

1.1 Senator ..... moves to amend S.F. No. 2688 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2022, section 216B.1641, is amended to read:

1.4 **216B.1641 COMMUNITY SOLAR GARDEN.**

1.5 Subdivision 1. Definitions. (a) For the purposes of this section, the terms in this  
1.6 subdivision have the meanings given.

1.7 (b) "Landlord" has the meaning given in section 504B.001, subdivision 7.

1.8 (c) "Residential tenant" has the meaning given in section 504B.001, subdivision 12.

1.9 (d) "Subscriber" means a retail customer who contracts for one or more subscriptions  
1.10 for a community solar garden interconnected with the retail customer's utility.

1.11 (e) "Subscription" means a contract between a subscriber and the owner of a community  
1.12 solar garden.

1.13 Subd. 2. Solar garden program. (a) The public utility subject to section 116C.779 shall  
1.14 file by September 30, 2013, a plan with the commission to operate a community solar garden  
1.15 program which shall begin operations within 90 days after commission approval of the plan.  
1.16 Other public utilities may file an application at their election. The community solar garden  
1.17 program must be designed to offset the energy use of not less than five subscribers in each  
1.18 community solar garden facility of which no single subscriber has more than a 40 percent  
1.19 interest. The owner of the community solar garden may be a public utility or any other entity  
1.20 or organization that contracts to sell the output from the community solar garden to the  
1.21 utility under section 216B.164. There shall be no limitation on the number or cumulative  
1.22 generating capacity of community solar garden facilities other than the limitations imposed  
1.23 under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

1.24 (b) A solar garden is a facility that generates electricity by means of a ground-mounted  
1.25 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the  
1.26 electricity generated in proportion to the size of their subscription. The solar garden must  
1.27 have a nameplate capacity of no more than one megawatt. Each subscription shall be sized  
1.28 to represent at least 200 watts of the community solar garden's generating capacity and to  
1.29 supply, when combined with other distributed generation resources serving the premises,  
1.30 no more than 120 percent of the average annual consumption of electricity by each subscriber  
1.31 at the premises to which the subscription is attributed.

2.1 (c) The solar generation facility must be located in the service territory of the public  
2.2 utility filing the plan. Subscribers must be retail customers of the public utility ~~located in~~  
2.3 ~~the same county or a county contiguous to where the facility is located.~~

2.4 (d) The public utility must purchase from the community solar garden all energy generated  
2.5 by the solar garden. The purchase shall be at the rate calculated under section 216B.164,  
2.6 subdivision 10, or, until that rate for the public utility has been approved by the commission,  
2.7 the applicable retail rate. A solar garden is eligible for any incentive programs offered under  
2.8 section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on  
2.9 the subscriber's bill.

2.10 **Subd. 3. Solar garden plan requirements.** ~~(e)~~ (a) The commission may approve,  
2.11 disapprove, or modify a community solar garden ~~program~~ plan. Any plan approved by the  
2.12 commission must:

2.13 (1) reasonably allow for the creation, financing, and accessibility of community solar  
2.14 gardens;

2.15 (2) establish uniform standards, fees, and processes for the interconnection of community  
2.16 solar garden facilities that allow the utility to recover reasonable interconnection costs for  
2.17 each community solar garden;

2.18 (3) not apply different requirements to utility and nonutility community solar garden  
2.19 facilities;

2.20 (4) be consistent with the public interest;

2.21 (5) identify the information that must be provided to potential subscribers to ensure fair  
2.22 disclosure of future costs and benefits of subscriptions;

2.23 (6) include a program implementation schedule;

2.24 (7) identify all proposed rules, fees, and charges; ~~and~~

2.25 (8) identify the means by which the program will be promoted;

2.26 (9) require that participation by a subscriber must be strictly voluntary;

2.27 (10) prohibit a landlord from removing a residential tenant who is an existing retail  
2.28 customer of the public utility from the utility account and subscribing to a community solar  
2.29 garden on behalf of the tenant;

2.30 (11) ensure that contract terms are publicly available; and

2.31 (12) allow subscribers to stop subscribing without charging a fee or other penalty.

3.1 ~~(f)~~ (b) Notwithstanding any other law, neither the manager of nor the subscribers to a  
 3.2 community solar garden facility shall be considered a utility solely as a result of their  
 3.3 participation in the community solar garden facility.

