
Solar For Schools Annual Legislative Report

January 12, 2023

Prepared by
Minnesota Department of Commerce, Division of Energy Resources

Pursuant to Minnesota Statute 216C.375, subd. 11

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Minnesota Department of Commerce

Mission

For more than 150 years, the Minnesota Department of Commerce and its predecessor agencies have served Minnesotans. Our mission is to protect and assist consumers, to ensure a strong, competitive and fair marketplace, and to engage people and communities across the state.

Our Strategic Priorities

- Protect the public interest through consumer protection, consumer education, assistance to consumers, safety, health and financial security, and lowering inequities.
- Serve as a trusted public resource for consumers and businesses by listening and learning from the Minnesotans Commerce services, being effective stewards of public resources, advocating for Minnesota consumers and develop a policy, programmatic, and regulatory environment that meets their needs.
- Reduce economic barriers within Commerce regulatory oversee and reduce disparities within those of all races, ethnicities, religions, economic statuses, gender identities, sexual orientations, (dis)abilities, and zip codes.
- Ensure all, especially historically disadvantaged Minnesotans, are resilient to Minnesota's climate and engaged in advancing efforts to mitigate climate change.
- Ensure a strong, competitive, and fair marketplace for Minnesotans.

For more about the Department of Commerce: mn.gov/commerce.

Learn more about Commerce's Solar for Schools Program at mn.gov/commerce/energy.

Pursuant by Minnesota Statute 3.197: This report cost approximately \$518.00 to prepare, including staff time.

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Introduction

Pursuant to Minnesota Statute § 216C.375 subd. 11, the Minnesota Department of Commerce, Division of Energy Resources (DER) present this 2022 Annual Report regarding 2022 Solar for Schools projects implemented under the programs enabled under Minnesota Statutes [§ 216C.375](#) and [§ 216C.376](#).

Beginning January 15, 2022, and each year thereafter until January 15, 2028, the Commissioner of the Minnesota Department of Commerce (Commissioner) must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy regarding:

1. Grants and amounts awarded to schools under this section during the previous year;
2. Financial assistance, including amounts per award, provided to schools under section 216C.376 during the previous year; and,
3. Any remaining balances available under this section and section 216C.376.

Background

The Solar for Schools (SFS) grant program was established and became law in the 2021 Commerce and Energy Omnibus bill passed during the Special Session in June 2021. It was funded through the special revenue fund and through the Renewable Development Account (RDA). SFS is designed to stimulate the installation of solar energy systems on Minnesota public schools, K-12 as well as state colleges and universities, while using the opportunity to integrate renewable energy use into school curriculum. There are two separately designed programs, introduced below and detailed in subsequent sections.

Commerce Solar for Schools

Minnesota Statute § 216C.375 established the Solar for Schools grant incentive program for eligible schools outside of Xcel Energy territory (Commerce SFS). This establishment directs Commerce to develop and administer a program to provide financial assistance to enable eligible schools to install and operate solar energy systems that can be used as teaching tools and be integrated into the school curriculum.

Money from the general fund was transferred to the Commissioner and credited to the account through Laws of Minnesota 2021, 1st Spec. Sess. Chapter 4, Article 1, Section 2, Subd. 8(c), which transferred \$8,000,000 in the first year. This \$8,000,000 is to provide financial assistance to schools to purchase and install solar energy generation systems under Minnesota Statutes, section 216C.375. The appropriation must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section [116C.779](#)¹ (Xcel Energy or Xcel). Any remaining funds on June 30, 2027 will transfer back to the general fund.

Subdivision (d) also transfers \$1,242,000 in the first year to provide financial assistance to schools that are defined as state colleges and universities for the purchase and installation of solar energy generating systems

¹ See also 116C.779, subdivision 1, paragraph (e) and 2021 1st Special Session Laws, Chapter 4, Article 8, Section 24, Subd. 5.

under Minnesota Statutes, section 216C.375. This appropriation must be expended on colleges and universities located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779 (i.e. Xcel Energy). The base amount for fiscal year 2024 is \$1,138,000. Any remaining funds on June 30, 2027, also transfers back to the general fund.

