

**Phone:** 651-201-2222

**Date:** 3/28/2024 10:49:33 AM

**Email:** kay.urquhart@state.mn.us