3.4 ~~(g)~~ (c) Within 180 days of commission approval of a plan under this section, a utility  
 3.5 shall begin crediting subscriber accounts for each community solar garden facility in its  
 3.6 service territory, and shall file with the commissioner of commerce a description of its  
 3.7 crediting system.

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

3.9 (1) ~~"subscriber" means a retail customer of a utility who owns one or more subscriptions~~  
 3.10 ~~of a community solar garden facility intereconnected with that utility; and~~

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

3.12 Subd. 4. **Low-income community solar gardens.** (a) The public utility subject to section  
 3.13 116C.779 must file by September 30, 2023, a plan with the commission to operate a  
 3.14 low-income community solar garden program in accordance with this subdivision, and must  
 3.15 begin operations within 90 days after commission approval of the plan. The program operated  
 3.16 under this subdivision:

3.17 (1) is subject to the other requirements of this section except as modified by this  
 3.18 subdivision;

3.19 (2) is limited in size to ten megawatts of solar photovoltaic capacity annually;

3.20 (3) must provide that renewable energy credits generated under the program are retained  
 3.21 by the public utility; and

3.22 (4) must provide that the utility will purchase all energy generated by a low-income  
 3.23 community solar garden. A subscriber's portion of the purchase shall be provided by a credit  
 3.24 on the subscriber's bill at the average retail utility energy rate for the appropriate customer  
 3.25 class.

3.26 (b) The owner of a solar project must apply to the utility to be designated as a low-income  
 3.27 community solar garden before it is eligible to participate in the program. The utility must  
 3.28 not designate a project a low-income community solar garden unless it is majority-owned  
 3.29 by a cooperative association, nonprofit organization, or federally recognized Indian Tribe.  
 3.30 The utility may designate a project a low-income community solar garden if the owner of  
 3.31 the solar garden demonstrates it will meet the following conditions:

4.1 (1) the solar generation facilities of the solar garden meet the requirements of subdivision  
4.2 2, paragraph (b), except as modified by this paragraph;

4.3 (2) at least 25 percent of the solar garden's generating capacity is subscribed by residential  
4.4 customers whose household income:

4.5 (i) is 80 percent or less of the area median household income for the geographic area in  
4.6 which the low-income household is located, as calculated by the federal Department of  
4.7 Housing and Urban Development; or

4.8 (ii) meets the income eligibility standards, as determined by the commission, required  
4.9 for a household to receive financial assistance from a federal, state, municipal, or utility  
4.10 program administered or approved by the commission;

4.11 (3) eligible nonresidential subscribers consist of only the following, located on census  
4.12 tracts designated as low- or moderate-income by the federal Financial Institutions  
4.13 Examination Council:

4.14 (i) grocery stores;

4.15 (ii) clinics;

4.16 (iii) childcare centers;

4.17 (iv) food shelves;

4.18 (v) libraries;

4.19 (vi) Tribal Nations;

4.20 (vii) shelters;

4.21 (viii) schools that are not enrolled in any other solar incentive program; or

4.22 (ix) houses of worship;

4.23 (4) the owner does not run credit score or credit history checks on residential subscribers;

4.24 (5) the solar garden has a nameplate capacity of no more than three megawatts alternating  
4.25 current;

4.26 (6) the solar garden has no fewer than three subscribers and no subscriber accounts for  
4.27 more than 40 percent of the solar garden's capacity;

4.28 (7) the solar garden is operated by an entity that maintains a physical address in Minnesota  
4.29 and has designated a contact person in Minnesota who responds to subscriber inquiries; and

5.1 (8) the agreement between the owner of the solar garden and subscribers states that the  
5.2 owner must adequately publicize and convene at least one in-person meeting annually to  
5.3 provide an opportunity for subscribers to pose questions to the manager or owner.

5.4 Subd. 5. **New solar gardens must be low-income community solar gardens.** The  
5.5 public utility subject to section 116C.779 must not approve interconnection of new solar  
5.6 gardens or renew existing solar gardens for inclusion in the community solar garden program  
5.7 after August 1, 2023, unless the solar garden is accepted for inclusion in the low-income  
5.8 community solar garden program under subdivision 4.

5.9 Subd. 6. **Low-income community solar gardens; reporting.** The owner of a low-income  
5.10 community solar garden must include the following information in an annual report to the  
5.11 low-income community solar garden subscribers and the utility:

5.12 (1) a description of the process by which subscribers may provide input to solar garden  
5.13 policy and decision making;

5.14 (2) the amount of revenues received by the solar garden in the previous year that were  
5.15 allocated to categories that include but are not limited to operating costs, debt service, profits  
5.16 distributed to subscribers, and profits distributed to others;

5.17 (3) minutes from the most recent annual meeting; and

5.18 (4) the proportion of low- and moderate-income subscribers, and a description of how  
5.19 this information was collected from subscribers and verified.

