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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3368

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, a  
1.8 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. Other public utilities may  
1.10 file an application at their election. The community solar garden program must be designed  
1.11 to offset the energy use of not less than five subscribers in each community solar garden  
1.12 facility of which no single subscriber has more than a 40 percent interest. The owner of the  
1.13 community solar garden may be a public utility or any other entity or organization that  
1.14 contracts to sell the output from the community solar garden to the utility under section  
1.15 216B.164. There shall be no cumulative limitation on the number or ~~cumulative~~ generating  
1.16 capacity of community solar garden facilities other than the limitations imposed under  
1.17 section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

1.18 (b) By September 30, 2020, the public utility must file a plan for commission approval  
1.19 to limit the nameplate capacity of new executed interconnection agreements for community  
1.20 solar garden facilities to ..... megawatts per year, beginning in calendar year 2021.

1.21 ~~(b)~~ (c) A solar garden is a facility that generates electricity by means of a ground-mounted  
1.22 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the

2.1 electricity generated in proportion to the size of their subscription. The solar garden must  
 2.2 have a nameplate capacity of no more than one megawatt. Each subscription shall be sized  
 2.3 to represent at least 200 watts of the community solar garden's generating capacity and to  
 2.4 supply, when combined with other distributed generation resources serving the premises,  
 2.5 no more than 120 percent of the average annual consumption of electricity by each subscriber  
 2.6 at the premises to which the subscription is attributed.

2.7 ~~(e)~~ (d) The solar generation facility must be located in the service territory of the public  
 2.8 utility filing the plan. Subscribers must be retail customers of the public utility and, unless  
 2.9 the facility has a minimum setback of 100 feet from the nearest residential property and the  
 2.10 owner of the facility reserves at least ..... percent of its capacity for use by residential  
 2.11 subscribers, must be located in the same county or a county contiguous to where the facility  
 2.12 is located.

2.13 ~~(d)~~ (e) The public utility must purchase from the community solar garden all energy  
 2.14 generated by the solar garden. The purchase shall be at the rate calculated under section  
 2.15 216B.164, subdivision 10, or, until that rate for the public utility has been approved by the  
 2.16 commission, the applicable retail rate. A solar garden is eligible for any incentive programs  
 2.17 offered under ~~either~~ section 116C.7792 ~~or section 216C.415~~. A subscriber's portion of the  
 2.18 purchase shall be provided by a credit on the subscriber's bill.

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

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

2.23 (2) establish uniform standards, fees, and processes for the interconnection of community  
 2.24 solar garden facilities that allow the utility to recover reasonable interconnection costs for  
 2.25 each community solar garden;

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

2.28 (4) be consistent with the public interest;

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

2.31 (6) include a program implementation schedule;

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

3.1 (8) identify the means by which the program will be promoted;

3.2 (9) require that residential subscribers have a right to cancel a community solar garden  
 3.3 subscription within three business days, as provided under section 325G.07;

3.4 (10) require that the following information is provided by the solar garden owner in  
 3.5 writing to any prospective subscriber asked to make a prepayment to the solar garden owner  
 3.6 prior to the delivery of subscribed energy by the solar garden:

3.7 (i) an estimate of the annual generation of subscribed energy, based on the methodology  
 3.8 approved by the commission; and

3.9 (ii) an estimate of the length of time required to fully recover a subscriber's prepayments  
 3.10 made to the owner of the solar garden prior to the delivery of subscribed energy, calculated  
 3.11 using the formula developed by the commission under paragraph (j); and

3.12 (11) require new residential subscription agreements that require a prepayment to allow  
 3.13 the subscriber to transfer the subscription to other new or current subscribers, or to cancel  
 3.14 the subscription, on commercially reasonable terms.

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

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

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

3.23 (1) "subscribed energy" means electricity generated by the community solar garden that  
 3.24 is attributable to a subscriber's subscription;

3.25 ~~(i)~~ (2) "subscriber" means a retail customer of a utility who owns one or more  
 3.26 subscriptions of a community solar garden facility interconnected with that utility; and

3.27 ~~(j)~~ (3) "subscription" means a contract between a subscriber and the owner of a solar  
 3.28 garden.

3.29 (j) By November 30, 2020, the commission must approve a formula solar garden owners  
 3.30 must use to estimate the length of time required to fully recover a subscriber's prepayments  
 3.31 made to the solar garden owner prior to the delivery of subscribed energy.

- 4.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
- 4.2 applies to a plan submitted to the commission for approval on or after that date.