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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2103

02/25/2014 Authored by Falk
The bill was read for the first time and referred to the Committee on Energy Policy

A bill for an act

relating to energy; requiring certain electric cooperatives and municipal electric utilities to contribute funding for incentives to consumers installing solar modules manufactured in Minnesota; making all electric customers eligible to receive incentive payments for installing solar modules manufactured in Minnesota; amending Minnesota Statutes 2013 Supplement, sections 216C.412, subdivision 2; 216C.415, subdivision 5.

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

Section 1. Minnesota Statutes 2013 Supplement, section 216C.412, subdivision 2, is amended to read:

Subd. 2. **Payments from public utilities.** (a) Beginning January 1, 2014, and each January 1 thereafter, through 2023, for a total of ten years, each electric ~~public~~ utility subject to section 216B.241 must annually pay to the commissioner of commerce five percent of the minimum amount it is required to spend on energy conservation improvements under section 216B.241, subdivision 1a. Payments under this subdivision must be included in the calculation of whether a utility's other spending on generation exceeds the limits authorized for spending on generation under section 216B.2411, subdivision 1, for investments proposed for commissioner of commerce approval after July 1, 2013. The limits on spending in section 216B.2411 do not limit or apply to payments required by this subdivision. Payments made under this paragraph count toward satisfying expenditure obligations of a ~~public~~ utility under section 216B.241, subdivision 1a or 1b, as applicable. The commissioner shall, upon receipt of the funds, deposit them in the account established in subdivision 1. A public utility subject to this paragraph must be credited energy savings for the purpose of satisfying its energy savings requirement under section 216B.241, subdivision 1c, based on its payment to the commissioner.

(b) Notwithstanding section 116C.779, subdivision 1, paragraph (g), beginning January 1, 2014, and continuing through January 1, 2023, for a total of ten years, the public utility that manages the account under section 116C.779 must annually pay from that account to the commissioner an amount that, when added to the total amount paid to the commissioner of commerce under paragraph (a), totals $15,000,000 annually. The commissioner shall, upon receipt of the payment, deposit it in the account established in subdivision 1.

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

Sec. 2. Minnesota Statutes 2013 Supplement, section 216C.415, subdivision 5, is amended to read:

Subd. 5. **Allocation of payments.** (a) If there are sufficient applications, approximately 50 percent of the incentive payment shall be for owners of eligible solar photovoltaic modules installed on residential property, and approximately 50 percent shall be for owners of eligible solar photovoltaic modules installed on commercial property.

(b) ~~The commissioner shall endeavor to distribute incentives paid under this section to owners of solar photovoltaic modules installed in a manner so that the amount of payments received in an area of the state reasonably approximates the amount of payments made by a utility serving that area.~~

~~(c)~~ For purposes of this subdivision:

(1) "residential property" means residential real estate that is occupied and used as a homestead by its owner or by a renter and includes "multifamily housing development" as defined in section 462C.02, subdivision 5, except that residential property on which solar photovoltaic modules (i) whose capacity exceeds 10 kilowatts is installed; or (ii) connected to a utility's distribution system and whose electricity is purchased by several residents, each of whom own a share of the electricity generated, shall be deemed commercial property; and

(2) "commercial property" means real property on which is located a business, government, or nonprofit establishment.

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