



Dear Members of the Minnesota State Senate,

I am writing to strongly oppose the Senate Energy Omnibus Bill S.F. 2393.

MN Solar, headquartered in Watertown, MN, with operations in Plymouth, MN, has been installing residential solar systems in the Metro and West Central MN for the past 8 years. There are provisions in this bill that will significantly impact the development of residential solar, especially in rural Minnesota communities. These provisions include:

- A modification to the definition of capacity (lines 11.21-11.23)
- An exemption from the average retail utility energy rate (lines 13.18-13.24)
- Compensation for excess energy at avoided cost rate (line 14.6)
- The grandfathering language "that begin operation after June 30, 2025." (line 14.9)

Why should cooperative & municipal solar members be treated any differently than public utility solar customers?

In 2016, cooperatives & municipalities were granted the right to add grid access fees, within reason. These monthly fees typically range from \$20.00-\$68.00, with some outliers charging more than \$100.00 per month. However, this practice is not currently regulated by the Public Utility Commission (PUC).

- A cooperative electric association or municipal utility may charge an additional fee to recover the fixed costs not already paid for by the customer through the customer's existing billing arrangement (lines 12.25-13.1).

One of the primary reasons Minnesotans choose to invest in solar is to eliminate their electric bills. Under the avoided cost rate for excess generation, on average, solar customers would need to triple the size of their solar system just to cover monthly base and grid access fees. With this model, it would not make financial sense to invest in solar, resulting in an estimated return on investment of over 20 years.

Examples of 2025 avoided cost rates in Minnesota:

- Willmar Municipal Utilities: \$ 0.0255 per kWh
- Alexandria ALP Utility: \$0.0321per kWh

Why should a solar member who invests in the infrastructure of cooperatives and municipalities grid be paid at a lower rate? Under this model, cooperatives and municipalities would sell excess energy for a higher revenue than they would receive from wholesale rates, all while saving on transmission costs.



Additionally, public utilities are required to aggregate meters, but cooperatives and municipalities are not. As written, this bill would disproportionately affect farmers who have multiple meters. They would be required to spend thousands of dollars on additional equipment to install solar on each individual meter per load, which would make solar an impractical and cost-prohibitive option.

Solar energy is still in its infancy stage in Minnesota. If this bill passes as currently written, it will set back small-scale solar development in the State. Solar energy should be a win-win for all parties, especially as energy demand continues to rise.

I respectfully urge you to remove the solar provisions from S.F. 2393.

Sincerely,

Kim Benjamin
President
MN Solar