

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2696

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DATE
02/26/2018

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Introduction and first reading
Referred to Energy and Utilities Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to energy; modifying the solar energy incentive program; amending
1.3 Minnesota Statutes 2017 Supplement, sections 116C.7792; 216B.1691, subdivision
1.4 2f.

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

1.6 Section 1. Minnesota Statutes 2017 Supplement, section 116C.7792, is amended to read:

1.7 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

1.8 The utility subject to section 116C.779 shall operate a program to provide solar energy
1.9 production incentives for solar energy systems of no more than a total nameplate capacity
1.10 of ~~20~~ 40 kilowatts direct current or less. The program shall be operated for eight consecutive
1.11 calendar years commencing in 2014. \$5,000,000 shall be allocated in each of the first four
1.12 years, \$15,000,000 in the fifth year, \$10,000,000 in each of the sixth and seventh years, and
1.13 \$5,000,000 in the eighth year from funds withheld from transfer to the renewable
1.14 development account under section 116C.779, subdivision 1, paragraphs (b) and (e), and
1.15 placed in a separate account for the purpose of the solar production incentive program. Any
1.16 amount from an annual allocation remaining at the end of the calendar year is available to
1.17 be allocated during the next calendar year. The solar system must be sized to less than 120
1.18 percent of the customer's on-site annual energy consumption. The production incentive
1.19 must be paid for ten years commencing with the commissioning of the system. The utility
1.20 must file a plan to operate the program with the commissioner of commerce. The utility
1.21 may not operate the program until it is approved by the commissioner.

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

2.1 Sec. 2. Minnesota Statutes 2017 Supplement, section 216B.1691, subdivision 2f, is amended
2.2 to read:

2.3 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a
2.4 and 2b, each public utility shall generate or procure sufficient electricity generated by solar
2.5 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at
2.6 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is
2.7 generated by solar energy.

2.8 (b) For a public utility with more than 200,000 retail electric customers, at least ten
2.9 percent of the 1.5 percent goal must be met by solar energy generated by or procured from
2.10 solar photovoltaic devices with a nameplate capacity of ~~20~~ 40 kilowatts or less.

2.11 (c) A public utility with between 50,000 and 200,000 retail electric customers:

2.12 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by
2.13 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or
2.14 less; and

2.15 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions
2.16 of 40 kilowatts or less to a community solar garden program operated by the public utility
2.17 that has been approved by the commission.

2.18 (d) The solar energy standard established in this subdivision is subject to all the provisions
2.19 of this section governing a utility's standard obligation under subdivision 2a.

2.20 (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail
2.21 electric sales in Minnesota be generated by solar energy.

2.22 (f) For the purposes of calculating the total retail electric sales of a public utility under
2.23 this subdivision, there shall be excluded retail electric sales to customers that are:

2.24 (1) an iron mining extraction and processing facility, including a scam mining facility
2.25 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

2.26 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board
2.27 manufacturer.

2.28 Those customers may not have included in the rates charged to them by the public utility
2.29 any costs of satisfying the solar standard specified by this subdivision.

2.30 (g) A public utility may not use energy used to satisfy the solar energy standard under
2.31 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may

3.1 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the
3.2 solar standard under this subdivision.

3.3 (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated
3.4 with a solar photovoltaic device installed and generating electricity in Minnesota after
3.5 August 1, 2013, but before 2020 may be used to meet the solar energy standard established
3.6 under this subdivision.

3.7 (i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file
3.8 a report with the commission reporting its progress in achieving the solar energy standard
3.9 established under this subdivision.

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