Xcel Energy Solar*Rewards Solar for Schools

Minnesota Statute § 216C.376 established the Solar for Schools grant incentive program for eligible schools located within the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779 (Xcel S*R SFS). This territory is primarily in the Twin Cities metropolitan area. Minnesota Statute § 216C.376 directed Xcel Energy to operate this program to provide financial assistance to enable schools to install and operate solar energy systems that can be used as teaching tools and be integrated into the school curriculum.

Minnesota Statute § 216C.376 also directed Xcel Energy to withhold \$8,000,000 from the transfer made under section 116C.779, subdivision 1, paragraph (e), the RDA account, to pay for assistance provided by the program to eligible K-12 schools. Xcel Energy additionally was directed to transfer \$1,242,000 in the first year to provide financial assistance to eligible state colleges and universities under the same program, with an additional \$1,138,000 to be transferred in fiscal year 2024.

Xcel Energy was instructed under section 216.376 to submit a plan to the Commissioner for approval. Any proposed modifications to that plan would need to also be approved by the Commissioner. Xcel Energy's plan was submitted in October 2021 and approved by the Commissioner in Docket 21-718.² Xcel Energy will operate that plan under their current Solar*Rewards program as Solar*Rewards Solar for Schools which the Commissioner also approves on an annual basis.

² Docket No. E002/M-21-718 E002, Commissioner Decision December 20, 2021.

2022 Program Design

Commerce Solar for Schools

Minnesota Statute § 216C.375 directs the Commissioner to award grants based on Commerce’s assessment of the school’s need for financial assistance. The statute is mute on the criteria for determining a school’s need for financial assistance. Throughout 2021, staff reached out to stakeholders, the Minnesota Department of Education (MDE), and the Minnesota School Board Association for input as to how to determine a school’s financial need in an equitable way without creating a barrier to participation in the program.

Based on this feedback, staff concluded that taking a school’s Adjusted Net Tax Capacity (ANTC) divided by their Adjusted Pupil Units (APU) was a simple and transparent metric to use.³ This metric is known by districts, is publicly available data, and is used by the MDE for determination of financial need for multiple programs. *Table 1* lays out the maximum level of grant funding for which an individual school project is eligible.

MAXIMUM ALLOWABLE GRANT		
Public School ANTC/APU	% System Cost	Not to Exceed
under \$5,000	95%	\$114,000
> \$5,000	85%	\$102,000
> \$9,250	70%	\$84,000
> \$13,500	55%	\$66,000
> \$17,750	40%	\$48,000
over \$22,000	25%	\$30,000
Colleges & Universities	40%	\$48,000

Table 1 Commerce SFS 2022 Program Year Grant Metrics

The Commerce SFS program was developed as a two-step Request for Proposal (RFP) application process. Prior to beginning an application, schools must first obtain a unique project ID number from Commerce by emailing Commerce at SolarForSchools@state.mn.us. The email must include the school primary point of contact’s name, title, phone number, and email address along with the school/building name, school district/university or college system, district number, and office mailing address. These ID numbers are included on all correspondence including emails, phone calls, the application, and technical assistance, allowing Commerce to track schools throughout the project development process.

³ See [Minnesota School Finance: A Guide for Legislators](#) for additional information.

Step 1 – Notice of Intent: School Readiness Assessment:

The Notice of Intent: School Readiness Assessment is used to demonstrate a school’s readiness to move forward with procuring a solar photovoltaic (PV) system. This step incentivizes schools to do some level of background research, figuring out go/no-go situations, preparing them for the procurement process. In general, schools will have had to have contacted their electric utility, explored potential installation sites, identified potential roadblocks, begun planning and implementing solar-related curriculum for students, and demonstrated school support for pursuing solar. Schools are encouraged to use this [PDF List of Readiness Assessment Questions](#) to prepare their application or reach out to the Clean Energy Resource Teams (CERTs) for free technical assistance.

Step 2 – Full Grant Application:

Those schools deemed ready to apply will be invited to complete a Full Grant Application. At this stage, grant funds are tentatively reserved for a school’s project. Schools have roughly three months to move through the procurement process, select a developer, and complete the full grant application. The Full Grant Application must be completed by the school’s selected solar developer. This portion of the process will require submission of final project details including PV system details such as total cost and lifetime savings, selected developer information, final installation site details, and more. If a school meets all requirements pertaining to the full application, they have one year from the start of their contract with Commerce to complete the installation and commissioning of the system.

