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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3596

02/20/2020 Authored by Acomb, Wolgamott, Huot, Klevorn, Jordan and others
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; establishing a grant program to assist school districts to purchase
1.3 and install solar energy systems; appropriating money; proposing coding for new
1.4 law in Minnesota Statutes, chapter 216C.

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

1.6 Section 1. [216C.375] SOLAR FOR SCHOOLS PROGRAM.

1.7 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
1.8 the meanings given.

1.9 (b) "Developer" means an entity that installs a solar energy system on a school building
1.10 that has been awarded a grant under this section.

1.11 (c) "Energy storage system" means a commercially available technology capable of:

1.12 (1) absorbing and storing electrical energy; and

1.13 (2) dispatching stored electrical energy at a later time.

1.14 (d) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

1.15 (e) "School" means a school that operates as part of an independent or special school
1.16 district.

1.17 (f) "School district" means an independent or special school district.

1.18 (g) "Solar energy system" means photovoltaic or solar thermal devices installed alone
1.19 or in combination with an energy storage system.

2.1 (h) "Solar thermal device" means a flat plate or evacuated tube that meets the requirements
2.2 of section 216C.25 with a fixed orientation that collects the sun's radiant energy and transfers
2.3 it to a storage medium for distribution as energy to heat or cool air or water.

2.4 Subd. 2. **Establishment; purpose.** A solar for schools program is established in the
2.5 Department of Commerce. The purpose of the program is to provide grants to (1) stimulate
2.6 the installation of solar energy systems on or adjacent to school buildings by reducing costs,
2.7 and (2) enable schools to use the solar energy system as a teaching tool that can be integrated
2.8 into the school's curriculum.

2.9 Subd. 3. **Expenditures.** Money in the account may be used only:

2.10 (1) for grant awards made under this section; and

2.11 (2) to pay the reasonable costs incurred by the department to administer this section.

2.12 Subd. 4. **Eligible system.** (a) A grant may be awarded to a school under this section
2.13 only if the solar energy system that is the subject of the grant:

2.14 (1) is installed on or adjacent to the school building that consumes the electricity generated
2.15 by the solar energy system, on property within the service territory of the utility currently
2.16 providing electric service to the school building; and

2.17 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the
2.18 estimated annual electricity consumption of the school building at which the solar energy
2.19 system is proposed to be installed.

2.20 (b) A school district that receives a rebate or other financial incentive under section
2.21 216B.241 for a solar energy system and that demonstrates considerable need for financial
2.22 assistance, as determined by the commissioner, is eligible for a grant under this section for
2.23 the same solar energy system.

2.24 Subd. 5. **Application process.** (a) The commissioner must issue a request for proposals
2.25 to utilities, schools, and developers who may wish to apply for a grant under this section
2.26 on behalf of a school.

2.27 (b) A utility or developer must submit an application to the commissioner on behalf of
2.28 a school on a form prescribed by the commissioner. The form must include, at a minimum,
2.29 the following information:

2.30 (1) the proposed solar energy system's capacity and the anticipated amount of electricity
2.31 generated;

3.1 (2) the current energy demand of the school building on which the solar energy generating
3.2 system is to be installed, and information regarding any distributed energy resource, including
3.3 subscription to a community solar garden, that currently provides electricity to the school
3.4 building;

3.5 (3) the size of any energy storage system that is proposed to be installed as part of a
3.6 solar energy system;

3.7 (4) a description of any solar thermal devices proposed as part of the solar energy system;

3.8 (5) the total cost to purchase and install the solar energy system, and its life-cycle cost,
3.9 including removal and disposal at the end of the system's life;

3.10 (6) a copy of the proposed contract agreement between the school and the public utility
3.11 or developer that includes provisions addressing responsibility to maintain the solar energy
3.12 system;

3.13 (7) the school's plan to make the solar energy system serve as a visible learning tool for
3.14 students, teachers, and visitors to the school, including how the solar energy system may
3.15 be integrated into the school's curriculum;

3.16 (8) information that demonstrates the school district's level of need for financial assistance
3.17 available under this section;

3.18 (9) information that demonstrates the school's readiness to implement the project,
3.19 including but not limited to the availability of the site on which the solar energy system is
3.20 to be installed and the level of the school's engagement with the utility providing electric
3.21 service to the school building on which the solar energy system is to be installed regarding
3.22 issues relevant to project implementation, including metering and other issues;

3.23 (10) with respect to the installation and operation of the solar energy system, the
3.24 willingness and ability of the developer or the public utility to:

3.25 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,
3.26 subdivision 6; and

3.27 (ii) adhere to the provisions of section 177.43;

3.28 (11) how the developer or public utility plans to reduce the school's initial capital expense
3.29 to purchase and install the solar energy system, and to provide financial benefits to the
3.30 school from federal and state tax credits, utility incentives, and other financial incentives;
3.31 and

3.32 (12) any other information deemed relevant by the commissioner.

4.1 (c) The commissioner must administer an open application process under this section
4.2 at least twice annually.

4.3 (d) The commissioner must develop administrative procedures governing the application
4.4 and grant award process.

4.5 Subd. 6. **Energy conservation review.** At the commissioner's request, a school awarded
4.6 a grant under this section must provide the commissioner information regarding energy
4.7 conservation measures implemented at the school building at which the solar energy system
4.8 is to be installed. The commissioner may make recommendations to the school regarding
4.9 cost-effective conservation measures the school may implement and may provide technical
4.10 assistance and direct the school to available financial assistance programs.

4.11 Subd. 7. **Technical assistance.** The commissioner must provide technical assistance to
4.12 schools to develop and execute projects under this section.

4.13 Subd. 8. **Grant payments.** The commissioner must award a grant to a school for the
4.14 necessary costs associated with the solar energy system's purchase and installation. The
4.15 amount of the grant must be based on the commissioner's assessment of the school's need
4.16 for financial assistance.

4.17 Subd. 9. **Limitations.** (a) No more than 50 percent of the grant payments awarded to
4.18 schools under this section may be awarded to schools where the proportion of students
4.19 eligible for free and reduced-price lunch under the National School Lunch Program is less
4.20 than 50 percent.

4.21 (b) No more than ten percent of the total amount of grants awarded under this section
4.22 may be awarded to schools that are part of the same school district.

4.23 Subd. 10. **Application deadline.** No application may be submitted under this section
4.24 after December 31, 2024.

4.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.26 Sec. 2. **APPROPRIATION.**

4.27 \$16,000,000 in fiscal year 2021 is appropriated from the general fund to the commissioner
4.28 of commerce to award grants to assist school districts to purchase and install solar energy
4.29 systems. This is a onetime appropriation and remains available until December 31, 2025.

4.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.