

January 30, 2025

Minnesota Senate
Committee on Taxes
Capitol G-15
Saint Paul, MN 55155

RE: Senate File 441 - Temporary income tax credit for solar energy systems

Dear Chair Rest, Chair Weber, and committee members,

On behalf of Clean Energy Economy MN (CEEM), we write today in support of Senate File 441, a bill to authorize a temporary income tax credit for the purchase and installation of solar energy systems for customers of municipal utilities and cooperative electric associations.

CEEM is an industry-led, nonpartisan, non-profit organization representing the business voice of energy efficiency and clean energy in Minnesota. We are focused on educating Minnesotans about the economic benefits of transitioning to a clean energy economy. Our business membership comprises over 70 clean energy companies ranging from start-up businesses to Fortune 100 and 500 corporations that employ tens of thousands of Minnesotans across the state. CEEM stands committed to delivering a 100% clean energy future where all Minnesota businesses and citizens will thrive.

As Minnesota moves toward 100% clean energy by 2040, distributed generation, such as rooftop solar will be vital in this transition. Rooftop solar provides significant value by generating power where it is consumed – eliminating the need for costly transmission lines to bring energy from distant sources. Additionally, it enhances grid resiliency by enabling a more agile and faster recovery during outages. This tax credit will make solar energy more accessible to more Minnesotans, benefitting all of us through increased distributed generation of clean energy on our grid.

The solar industry employs over 5,000¹ Minnesotans, and the sector grew nearly 4.1% in the past year. Across the state, over 60,000 Minnesotans are employed in the clean energy economy, and 71% of this workforce is made up of small businesses with fewer than 20 employees. By offering this tax credit to residential property owners and businesses that utilize services from municipal utilities or cooperative electric associations, Minnesota can continue to support its small solar businesses and make solar energy more affordable for residents statewide. This initiative not only promotes clean energy but also strengthens the local solar market, helping more Minnesotans take advantage of solar power.

We thank Senator Coleman for authoring this important bill and Co-Chairs Rest and Weber for hearing it in committee.

Sincerely,



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¹ 2024 Clean Jobs Midwest Report: <https://www.cleanenergyeconomymn.org/clean-jobs-midwest-2024>