

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

S.F. No. 997

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Introduction and first reading
Referred to Energy, Utilities, Environment, and Climate

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to energy; requiring community solar garden subscribers to reside in the
1.3 same county as the solar garden generating facility; amending Minnesota Statutes
1.4 2024, section 216B.1641, subdivisions 1, 6.

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

1.6 Section 1. Minnesota Statutes 2024, section 216B.1641, subdivision 1, is amended to read:

1.7 Subdivision 1. **Legacy program.** (a) The public utility subject to section 116C.779 shall
1.8 file by September 30, 2013, a plan with the commission to operate a community solar garden
1.9 program which shall begin operations within 90 days after commission approval of the plan.
1.10 Other public utilities may file an application at their election. The community solar garden
1.11 program must be designed to offset the energy use of not less than five subscribers in each
1.12 community solar garden facility of which no single subscriber has more than a 40 percent
1.13 interest. The owner of the community solar garden may be a public utility or any other entity
1.14 or organization that contracts to sell the output from the community solar garden to the
1.15 utility under section 216B.164. There shall be no limitation on the number or cumulative
1.16 generating capacity of community solar garden facilities other than the limitations imposed
1.17 under section 216B.164, 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 incentive programs offered under
2.10 section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on
2.11 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 (f) Notwithstanding any other law, neither the manager of nor the subscribers to a
2.28 community solar garden facility shall be considered a utility solely as a result of their
2.29 participation in the community solar garden facility.

2.30 (g) Within 180 days of commission approval of a plan under this section, a utility shall
2.31 begin crediting subscriber accounts for each community solar garden facility in its service

3.1 territory, and shall file with the commissioner of commerce a description of its crediting
3.2 system.

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

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

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

3.7 (i) This subdivision applies to a community solar garden that was approved before
3.8 January 1, 2024.

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

3.10 Sec. 2. Minnesota Statutes 2024, section 216B.1641, subdivision 6, is amended to read:

3.11 Subd. 6. **Eligible project; other requirements.** (a) In order to be eligible for
3.12 compensation under subdivision 8, a community solar garden must: (1) be connected to the
3.13 utility's distribution system; (2) have a capacity, as defined under section 216B.164,
3.14 subdivision 2a, paragraph (c), of no more than five megawatts; and (3) have at least 25
3.15 individual subscribers per megawatt of generation capacity, provided that a single subscriber
3.16 does not possess more than a 40 percent interest in the community solar garden's total
3.17 capacity.

3.18 (b) A community solar garden subscriber must be located within: (1) the Minnesota
3.19 service territory of the utility; and (2) the same county where the community solar garden
3.20 is located.

3.21 (c) A contractor or subcontractor that constructs or installs a community solar garden
3.22 that has a capacity of at least 1 megawatt: (1) must pay no less than the prevailing wage
3.23 rate, as defined in section 177.42; and (2) is subject to the requirements and enforcement
3.24 provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

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