

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

S.F. No. 3389

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DATE	D-PG	OFFICIAL STATUS
02/20/2020	4843	Introduction and first reading Referred to Energy and Utilities Finance and Policy
03/02/2020	5130	Author added Marty
03/09/2020	5332a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to energy; modifying the solar energy incentive program; appropriating

1.3 money to complete the remaining obligation for the "Made in Minnesota" solar

1.4 energy production incentive payments; amending Minnesota Statutes 2019

1.5 Supplement, section 116C.7792; repealing Minnesota Statutes 2018, section

1.6 216C.417.

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

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

1.9 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

1.10 (a) The utility subject to section 116C.779 shall operate a program to provide solar

1.11 energy production incentives for solar energy systems of no more than a total aggregate

1.12 nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar

1.13 energy system installed before June 1, 2018, is eligible to receive a production incentive

1.14 under this section for any additional solar energy systems constructed at the same customer

1.15 location, provided that the aggregate capacity of all systems at the customer location does

1.16 not exceed 40 kilowatts.

1.17 (b) ~~The program shall be operated for eight consecutive calendar years commencing in~~

1.18 ~~2014. \$5,000,000 shall be allocated in each of the first four years, \$15,000,000 in the fifth~~

1.19 ~~year, \$10,000,000 in each of the sixth and seventh years, and \$5,000,000 in the eighth year~~

1.20 ~~from funds~~ is funded by money withheld from transfer to the renewable development account

1.21 under section 116C.779, subdivision 1, paragraphs (b) and (e), and. Program funds must

1.22 be placed in a separate account for the purpose of the solar production incentive program

1.23 operated by the utility and not for any other program or purpose.

2.1 (c) The following amounts are allocated for the solar production incentive program:
 2.2 \$17,000,000 in 2020; \$15,000,000 in 2021; \$15,000,000 in 2022; \$10,000,000 in 2023; and
 2.3 in 2024, any unspent amount remaining from program years 2020 through 2023. Any unspent
 2.4 amount allocated in the fifth during a specific program year is available until December 31
 2.5 of the sixth year for use during any subsequent program year. Any unspent amount remaining
 2.6 at the end of any other allocation year on January 1, 2025, must be transferred to the
 2.7 renewable development account.

2.8 (d) The solar system must be sized to less than 120 percent of the customer's on-site
 2.9 annual energy consumption when combined with other distributed generation resources and
 2.10 subscriptions provided under section 216B.1641 associated with the premise. The production
 2.11 incentive must be paid for ten years commencing with the commissioning of the system.

2.12 (e) The utility must file a plan to operate the program with the commissioner of
 2.13 commerce. The utility may not operate the program until it is approved by the commissioner.
 2.14 A change to the program to include projects up to a nameplate capacity of 40 kilowatts or
 2.15 less does not require the utility to file a plan with the commissioner. Any plan approved by
 2.16 the commissioner of commerce must not provide an increased incentive scale over prior
 2.17 years unless the commissioner demonstrates that changes in the market for solar energy
 2.18 facilities require an increase.

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

2.20 **Sec. 2. REMAINING "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION**
 2.21 **PROGRAM INCENTIVE OBLIGATION; APPROPRIATION.**

2.22 (a) On or before June 30, 2020, the commissioner of commerce must (1) determine the
 2.23 total remaining obligation for the "Made in Minnesota" solar energy production incentive
 2.24 program under Minnesota Statutes, section 216C.417, and (2) report the amount determined
 2.25 under clause (1) to the commissioner of management and budget and the chairs and ranking
 2.26 minority members of the house of representatives and senate committees with jurisdiction
 2.27 over energy policy.

2.28 (b) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph
 2.29 (j), the amount determined by the commissioner of commerce under paragraph (a) is
 2.30 appropriated in equal amounts over four consecutive years beginning in fiscal year 2021
 2.31 from the renewable development account under Minnesota Statutes, section 116C.779,
 2.32 subdivision 1, paragraph (a), to the commissioner of commerce to make final payments for
 2.33 "Made in Minnesota" obligations.

3.1 (c) By October 15, 2020, and by each October 15 until 2023, the commissioner of
3.2 commerce must use the amount appropriated in paragraph (b) to pay the total remaining
3.3 obligation for a "Made in Minnesota" solar energy production incentive approved by the
3.4 commissioner under Minnesota Statutes 2016, section 216C.415, to an owner whose
3.5 application was approved by the commissioner.

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

3.7 Sec. 3. **FINAL "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION**
3.8 **PROGRAM ADMINISTRATION; APPROPRIATION.**

3.9 \$..... in fiscal year 2021 is appropriated from the renewable development account in
3.10 the special revenue fund established under Minnesota Statutes, section 116C.779, subdivision
3.11 1, to the commissioner of commerce to administer the final payments for remaining program
3.12 obligations under the "Made in Minnesota" solar energy production incentive program in
3.13 Minnesota Statutes, section 216C.417, as provided in section 2. This is a onetime
3.14 appropriation and is available until June 30, 2024. Any remaining unspent funds at the end
3.15 of fiscal year 2024 cancel to the renewable development account.

3.16 Sec. 4. **REPEALER.**

3.17 Minnesota Statutes 2018, section 216C.417, is repealed.

3.18 **EFFECTIVE DATE.** This section is effective October 16, 2023.

216C.417 PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVES.

Subdivision 1. **General provisions.** Payment of a "Made in Minnesota" solar energy production incentive to an owner whose application was approved by the commissioner of commerce under section 216C.415, by May 1, 2017, must be administered under the provisions of Minnesota Statutes 2016, sections 216C.411; 216C.413; 216C.414, subdivisions 1 to 3 and 5; and 216C.415. No incentive payments may be made under this section to an owner whose application was approved by the commissioner after May 1, 2017.

Subd. 2. **Appropriation.** (a) Unspent money remaining in the account established under Minnesota Statutes 2016, section 216C.412, on July 1, 2017, must be transferred to the renewable development account in the special revenue fund established under Minnesota Statutes, section 116C.779, subdivision 1.

(b) There is annually appropriated from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, to the commissioner of commerce money sufficient to make the incentive payments required under Minnesota Statutes 2016, section 216C.415. Any funds appropriated under this paragraph that are unexpended at the end of a fiscal year cancel to the renewable development account.

(c) Notwithstanding Minnesota Statutes 2016, section 216C.412, subdivision 1, none of this appropriation may be used for administrative costs.

Subd. 3. **Eligibility window; payment duration.** (a) Payments may be made under this subdivision only for solar photovoltaic module installations that meet the requirements of subdivision 1 and that first begin generating electricity between January 1, 2014, and October 31, 2018.

(b) The payment eligibility window of the incentive begins and runs consecutively from the date the solar photovoltaic modules first begins generating electricity.

(c) An owner of solar photovoltaic modules may receive payments under this section for a particular module for a period of ten years, provided that sufficient funds are available in the account.

(d) No payment may be made under this section for electricity generated after October 31, 2028.