

Senator ..... moves to amend the delete-everything amendment (SCS2393A-3) to S.F. No. 2393 as follows:

Page 9, delete section 1

Page 43, after line 21, insert:

## "ARTICLE 5

### RENEWABLE DEVELOPMENT ACCOUNT SUNSET

Section 1. Minnesota Statutes 2024, section 116C.7792, is amended to read:

#### **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

Subdivision 1. Program operations. (a) The utility subject to section ~~116C.779~~ 216B.1641 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.

(b) Through 2025, the program is funded by money ~~withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (c).~~ Program funds must be placed that the utility deposits in a separate account for the purpose of the solar energy production incentive program operated by the utility and not for any other program or purpose.

(c) Funds allocated to the solar energy production incentive program in 2019 and 2020 remain available to the solar energy production incentive program.

(d) The following amounts are allocated to the solar energy production incentive program:

(1) \$10,000,000 in 2021;

(2) \$10,000,000 in 2022;

(3) \$5,000,000 in 2023;

(4) \$11,250,000 in 2024; and

(5) \$6,250,000 in 2025; and.

~~(6) \$5,000,000 each year, beginning in 2026 through 2035.~~

(e) Notwithstanding the Department of Commerce's November 14, 2018, decision in Docket No. E002/M-13-1015 regarding operation of the utility's solar energy production incentive program, half of the amounts allocated each year under paragraph (d), clauses (3), (4), and (5), must be reserved for solar energy systems whose installation meets the eligibility standards for the low-income program established in the November 14, 2018, decision or successor decisions of the department. All other program operations of the solar energy production incentive program are governed by the provisions of the November 14, 2018, decision or successor decisions of the department.

(f) Funds Money allocated to the solar energy production incentive program that ~~have~~ has not been committed to a specific project at the end of a program year ~~remain~~ remains available to the solar energy production incentive program, except that the utility's money that has not been obligated to a specific project by December 31, 2025, must be refunded to the utility's electric service customers in a manner and according to a schedule determined by the Public Utilities Commission.

~~(g) Any unspent amount remaining on January 1, 2028, must be transferred to the renewable development account.~~

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

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

(i) The utility must operate the program through December 31, 2025. Beginning on January 1, 2026, the commissioner of commerce must operate the program under this section in conformance with the orders issued by the Public Utilities Commission in Docket No. E002/M-13-1015, as applicable.

(j) A payment must not be made under this section to an owner of a solar energy system who did not receive a payment under this section before January 1, 2027.

3.1 Subd. 2. **Establishment of account.** (a) The solar energy production incentive account  
3.2 is established in the special revenue fund in the state treasury. Money received from the  
3.3 general fund must be transferred to the commissioner of commerce and credited to the  
3.4 account. The commissioner of commerce must manage the account.

3.5 (b) Money in the account may be expended only from January 1, 2026, to December  
3.6 31, 2036. Any money remaining in the account on December 31, 2036, cancels to the general  
3.7 fund.

3.8 (c) The utility subject to this section must advise the commissioner of commerce, on a  
3.9 schedule determined by the commissioner of commerce, regarding:

3.10 (1) the total amount required to be withdrawn from the account to pay for solar energy  
3.11 production incentives; and

3.12 (2) the amount of payments to be made separately to each program participant due a  
3.13 payment under this section.

3.14 (d) Beginning in fiscal year 2027, an amount sufficient is annually appropriated from  
3.15 the general fund to the commissioner to make the payments under paragraph (c) for projects  
3.16 that first received payments under this section no later than December 31, 2026.

3.17 Subd. 3. **Expiration.** This section expires April 1, 2037.

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

3.19 Sec. 2. Minnesota Statutes 2024, section 116J.55, subdivision 5, is amended to read:

3.20 Subd. 5. **Grant awards; limitations.** ~~(a)~~ A grant awarded to an eligible community  
3.21 under this section must not exceed \$1,000,000 in any calendar year. The commissioner may  
3.22 accept grant applications on an ongoing or rolling basis.

