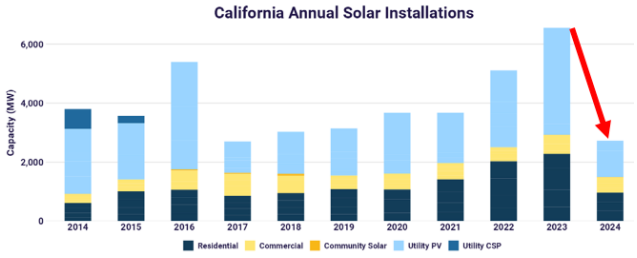
To: The Honorable Members of the Minnesota Senate
From: Martin Morud, Owner, TruNorth Solar
Date: April 5 2025
Subject: Opposition to Changes to Net-Metering Policy in Minnesota

Esteemed Members of the Committee,

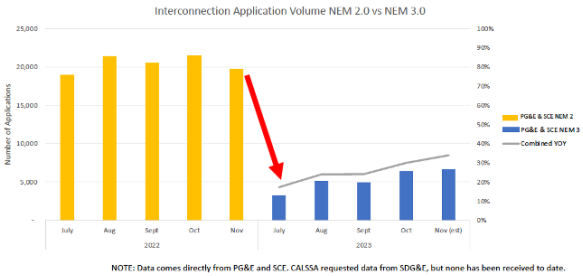
I am writing to express my strong opposition to S.F. 2393., which proposes significant changes to Minnesota's net-metering policy. **Net-metering is a critical mechanism that allows solar customers to receive fair compensation for the excess electricity they generate and contribute to the grid.** This policy has been a cornerstone of the solar industry's growth in Minnesota, creating jobs, attracting rate-payer investment in grid infrastructure, and making solar energy more affordable for families and businesses.

The Detrimental Impact of Altering Net-Metering: The potential consequences of altering net-metering are not merely hypothetical. We have witnessed the devastating effects of similar policy changes in other states, including Arizona (2015), Nevada and Hawaii (2016), and most recently, California (2022-current). In each of these cases, the local solar industry suffered significant setbacks, jobs were lost, and businesses were forced to close.

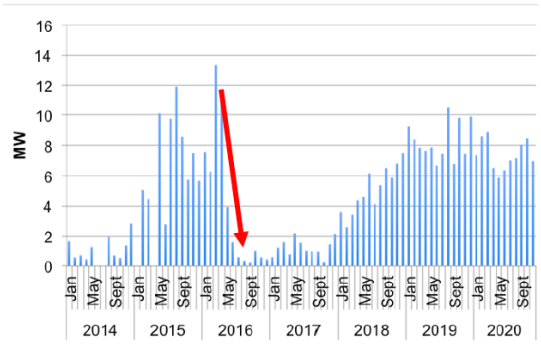
California 2024



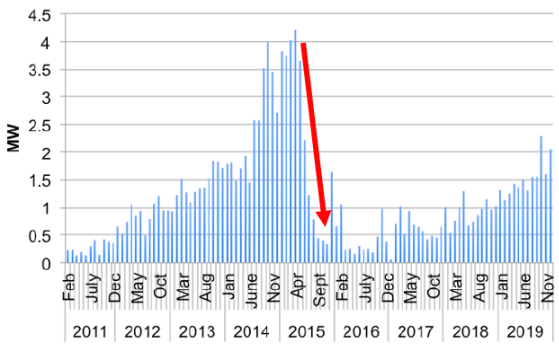
California 2022

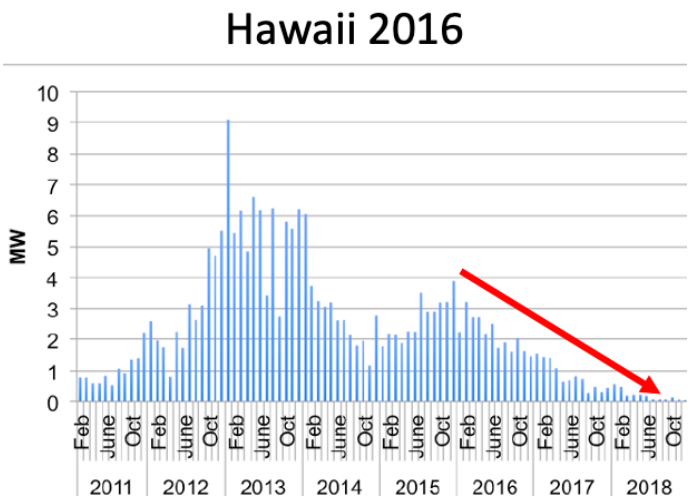


Nevada 2016



Arizona 2015 – Salt River Project





California's experience with NEM 3, which ultimately eliminated net-metering, is a stark example. Within six months of NEM 3's implementation, California lost over 22% of its solar workforce – a staggering 17,000 jobs. Interconnections plummeted by 83% in the following months. The impact on the solar industry and clean energy adoption was severe.

