ASSOCIATED INDUSTRIES OF MASSACHUSETTS
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June 3, 2003 RE: D.T.E.02-38-A

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Dear Secretary Cottrell:

On behalf of Associated Industries of Massachusetts, I am submitting written comments on the Joint Report on the Interconnection Tariff. On May 15, 2003 the Distributed Generation Collaborative Interconnection Collaborative submitted to the Department, in compliance with D.T.E. 02-38-A, a Tariff to Accompany Proposed Uniform Standards for Interconnecting Distributed Generation in Massachusetts.

Associated Industries of Massachusetts (A.I.M.) participated in the negotiations and discussions resulting in the May 15th document submitted to the Department and provides the following comments regarding the process and some outstanding areas of concern.

A.I.M. recognizes the importance of Distributed Generation (DG) in a restructured market, and the necessity of reasonable uniform interconnection standards in order for customers to completely understand costs and the process associated with the siting of DG.

As a participant in the process, A.I.M. commends Raab Associates, the utility companies and the DG cluster for all of their hard work during the negotiations, at times contentious, that produced the tariff filed on May 15, 2003. Representing customers in the discussions, A.I.M. was particularly concerned in areas regarding costs and the safety and reliability of the power grid for <u>all</u> customers.

It is important to note that there are a number of areas within this tariff that will be refined as time goes on and the utility companies gain more experience dealing with different types of distributed generation. There is a commitment from stakeholders that participated in the process, including A.I.M., to revisit areas within the tariff by identifying problems or barriers and explore ways to improve the overall process going forward.

As valuable as DG is in a restructured market, without clear and careful definition of interconnection costs and terminology, there is the likelihood that a scenario would be created where cross subsidization of costs would occur. It is the position of A.I.M. that the customer <u>choosing</u> to site DG, and <u>benefit</u> from the installation, should bear the costs – NOT the utility companies or through those costs – other rate-payers.

In section 5.0, specifically 5.1 and 5.4, the DG cluster uses the word "solely" relating to costs. This terminology is of concern in these sections of the tariff because without appropriate definition by the Department, there is the likelihood that costs would be shifted to the utility, who would then recover those costs at the expense of other rate-payers.

A.I.M. is grateful for the opportunity to provide comments to the Department on this important issue, and is committed to continuing to work on the interconnection agreement going forward to ultimately provide interconnection standards that will encourage increased customer participation and could be used as a model for other states.

Sincerely,
Angela M. O'Connor
Vice President of Energy Programs

MISSION STATEMENT: *Established in 1915, Associated Industries of Massachusetts is the largest nonprofit, nonpartisan association of Massachusetts employers. A.I.M.'s mission is to promote the well-being of its members and their employees and the prosperity of the Commonwealth of Massachusetts by improving the economic climate of Massachusetts, proactively advocating fair and equitable public policy, providing relevant, reliable information and excellent services.*

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