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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **4588**

04/28/2020 Authored by Swedzinski and Baker

The bill was read for the first time and referred to the Energy and Climate Finance and Policy Division

1.1 A bill for an act
1.2 relating to energy; establishing a net zero emissions project; requiring a report;
1.3 modifying the solar energy incentive program; providing for a utility ratepayer
1.4 relief bill credit; appropriating money; amending Minnesota Statutes 2019
1.5 Supplement, section 116C.7792.

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

1.7 Section 1. Minnesota Statutes 2019 Supplement, section 116C.7792, is amended to read:

1.8 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

1.9 The utility subject to section 116C.779 shall operate a program to provide solar energy
1.10 production incentives for solar energy systems of no more than a total aggregate nameplate
1.11 capacity of 40 kilowatts alternating current per premise. The owner of a solar energy system
1.12 installed before June 1, 2018, is eligible to receive a production incentive under this section
1.13 for any additional solar energy systems constructed at the same customer location, provided
1.14 that the aggregate capacity of all systems at the customer location does not exceed 40
1.15 kilowatts. The program shall be operated for eight consecutive calendar years commencing
1.16 in 2014. \$5,000,000 shall be allocated in each of the first four years, \$15,000,000 in the
1.17 fifth year, \$10,000,000 in each of the sixth and seventh years, ~~and~~ \$5,000,000 in the eighth
1.18 year, and \$10,000,000 in the ninth year from funds withheld from transfer to the renewable
1.19 development account under section 116C.779, subdivision 1, paragraphs (b) and (e), and
1.20 placed in a separate account for the purpose of the solar production incentive program
1.21 operated by the utility and not for any other program or purpose. Any unspent amount
1.22 allocated in the fifth year is available until December 31 of the sixth year. Any unspent
1.23 amount remaining at the end of any other allocation year must be transferred to the renewable
1.24 development account. The solar system must be sized to less than 120 percent of the

customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system. The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

Sec. 2. **PRAIRIE ISLAND NET ZERO PROJECT.**

Subdivision 1. Program established. The Prairie Island Net Zero Project is established with the goal of the Prairie Island Indian Community developing an energy system that results in net zero emissions.

Subd. 2. Grant. The commissioner of commerce must enter into a grant contract with the Prairie Island Indian Community to provide the amount appropriated under section 3 to stimulate research, development, and implementation of renewable energy projects benefiting the Prairie Island Indian Community or its members and to provide public education. Any examination conducted by the commissioner of commerce to determine the sufficiency of the financial stability and capacity of the Prairie Island Indian Community to carry out the purposes of this grant is limited to the Community Services Department of the Prairie Island Indian Community.

Subd. 3. Plan; report. (a) The Prairie Island Indian Community must file a comprehensive project plan with the commissioner of commerce and the legislative committees with jurisdiction over energy policy no later than July 1, 2021, describing the Prairie Island Net Zero Project elements and implementation strategy, including the total cost and timelines for project completion.

(b) The Prairie Island Indian Community must file a report with the commissioner of commerce and the legislative committees with jurisdiction over energy policy on July 1, 2022, and each July 1 thereafter until the project is complete, describing the progress made in implementing the project and the uses of expended funds. A final report must be completed within 90 days of the date the project is complete.

EFFECTIVE DATE. This section is effective June 1, 2020.

3.1 Sec. 3. **APPROPRIATION; UNSPENT FUNDS.**

3.2 (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
3.3 \$10,000,000 in fiscal year 2021; \$15,000,000 in fiscal years 2022 and 2023; and \$6,200,000
3.4 in fiscal year 2024 are appropriated from the renewable development account under
3.5 Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for
3.6 a grant to the Prairie Island Indian Community to establish the Net Zero Project under
3.7 section 2. This is a onetime appropriation and is available until the date specified in paragraph
3.8 (b).

3.9 (b) No later than 30 days after the final report under section 2, subdivision 3, paragraph
3.10 (b), is submitted, the Prairie Island Indian Community must return any unspent funds from
3.11 the appropriations under paragraph (a) to the commissioner of management and budget.
3.12 The commissioner of management and budget must deposit the unspent funds received in
3.13 the renewable development account under Minnesota Statutes, section 116C.779, subdivision
3.14 1.

3.15 Sec. 4. **APPROPRIATION; UTILITY RATEPAYER RELIEF BILL CREDIT.**

3.16 (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
3.17 \$65,000,000 in fiscal year 2020 is appropriated from the renewable development account
3.18 under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce
3.19 for transfer to the utility subject to Minnesota Statutes, section 116C.779, to provide bill
3.20 credits to the utility's customers as provided under paragraph (b). This is a onetime
3.21 appropriation.

3.22 (b) In order to provide immediate relief to residential, commercial, and industrial
3.23 customers, beginning with the first bill cycle after the date the transfer under paragraph (a)
3.24 occurs, the utility subject to Minnesota Statutes, section 116C.779, must provide a bill credit
3.25 to each existing customer of the utility. The bill credit amount must be determined by the
3.26 utility based on the amount the customer contributed to the amounts collected by the utility
3.27 under Minnesota Statutes, section 116C.779, subdivision 1, over the previous 12 months.

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