These are not just statistics; they represent real people whose livelihoods have been negatively affected. The installers, salespeople, office staff, and business owners who have invested their time and resources in the solar industry face uncertainty and hardship due to such policy changes.

Furthermore, the argument often used to justify net-metering changes – the notion of a "cost shift" from solar users to non-solar users – has been repeatedly debunked. A recent study demonstrated that California's net-metering policies actually saved ratepayers $1.5 billion in 2024 (references below).

The Value of Net-Metering

Net-metering is vital for a thriving solar industry in Minnesota. It provides stability for businesses, customers, and our state's clean energy goals. It makes solar more accessible and affordable, creates jobs, stimulates the economy, and protects our environment.

I urge you to reject S.F. 2393. and preserve Minnesota's net-metering policy. Let us continue to support clean energy, create jobs, be open to rate payer investment and build a sustainable future for all Minnesotans.

Thank you for your time and consideration.

Sincerely,

Martin Morud Owner, TruNorth Solar

TruNorth Solar is a Minnesota-based solar company located in Arden Hills. For the past 15 years, our dedicated team of 33 employees has been installing solar arrays for a diverse clientele across the state, including cities, school districts, rural utilities, businesses of all sizes, community serving non-profits and numerous homeowners.

References:

Salt River Project (SRP)
The Salt River Project (SRP) is a public utility company in Arizona that provides water and electricity to a large portion of the Phoenix metropolitan area. In 2015, SRP made changes to its net metering policy that significantly reduced the financial benefits of solar for customers. These changes included reducing the export rate for excess solar generation and adding new fees for solar customers. As a result of these changes, solar installations in SRP territory declined dramatically, and many solar companies were forced to lay off employees or close their doors. The SRP case is often cited as an example of how changes to net metering policies can have a devastating impact on the solar industry.

Hawaii 2016
In 2016, Hawaii transitioned from a traditional net metering policy to a "self-supply" program for new solar customers. [cite: https://www.nrel.gov/docs/fy17osti/67499.pdf] Under this new program, solar customers were no longer compensated for excess energy they sent back to the grid at the retail rate. [cite: https://www.nrel.gov/docs/fy17osti/67499.pdf] Instead, they were encouraged to consume as much of their own solar generation as possible, and any excess energy was credited at a lower rate. [cite: https://www.nrel.gov/docs/fy17osti/67499.pdf] This change significantly reduced the financial incentive for installing solar, as customers were not able to offset as much of their electricity costs. [cite: https://www.nrel.gov/docs/fy17osti/67499.pdf] As a result, the number of new solar installations in Hawaii declined sharply after the policy change. [cite: https://www.nrel.gov/docs/fy17osti/67499.pdf].

Nevada's net metering changes in 2016 were significant and had a swift impact on the solar industry. Here's a breakdown:
Reduced Compensation: The Nevada Public Utilities Commission (PUC) drastically reduced the rate at which solar customers were compensated for excess energy they sent back to the grid. [cite: https://www.nrel.gov/docs/fy17osti/67499.pdf] This meant that solar panel owners received significantly less credit on their bills for the surplus electricity they generated. [cite: https://www.nrel.gov/docs/fy17osti/67499.pdf]. Increased

Fixed Charges: The PUC also increased the fixed monthly charges that solar customers had to pay, regardless of how much electricity they used. [cite: https://www.nrel.gov/docs/fy17osti/67499.pdf] This added to the overall cost of going solar, making it less appealing for potential customers. [cite: https://www.nrel.gov/docs/fy17osti/67499.pdf].

Grandfathering Clause: While existing solar customers were grandfathered into the previous net metering rates for 20 years, the new rules applied to all new solar installations. [cite: https://news.energysage.com/what-happened-to-solar-in-nevada-after-nem-cuts/] This created a two-tiered system and significantly dampened the market for future solar adoption. [cite: https://news.energysage.com/what-happened-to-solar-in-nevada-after-nem-cuts/]. **Impact:** These changes led to a sharp decline in solar installations in Nevada, as the economics of going solar became less favorable for many homeowners and businesses. [cite: https://www.nrel.gov/docs/fy17osti/67499.pdf] Many solar companies in the state were forced to scale back operations or shut down entirely, resulting in significant job losses. [cite: https://news.energysage.com/what-happened-to-solar-in-nevada-after-nem-cuts/]

Rooftop Solar Reduces Costs for All Ratepayers (Richard McCann - M.Cubed Consulting, Brad Heavner - CALSSA, Bernadette Del Chiaro - CALSSA)
Executive Summary: “Policy makers wanting to address California’s affordability crisis should reject the utility’s so-called “solar cost shift” and instead partner with consumers who have helped save all ratepayers $1.5 billion in 2024 alone by investing in ‘customer cited’ solar. The state should prioritize these resources that simultaneously reduce carbon, increase resiliency, and minimize grid spending. This realignment of energy priorities away from what works for utilities – spending more on the grid – and toward what works for consumers – spending less – is particularly important in the face of increased electricity consumption due to electrification. More rooftop solar is needed, not less, to control costs for all ratepayers and meet the state’s clean energy goals.”