5.20 Subd. 7. **Noncompliance.** A solar garden that has begun commercial operation must  
5.21 notify the commission in writing within 30 days if it is not in compliance with the  
5.22 requirements of subdivision 4, and must come back into compliance within 12 months or  
5.23 the commission must revoke its participation in the program. Nothing in this subdivision  
5.24 shall be construed to prevent an owner from reapplying to participate in the program after  
5.25 revocation.

5.26 Sec. 2. Minnesota Statutes 2022, section 216B.1691, is amended by adding a subdivision  
5.27 to read:

5.28 Subd. 2h. **Distributed solar energy standard.** (a) In addition to the other requirements  
5.29 of this section, for the public utility subject to section 116C.779, at least three percent of  
5.30 the utility's total retail electric sales to customers in Minnesota by the end of 2030 must be  
5.31 generated by solar photovoltaic devices:

6.1 (1) with a nameplate capacity of ten megawatts or less connected to the utility's  
6.2 distribution system;

6.3 (2) that are located in the service territory of the public utility; and

6.4 (3) were constructed or procured after August 1, 2023.

6.5 (b) Generation with a nameplate capacity of 100 kilowatts or more shall not count toward  
6.6 compliance with the standard established in this subdivision unless the public utility verifies  
6.7 that construction trades workers who constructed the generation resource were all paid no  
6.8 less than the prevailing wage rate, as defined in section 177.42.

6.9 (c) The public utility subject to section 116C.779 may own no more than 30 percent of  
6.10 the solar photovoltaic capacity used to satisfy the requirements of this subdivision.

6.11 (d) Compensation for solar photovoltaic projects procured to satisfy the standard  
6.12 established in this subdivision must be determined based on a competitive procurement  
6.13 process and standard contracts approved by the commission.

6.14 (e) After January 1, 2031, the commission may use the authority in subdivision 2b to  
6.15 increase or decrease the standard obligation established in paragraph (a). Prior to that date,  
6.16 the commission may modify or delay the implementation of that standard obligation, in  
6.17 whole or in part, in accordance with subdivision 2b.

6.18 (f) An integrated distribution plan filed by a utility subject to this subdivision must  
6.19 describe investments in the distribution grid that facilitate the interconnection of sufficient  
6.20 distribution-connected solar energy to fulfill the requirements of this subdivision.

6.21 Sec. 3. Minnesota Statutes 2022, section 216B.2422, subdivision 2, is amended to read:

6.22 Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with  
6.23 the commission periodically in accordance with rules adopted by the commission. The  
6.24 commission shall approve, reject, or modify the plan of a public utility, as defined in section  
6.25 216B.02, subdivision 4, consistent with the public interest.

6.26 (b) In the resource plan proceedings of all other utilities, the commission's order shall  
6.27 be advisory and the order's findings and conclusions shall constitute prima facie evidence  
6.28 which may be rebutted by substantial evidence in all other proceedings. With respect to  
6.29 utilities other than those defined in section 216B.02, subdivision 4, the commission shall  
6.30 consider the filing requirements and decisions in any comparable proceedings in another  
6.31 jurisdiction.

7.1 (c) As a part of its resource plan filing, a utility shall include the least cost plan for  
7.2 meeting 50 and 75 percent of all energy needs from both new and refurbished generating  
7.3 facilities through a combination of conservation and renewable energy resources.

7.4 (d) A public utility must include distributed energy resources among the options  
7.5 considered in its resource plan filing.

7.6 Sec. 4. **COMMISSION ORDER.**

7.7 Within 180 days of the effective date of this section, the commission must issue an order  
7.8 addressing the requirements of Minnesota Statutes, section 216B.1641, as amended by  
7.9 section 1 of this act.

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

7.11 Delete the title and insert:

7.12 "A bill for an act  
7.13 relating to energy; facilitating increased production of solar energy in this state by  
7.14 imposing an additional solar energy standard on the public utility subject to  
7.15 Minnesota Statutes, section 116C.779; establishing a low-income community solar  
7.16 garden program; amending Minnesota Statutes 2022, sections 216B.1641;  
7.17 216B.1691, by adding a subdivision; 216B.2422, subdivision 2."