Technical Assistance:

CERTs connects individuals and their communities to the resources they need to identify and implement community-based clean energy projects. CERTs empowers communities and their members to adopt energy conservation, energy efficiency, and renewable energy technologies and practices for their homes, businesses, and local institutions.

In a statewide partnership with Commerce, CERTs provides free, unbiased general guidance and technical assistance to schools at any stage of the solar development process. Schools were encouraged to reach out to CERTs to meet the Readiness Assessment or Full Grant Application requirements. The following is a non-exhaustive list of the free services that CERTs can provide to schools:

- Solar 101 Training for Schools
- Solar Site Assessments
- Solar Procurement Best Practices
- Solar Curriculum Development
- Tips to Selecting a Solar Developer
- Financing a System and Ownership Options
- Student Empowerment Resources

Xcel Energy Solar*Rewards Solar for Schools

Xcel Energy filed Docket 21-718 October 1, 2021, with Commerce filing a Notice of Comment Period October 4, 2021. An extension was granted through October 22, 2021. Commerce filed its proposed decision on November 16, 2021, with an initial comment period through November 29, 2021. After all comments were reviewed and staff analysis was completed, the final decision was posted on December 20, 2021.⁴

	10-year PBI (\$/kWh)	Up-front Incentive (\$/W)
Non-Income-Qualified Schools	\$0.04	\$0.10
State College and University Campuses	\$0.04	\$0.10
Income-Qualified Schools:		
≤40 kW AC	\$0.04	\$1.10
>40 and ≤100 kW AC	\$0.04	\$0.90
>100 and ≤500 kW AC	\$0.04	\$0.70
>500 and <1000 kW AC	\$0.04	\$0.60

*Table 2 Xcel's Solar*Rewards SFS 2022 Program Year Grant Incentive Structure*

The Commissioner's December 20, 2021 Decision is as follows:

- Commerce approves Xcel's proposed program with a modified incentive structure of \$0.04/kWh for ten years and upfront incentives as shown in *Table 2*.
- Encourages Xcel to continue market analysis and engagement with stakeholders and participants on incentive structure for future program years.
- Confirms that the legislative intent of Solar for Schools in HF6 of the 2021 1st Special Session is that the \$8,000,000 appropriation is only for K-12 schools and the \$1,242,000 appropriation is intended only for state colleges and universities.
- Approves Xcel Energy's proposed administration budget of \$40,000 per year and a total administration budget allocation of \$80,000 for the program.
- Rejects the Company's proposal to include Solar*Rewards for Schools within its throughput requirements for the Solar*Rewards program.
- Approves the Company's proposed tariff contract language, as modified in its November 30, 2021 comments, requiring that program participants authorize the Company to publicly disclose customer information that is required to comply with public reporting on program participation.
- Beginning December 1, 2022, and each year thereafter until December 1, 2027, requires the Company to submit a report with initial data on financial assistance, including amounts per award, provided to schools under section 216C.376 during the previous year; and any remaining balances available under section 216C.376. The report should include a filing in Excel spreadsheet format with any tables provided in the report and including school name, location, nameplate capacity, funding allocated, energy generation, and incentive payments.

⁴ Docket No. E002/M-21-718 E002, Commissioner Decision December 20, 2021.

- Approves the Company’s proposal to report final year-end data and program results in the Company’s Solar*Rewards annual report filed in Docket Nos. E002/M-13-1015 and E002/M-21-718.
- Requires the Company to include any Solar*Rewards for Schools program modification proposals in its Solar*Rewards Annual Report on June 1 each year in Docket Nos. E002/M-13-1015 and E002/M-21-718.
- Approves the Company’s request to implement proposed program changes using the same 30-day negative checkoff process as allowed for Solar*Rewards tariff filings.

