

## S.F. No. 2747 – Distributed Energy Resources System Upgrade Program (A-5 Delete Everything Amendment)

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**Date:** March 20, 2023

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### Section 1 [Distributed Energy Resources System Upgrade Program]

**Subd. 1 [Definitions]** defines various terms used in the bill.

**Subd. 2. [Establishment]** establishes a distributed energy resources system upgrade program in the Department of Commerce to provide funding to the utility subject to section 116C.779 to complete infrastructure upgrades necessary to enable electricity customers to interconnect distributed energy resources. The program must focus on upgrades at capacity constrained locations on the utility’s distribution system and maximize the number of distributed energy resources projects with a nameplate capacity of 40 kilowatts AC or less that can be interconnected.

**Subd. 3 [Required Plan]** requires the utility to file a program plan with the commissioner of the Department of Commerce by September 1, 2023. The plan must describe how the utility proposes to spend money on upgrades, the locations where the upgrades will be made, the number of distributed energy resources projects the utility anticipates interconnecting as a result of the program, and other enumerated information.

**Subd. 4 [Project Priorities]** requires the utility to prioritize certain types of projects when it develops the plan required by subdivision 3, including those that will address capacity constraints on the distribution grid, those that will be located in communities with demonstrated interest in distributed energy resources, and those that will be located in communities that have climate action plans and related goals.

**Subd. 5 [Eligible Costs]** provides that eligible costs for payment under the program from the account created by subdivision 7 include the cost of distribution and network upgrades, energy storage and related technologies, and administrative expenses.

**Subd. 6 [Capacity Reserved]** requires the utility to reserve certain additional capacity made available by program upgrades for net metered facilities and distributed energy resources with a nameplate capacity of up to 40 kilowatts AC.

**Subd. 7 [Establishment of Account]** creates a distributed energy resources system upgrade program account in the special revenue fund.

**Subd. 8 [Reporting of Certain Incidents]** requires the utility to report to the commissioner within 60 days if any distributed energy resources project with a capacity of up to 40 kilowatts AC is unable to interconnect due to safety, reliability, or the cost of distribution or network upgrades required at a location for which upgrade funding was provided under the program.

**Section 2 [Appropriations]** appropriates TBD amounts in fiscal years 2024 and 2025 from the general fund and the renewable development account to the account created in section 1, subdivision 7 for the Distributed Energy Resources System Upgrade Program.

This section also appropriates \$250,000 in fiscal year 2024 from the renewable development account to the utility to implement the small interconnection cost-sharing program ordered by the Public Utilities Commission on March 31, 2022.