3.23 ~~(b) Grants funded with revenues from the renewable development account established~~  
3.24 ~~in section 116C.779 must be awarded to an eligible community located within the retail~~  
3.25 ~~electric service territory of the public utility that is subject to section 116C.779 or to an~~  
3.26 ~~eligible community in which an electric generating plant owned by that public utility is~~  
3.27 ~~located.~~

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

3.29 Sec. 3. Minnesota Statutes 2024, section 216B.1645, subdivision 1, is amended to read:

3.30 Subdivision 1. **Commission authority.** Upon the petition of a public utility, the Public  
3.31 Utilities Commission shall approve or disapprove power purchase contracts, investments,

or expenditures entered into or made by the utility to satisfy the wind and biomass mandates contained in sections 216B.169, 216B.2423, and 216B.2424, and to satisfy the renewable energy objectives and standards set forth in section 216B.1691, including reasonable investments and expenditures made to:

(1) transmit the electricity generated from sources developed under those sections that is ultimately used to provide service to the utility's retail customers, including studies necessary to identify new transmission facilities needed to transmit electricity to Minnesota retail customers from generating facilities constructed to satisfy the renewable energy objectives and standards, provided that the costs of the studies have not been recovered previously under existing tariffs and the utility has filed an application for a certificate of need or for certification as a priority project under section 216B.2425 for the new transmission facilities identified in the studies; or

(2) provide storage facilities for renewable energy generation facilities that contribute to the reliability, efficiency, or cost-effectiveness of the renewable facilities; ~~or.~~

~~(3) develop renewable energy sources from the account required in section 116C.779.~~

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

Sec. 4. Minnesota Statutes 2024, section 216C.377, subdivision 3, is amended to read:

Subd. 3. **Establishment of account.** A solar on public buildings grant program account is established in the special revenue fund. Money received from the general fund ~~and the renewable development account established in section 116C.779, subdivision 1,~~ must be transferred to the commissioner of commerce and credited to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Earnings remaining in the account at the end of a fiscal year do not cancel to the general fund or renewable development account but remain in the account until expended. The commissioner must manage the account.

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

Sec. 5. Minnesota Statutes 2024, section 216C.417, is amended by adding a subdivision to read:

Subd. 1a. **Account established; account management; appropriation.** A "Made in Minnesota" solar energy production incentive account is established as a separate account in the special revenue fund in the state treasury. Earnings, including interest, dividends, and any other earnings arising from account assets, must be credited to the account. Money

5.1 remaining in the account at the end of a fiscal year cancels to the general fund. The  
5.2 commissioner of commerce must manage the account.

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

5.4 Sec. 6. Minnesota Statutes 2024, section 216C.417, subdivision 2, is amended to read:

5.5 Subd. 2. **Appropriation.** ~~(a) Unspent money remaining in the account established under~~  
5.6 ~~Minnesota Statutes 2016, section 216C.412, on July 1, 2017, must be transferred to the~~  
5.7 ~~renewable development account in the special revenue fund established under section~~  
5.8 ~~116C.779, subdivision 1.~~

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

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

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

5.18 Sec. 7. **DISPOSITION OF REMAINING FUNDS.**

5.19 Any money remaining in the renewable development account established under Minnesota  
5.20 Statutes, section 116C.779, as of the effective date of this act must be remitted to the utility  
5.21 subject to Minnesota Statutes, section 216B.1641, subdivision 1, to refund the utility's  
5.22 electric service customers in a manner and according to a schedule determined by the Public  
5.23 Utilities Commission.

5.24 Sec. 8. **APPROPRIATION.**

5.25 \$5,000,000 in fiscal year 2026 is appropriated from the general fund to the commissioner  
5.26 of commerce to pay for solar energy production incentives under Minnesota Statutes, section  
5.27 116C.7792. This is a onetime appropriation.

5.28 Sec. 9. **REVISOR INSTRUCTION.**

5.29 In each section of Minnesota Statutes referred to in column A, the revisor of statutes  
5.30 must delete the reference in column B and insert the reference in column C. The references

6.1

in column C may be changed by the revisor of statutes to the section in Minnesota Statutes

6.2

in which the bill sections are compiled.

6.3	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
6.4	<u>16B.87</u>	<u>116C.779</u>	<u>216B.1641, subdivision 1</u>
6.5	<u>116C.776</u>	<u>116C.779</u>	<u>116C.778</u>
6.6			<u>216B.1691, paragraph (a),</u>
6.7	<u>216B.1641</u>	<u>116C.779</u>	<u>clause (1)</u>
6.8	<u>216C.375</u>	<u>116C.779</u>	<u>216B.1641, subdivision 1</u>
6.9	<u>216C.378</u>	<u>116C.779</u>	<u>216B.1641, subdivision 1</u>
6.10	<u>216C.379</u>	<u>116C.779</u>	<u>216B.1641, subdivision 1</u>

6.11

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

6.12

Sec. 10. **REPEALER.**

6.13

Minnesota Statutes 2024, sections 116C.779, subdivisions 1 and 2; 116C.7791; and

6.14

216C.41, are repealed.

6.15

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

6.16

Renumber the sections in sequence