

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

S.F. No. 488

(SENATE AUTHORS: OSMEK, Benson and Rosen)

DATE	D-PG	OFFICIAL STATUS
01/24/2019	164	Introduction and first reading Referred to Energy and Utilities Finance and Policy
02/04/2019	253	Author added Benson
02/07/2019	306	Author added Rosen

1.1 A bill for an act

1.2 relating to energy; regulating community solar gardens; amending Minnesota

1.3 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 limitation on the number or cumulative generating capacity of

1.16 community solar garden facilities other than the limitations imposed under section 216B.164,

1.17 subdivision 4c, or other limitations provided in law or regulations.

1.18 (b) A solar garden is a facility that generates electricity by means of a ground-mounted

1.19 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the

1.20 electricity generated in proportion to the size of their subscription. The solar garden must

1.21 have a nameplate capacity of no more than one megawatt. Each subscription shall be sized

1.22 to represent at least 200 watts of the community solar garden's generating capacity and to

1.23 supply, when combined with other distributed generation resources serving the premises,

2.1 no more than 120 percent of the average annual consumption of electricity by each subscriber
 2.2 at the premises to which the subscription is attributed.

2.3 (c) The solar generation facility must be located in the service territory of the public
 2.4 utility filing the plan. Subscribers must be retail customers of the public utility located in
 2.5 the same county or a county contiguous to where the facility is located.

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

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

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

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

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

2.21 (4) be consistent with the public interest;

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

2.24 (6) include a program implementation schedule;

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

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

2.27 (9) certify that the following information is contained in any promotional materials
 2.28 developed by the solar garden owner or the utility purchasing the solar garden's generation
 2.29 and is provided separately in writing to prospective subscribers at least 15 days prior to the
 2.30 date a contract is entered into by the subscriber and the community solar garden owner:

2.31 (i) an estimate of the annual generation of electricity by the community solar garden,
 2.32 calculated using the formula developed by the commission under paragraph (i); and

3.1 (ii) an estimate of the length of time required to fully recover a subscriber's initial
3.2 lump-sum payments made to the owner of the solar garden prior to the delivery of electricity
3.3 to the subscriber by the solar garden, calculated using the formula developed by the
3.4 commission under paragraph (j);

3.5 (10) certify that the utility and the solar garden owner must submit copies of all marketing
3.6 and promotional material and sample contracts to the commission, and that the materials
3.7 are updated periodically;

3.8 (11) certify that the solar garden owner has placed sufficient financial resources into an
3.9 escrow account in order to reimburse subscribers for any financial losses incurred if the
3.10 project fails to meet the contract provisions;

3.11 (12) provide a mechanism for subscribers to transfer subscriptions to other new or current
3.12 subscribers, or to cancel subscriptions for a full refund;

3.13 (13) require a solar garden owner and the utility purchasing electricity generated by the
3.14 solar garden to forward customer complaints regarding the operation of the solar garden to
3.15 the commission;

3.16 (14) require that the contract between a subscriber and the solar garden owner contains
3.17 a warranty for a minimum level of electricity to be delivered to the subscriber from the
3.18 community garden; and

3.19 (15) reflect the commission's determination that:

3.20 (i) the plan is financially viable; and

3.21 (ii) the contract between a subscriber and the solar garden owner is fair, reasonable, and
3.22 not discriminatory.

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

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

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

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

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

4.2 (i) By July 30, 2019, the commission must develop a formula to be used by all solar
4.3 garden owners to estimate the annual amount of electricity generated by the solar garden.

4.4 (j) By July 30, 2019, the commission must develop a formula used by all solar garden
4.5 owners to estimate the length of time required to fully recover a subscriber's lump-sum
4.6 payments made to the solar garden owner prior to the delivery of electricity to the subscriber
4.7 by the solar garden.

4.8 **EFFECTIVE DATE.** This section is effective the day following final enactment and
4.9 applies to any plan submitted to the commission for approval on or after that date.