

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 1777

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DATE
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Introduction and first reading
Referred to Agriculture, Rural Development, and Housing Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to agriculture; modifying contiguous county requirements for community
1.3 solar gardens; appropriating money for a study of economic benefits to farmers;
1.4 amending Minnesota Statutes 2018, section 216B.1641.

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

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

1.7 **216B.1641 COMMUNITY SOLAR GARDEN.**

1.8 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a
1.9 plan with the commission to operate a community solar garden program which shall begin
1.10 operations within 90 days after commission approval of the plan. Other public utilities may
1.11 file an application at their election. The community solar garden program must be designed
1.12 to offset the energy use of not less than five subscribers in each community solar garden
1.13 facility of which no single subscriber has more than a 40 percent interest. The owner of the
1.14 community solar garden may be a public utility or any other entity or organization that
1.15 contracts to sell the output from the community solar garden to the utility under section
1.16 216B.164. There shall be no limitation on the number or cumulative generating capacity of
1.17 community solar garden facilities other than the limitations imposed under section 216B.164,
1.18 subdivision 4c, or other limitations provided in law or regulations.

1.19 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
1.20 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the
1.21 electricity generated in proportion to the size of their subscription. The solar garden must
1.22 have a nameplate capacity of no more than one megawatt. Each subscription shall be sized
1.23 to represent at least 200 watts of the community solar garden's generating capacity and to

2.1 supply, when combined with other distributed generation resources serving the premises,
2.2 no more than 120 percent of the average annual consumption of electricity by each subscriber
2.3 at the premises to which the subscription is attributed.

2.4 (c) The solar generation facility must be located in the service territory of the public
2.5 utility filing the plan. Subscribers must be retail customers of the public utility and unless
2.6 the facility has a minimum setback of 100 feet from the nearest residential property, must
2.7 be located in the same county or a county contiguous to where the facility is located.

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

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

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

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

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

2.23 (4) be consistent with the public interest;

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

2.26 (6) include a program implementation schedule;

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

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

2.29 (f) Notwithstanding any other law, neither the manager of nor the subscribers to a
2.30 community solar garden facility shall be considered a utility solely as a result of their
2.31 participation in the community solar garden facility.

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

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

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

3.8 (2) "subscription" means a contract between a subscriber and the owner of a solar garden.

3.9 **Sec. 2. STUDY OF ECONOMIC BENEFITS TO FARMERS AND LOCAL FARM**
 3.10 **ECONOMY; APPROPRIATION.**

3.11 (a) \$150,000 in fiscal year 2020 is appropriated from the general fund to the commissioner
 3.12 of agriculture to study the economic benefits to farmers and the local farm economy that
 3.13 would result from removing the community solar garden program's contiguous county
 3.14 restrictions under Minnesota Statutes, section 216B.1641, paragraph (c). When conducting
 3.15 the study, the commissioner must analyze whether and to what extent:

3.16 (1) revenue generated by community solar garden leases has a measurable economic
 3.17 benefit for farmers and the local farm economy;

3.18 (2) activity related to community solar garden construction, operation, and maintenance,
 3.19 and the associated private investment to upgrade the utility's local distribution infrastructure,
 3.20 has a measurable economic benefit on the local farm economy;

3.21 (3) community solar gardens provide an economic benefit, helping farmers obtain
 3.22 financing for farm operations and decreasing the number of farm foreclosures; and

3.23 (4) community solar gardens provide economic benefits for land conservation, habitat,
 3.24 and soil health.

3.25 (b) The commissioner must report study findings and any policy recommendations to
 3.26 the legislative committees with jurisdiction over agriculture and energy by January 15, 2021.