

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 1174

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DATE
02/20/2017

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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; establishing a rebate program for certain energy technologies;
1.3 appropriating money; proposing coding for new law in Minnesota Statutes, chapter
1.4 216C.

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

1.6 Section 1. **[216C.418] ENERGY STORAGE, SOLAR THERMAL, WIND, AND**
1.7 **GEOHERMAL HEAT PUMP SYSTEM REBATE PROGRAM.**

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

1.10 (b) "Eligible energy technology" means an energy technology eligible to receive a rebate
1.11 under this section.

1.12 (c) "Energy storage system" means a technology that stores up to 40 kilowatts of
1.13 previously generated electricity and releases the electricity for use at a later time.

1.14 (d) "Geothermal heat pump" means a technology consisting of:

1.15 (1) a ground heat exchanger comprised of a system of underground pipes containing a
1.16 circulating liquid that absorbs and releases heat from the ground;

1.17 (2) a heat pump that transfers heat between the ground and a building interior; and

1.18 (3) an air delivery system that delivers heat throughout a building's interior rooms.

1.19 (e) "Solar thermal system" means a flat plate or evacuated tube meeting the requirements
1.20 of section 216C.25 with a fixed orientation that collects the sun's radiant energy and transfers
1.21 it to a storage medium for distribution as energy to heat or cool (1) air, or (2) water in a
1.22 water heater.

(f) "Wind energy conversion system" has the meaning given in section 216C.06, subdivision 19, except that the wind energy conversion system must have a capacity no greater than 40 kilowatts. If the wind energy conversion system's capacity is less than 25 kilowatts, an applicable accredited certification body must certify the system meets the American Wind Energy Association's Small Wind Turbine Performance and Safety Standard, AWEA Standard 9.1-2009, or the most recent successor to that standard.

Subd. 2. Program. (a) The commissioner of commerce must establish a program to provide rebates to applicants who own energy storage systems, wind energy conversion systems, geothermal heat pumps, or solar thermal systems installed at residential, agricultural, commercial, and industrial properties in Minnesota after the effective date of this act. Applications for a rebate under this section must be sent to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures governing the application and rebate award process. The commissioner must review applications and award rebates on a first-come, first-served basis.

(b) The applicant must be the owner of the eligible energy system but need not be the owner of the property on which the eligible energy system is installed. Rebates are assignable by the applicant.

(c) An applicant is ineligible to receive a rebate under this section if the applicant receives a rebate or incentive for the same eligible energy technology installed on the same property under section 116C.7792, 216C.415, or 216C.416, or from the utility that provides energy services to the property on which the eligible energy technology is installed.

Subd. 3. Geothermal heat pump; application. An application for a rebate for a geothermal heat pump under this section must, at a minimum, contain evidence that the geothermal heat pump:

(1) is a closed-loop system;

(2) includes both air cooling and heating applications; and

(3) has a coefficient of performance and an energy efficiency ratio that meet the minimum standards set by the commissioner.

Subd. 4. Rebate amounts. (a) For a geothermal heat pump, the rebate amount is the lesser of \$20,000 or 20 percent of the installation and equipment cost.

(b) For an energy storage system, the rebate amount is the lesser of \$25,000 or 30 percent of the installation and equipment cost.

3.1 (c) For a solar thermal system, the rebate amount is the lesser of 25 percent of the installed
3.2 cost of a complete system or:

3.3 (1) \$2,500 for a single-family residential dwelling installation;

3.4 (2) \$5,000 for a multiple-family residential dwelling installation; or

3.5 (3) \$25,000 for an agricultural, commercial, or industrial installation.

3.6 (d) For a wind energy conversion system, the rebate amount is the lesser of \$25,000 or
3.7 30 percent of the installation and equipment cost.

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

3.9 Sec. 2. **APPROPRIATION.**

3.10 \$..... in fiscal year 2018 and \$..... in fiscal year 2019 are appropriated from the general
3.11 fund to the commissioner of commerce to pay for rebates awarded to owners of eligible
3.12 energy technologies under section 1.

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