Commerce Solar for School 2022 Annual Summary

In 2022, Commerce held two separate Request for Proposal (RFP) funding rounds, detailed in *Table 3*. This section includes high-level metrics of the Commerce SFS program including the total number of grants awarded, amounts awarded to specific schools, the total amount of remaining funds, a cumulative summary of previous years’ projects, and other project information.

RFP Funding Round	Readiness Assessment	Full Grant Application
Round 1 (K-12 & Colleges)	January 5 – January 31	Due May 31
Round 2 (Colleges Only)	July 1 –July 30	Due by November 30

Table 3 Commerce SFS RFP Funding Schedule

RFP Funding Round 1

The application process was open to eligible K-12 public schools as well as colleges and universities in the first RFP funding round. No colleges or universities submitted applications in the first round.

Step 1 – Notice of Intent: School Readiness Assessment:

By January 31, 122 Readiness Assessments were submitted, representing 45 school districts. Of the \$8 million allotted to the grant program outside Xcel Energy territory, Commerce had previously budgeted awarding up to \$7.2M in grants to K-12 program applicants, reserving \$800,000 (or 2% annually) for administrative and program management costs intended to be utilized over five years. Due to such high program interest, the 122 submitted Readiness Assessment grant requests exceeded the available funds, for a total grant request of \$11,814,000.

In the event of grant request exceeding available funds, the RFP stipulated:

In the event Commerce receives high volumes of grant applications in any one RFP funding round or if the grant funding is insufficient to meet all grant funding requests, a queue and priority system will be established. Priority cohorts will be determined in Step 1 of the RFP process based on the financial readiness of Applicants that have been deemed ready to proceed to the Full Grant Application.

Applicants closest to meeting 100% of the full System costs through a combination of grant dollars and matching funds will be given higher priority.⁵

Using the above criteria, 15 of the 122 applicants were categorized into priority Cohorts 1 and 2. They were given highest priority, deemed ready, and approved to submit Full Grant Applications. These applications represent six individual school districts, with a grant expenditure of \$1,548,000. The remaining 107 applications, Cohort 3, represent 39 school districts and a grant expenditure of \$10,266,000. These applicants were identical in terms of the RFP’s established queue and priority metrics. and therefore, are identical in scope and design, making it impractical to determine a competitive way to select applications for funding.

In February 2022, Commerce approved, for the final cohort, up to two schools per district to submit Full Grant Applications. Total funds reserved for ongoing administrative expenses were decreased to increase grant funds for eligible K-12 schools (from \$7,200,000 to \$7,518,000). Eighty (80) schools across 45 districts were invited to submit Full Applications, a maximum grant expenditure of \$7,518,000 if all applied and were approved.

Step 2 – Full Grant Application:

By May 31, 64 schools across 38 school districts submitted Full Grant Applications, representing a maximum grant expenditure of \$6,150,270 if all approved. As of December 2022, four of the projects have since withdrawn their applications. The remaining 60 represent \$5,814,270. The number of applications and maximum potential associated grant funds are detailed in *Figure 1* for each stage of the application process.

