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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **1561**

02/21/2019 Authored by Swedzinski

The bill was read for the first time and referred to the Energy and Climate Finance and Policy Division

1.1 A bill for an act  
1.2 relating to energy; modifying the community solar garden program; amending  
1.3 Minnesota Statutes 2018, section 216B.1641.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2018, section 216B.1641, is amended to read:

1.6 **216B.1641 COMMUNITY SOLAR GARDEN.**

1.7 (a) The public utility subject to section 116C.779 shall file by September 30, ~~2013~~ 2019,  
1.8 a plan with the commission to operate a community solar garden program which shall begin  
1.9 operations within 90 days after commission approval of the plan. Upon approval of the  
1.10 program required under this section, a program approved under this section before September  
1.11 30, 2019, must cease operations, except that a community solar garden for which an  
1.12 application is deemed complete under a prior program may continue to operate under that  
1.13 program. Other public utilities may file an application at their election. The community  
1.14 solar garden program must be designed to offset the energy use of not less than five  
1.15 subscribers in each community solar garden facility of which no single subscriber has more  
1.16 than a 40 percent interest. The owner of the community solar garden may be a public utility  
1.17 or any other entity or organization that contracts to sell the output from the community solar  
1.18 garden to the utility under section 216B.164. ~~There shall be no limitation on the number or~~  
1.19 ~~cumulative generating capacity of community solar garden facilities other than the limitations~~  
1.20 ~~imposed under section 216B.164, subdivision 4c, or other limitations provided in law or~~  
1.21 ~~regulations.~~ The public utility must accept qualified proposals for community solar gardens  
1.22 each year in a form and on a schedule specified in the program approved by the commission.  
1.23 The public utility subject to this section may submit qualified proposals to the program.

2.1 (b) The public utility must submit evaluations of all qualified proposals to the  
 2.2 commission, along with recommendations regarding which qualified proposals should be  
 2.3 accepted. The commission must select the qualified proposals the public utility must accept.  
 2.4 The qualified proposals with the lowest cost to the public utility's customers must be selected.  
 2.5 The total nameplate capacity of qualified proposals selected by the commission must not  
 2.6 exceed 25 megawatts per year.

2.7 (c) A solar garden is a facility that generates electricity by means of a ground-mounted  
 2.8 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the  
 2.9 electricity generated in proportion to the size of their subscription. The solar garden must  
 2.10 have a nameplate capacity of no more than one megawatt. When determining the size of a  
 2.11 community solar garden under this paragraph, the nameplate capacity of the community  
 2.12 solar garden must be combined with the nameplate capacity of any other community solar  
 2.13 garden that:

2.14 (1) is constructed within the same 12-month period as the community solar garden; and

2.15 (2) exhibits characteristics indicating a single development with the community solar  
 2.16 garden, including but not limited to ownership structure, shared interconnection, revenue  
 2.17 sharing arrangements, and common debt or equity financing.

2.18 Each subscription shall be sized to represent at least 200 watts of the community solar  
 2.19 garden's generating capacity and to supply, when combined with other distributed generation  
 2.20 resources serving the premises, no more than 120 percent of the average annual consumption  
 2.21 of electricity by each subscriber at the premises to which the subscription is attributed.

2.22 ~~(e)~~ (d) The solar generation facility must be located in the service territory of the public  
 2.23 utility filing the plan. Subscribers must be retail customers of the public utility located in  
 2.24 the same county or a county contiguous to where the facility is located.

2.25 ~~(d)~~ (e) The public utility must purchase from the community solar garden all energy  
 2.26 generated by the community solar garden. The purchase shall be at the rate ~~calculated under~~  
 2.27 ~~section 216B.164, subdivision 10, or, until that rate for the public utility has been approved~~  
 2.28 ~~by the commission, the applicable retail rate. A solar garden is eligible for any incentive~~  
 2.29 ~~programs offered under either section 116C.7792 or section 216C.415~~ proposed in the  
 2.30 qualified proposal submitted under paragraph (a). A subscriber's portion of the purchase  
 2.31 shall be provided by a credit on the subscriber's bill. Notwithstanding any other provision  
 2.32 of law, the commission must not increase the rate paid for energy from the community solar  
 2.33 garden from the amount contained in the proposal.

3.1 ~~(e)~~ (f) The commission may approve, disapprove, or modify a community solar garden  
 3.2 program. Any plan approved by the commission must:

3.3 (1) reasonably allow for the creation, financing, and accessibility of community solar  
 3.4 gardens;

3.5 (2) establish uniform standards, fees, and processes for the interconnection of community  
 3.6 solar garden facilities that allow the public utility to recover reasonable interconnection  
 3.7 costs for each community solar garden;

3.8 (3) not apply different requirements to utility and nonutility community solar garden  
 3.9 facilities;

3.10 (4) be consistent with the public interest;

3.11 (5) identify the information that must be provided to potential subscribers to ensure fair  
 3.12 disclosure of future costs and benefits of subscriptions;

3.13 (6) include a program implementation schedule;

3.14 (7) identify all proposed rules, fees, and charges; and

3.15 (8) identify the means by which the program will be promoted.

3.16 ~~(f)~~ (g) Notwithstanding any other law, neither the manager of nor the subscribers to a  
 3.17 community solar garden facility shall be considered a utility solely as a result of their  
 3.18 participation in the community solar garden facility.

3.19 ~~(g)~~ (h) Within 180 days of commission approval of a plan under this section, a public  
 3.20 utility shall begin crediting subscriber accounts for each community solar garden facility  
 3.21 in its service territory, and shall file with the commissioner of commerce a description of  
 3.22 its crediting system.

3.23 ~~(h)~~ (i) For the purposes of this section, the following terms have the meanings given:

3.24 (1) "subscriber" means a retail customer of a public utility who owns one or more  
 3.25 subscriptions of a community solar garden facility interconnected with that public utility;  
 3.26 and

3.27 (2) "subscription" means a contract between a subscriber and the owner of a solar garden;  
 3.28 and

3.29 (3) "qualified proposal" means a proposal that meets the requirements of the community  
 3.30 solar garden program approved by the commission and that:

- 4.1 (i) provides evidence the proposer is able to construct, own, and operate the community  
4.2 solar garden for its proposed life;
- 4.3 (ii) delivers at least 60 percent of the energy generated by the community solar garden  
4.4 facility to residential customers;
- 4.5 (iii) includes a plan to seek low-income residential customers in the community solar  
4.6 garden;
- 4.7 (iv) provides a firm rate that customers of the public utility must pay for energy from  
4.8 the community solar garden for the life of the community solar garden; and
- 4.9 (v) describes any benefits the community solar garden provides to the public utility, the  
4.10 public utility's customers, the electric utility grid, the environment, and Minnesota.