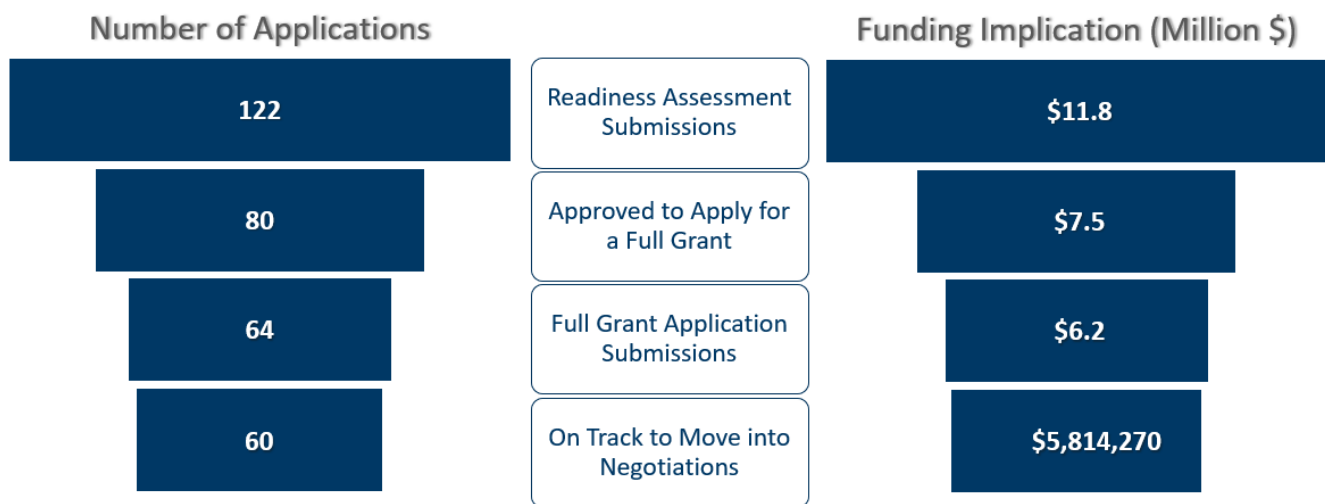


Figure 1 Funding Implications of Commerce SFS RFP Round 1 Applications by Stage

In coordination with Minnesota Municipal Utilities Association (MMUA), and in response to stakeholder comments submitted during the Full Grant Application process, Commerce developed and subsequently required the signing and submission of three additional documents prior to schools being approved for a grant: Electric Utility MOU, Financial Analysis Technical Assistance Report, and Proof of Remaining Funds Secured.

⁵ Minnesota Solar for Schools Program Application COMM-SFS01-20220105

By early July, all applicants were informed via email and provided instruction regarding these requirements. Response to the new requirements was exceptionally positive. Commerce has had communication regarding these documents with MMUA as well as several individual electric utilities, developers, and school district. By early September, Commerce also developed a Q&A document providing clarity and additional information regarding these documents. Emails were subsequently sent out to Applicants as well as their Developer and Utility contacts containing this information. Some application delays have been observed in response to these newly required documents largely in two ways: 1) electric utilities needing time to review, complete, and edit the Utility MOU and, 2) applicants needing time to make Full Grant Application edits, including changes to the contract with the selected solar developer.

As of December 2022, 33 applicants are either in contract status or contract negotiations with Commerce. An additional 23 have submitted all required documents and are waiting only on a signed MOU from their electric utility. *Figure 2* illustrates the status of all RFP Funding Round 1 Commerce SFS grant applicants by total number at each stage; *Figure 3* illustrates the same by total reservation of grants funds at each stage.

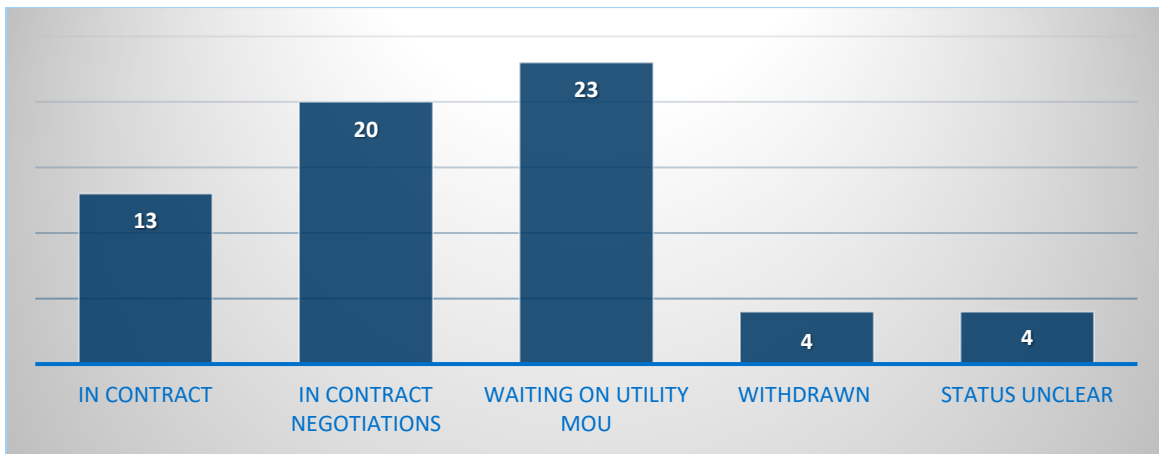


Figure 2 Status of Round 1 Active Solar for Schools Grant Applicants

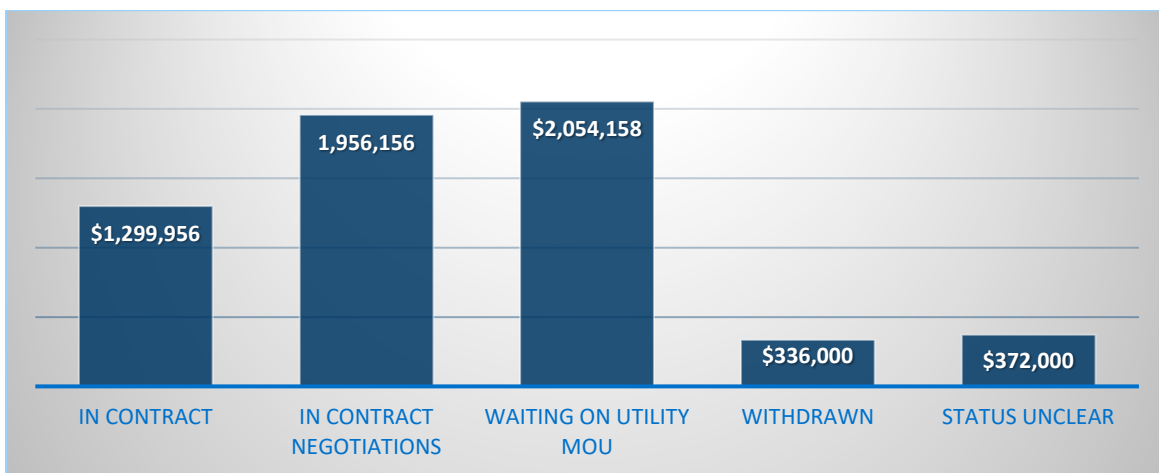


Figure 3 Reserved Grants by Application Status of Active Round 1 (K12) Solar for Schools Grant Applicants

The 16 schools in contract status with Commerce are listed in *Table 4*. A comprehensive list of schools and projects, including those for which grant funds have been reserved, but are not yet in contract status with Commerce, can be found in *Appendix I*. Those not yet in contract status have been de-identified.

School District	Grant Awarded	System Size (kWdc)
Moose Lake Public Schools	\$96,968	49.60
Houston Public Schools	\$111,674	49.60
Houston Public Schools	\$111,674	49.60
Braham Area Schools	\$101,902	49.60
Braham Area Schools	\$92,603	40.80
Marshall Public Schools	\$101,809	49.60
Marshall Public Schools	\$99,913	49.60
Marshall Public Schools	\$101,809	49.60
Marshall Public Schools	\$99,913	49.60
Marshall Public Schools	\$93,691	49.60
Saint Peter Public School District	\$102,000	51.06
Saint Peter Public School District	\$102,000	51.06
Morris Area Schools	\$84,000	49.05
Stewartville School District	\$96,078	49.60
Stewartville School District	\$96,078	49.60
Browns Valley	\$84,000	48.23

Table 4 Commerce SFS Grantees in Contract Status as of December 2022

RFP Funding Round 2

Wanting to allow time to fully process the high volume of K-12 applications from the first round of funding, Commerce decided to only open the RFP Funding Round 2 to eligible colleges and universities. While only 64 of the 80 eligible school projects from RFP Funding Round 1 ended up submitting Full Grant Applications, the timing necessary for the development of the RFP and promotional content was too close of a window to determine if there would be any remaining K-12 funds.

Implementing the programmatic changes resulting from the RFP Funding Round 1, Commerce saw two colleges and universities submitting Readiness Assessment applications, representing \$96,000 if the grants are awarded. In October, Commerce also granted extensions to the two projects in submitting their Full Grant Applications due to college timing issues in gaining the necessary approvals and going out to bid to select solar developers for the projects. Full Grant Applications are due by January 31, 2023.

Xcel Energy Solar*Rewards Solar for Schools 2022 Annual Summary

Since launching in early 2022, Xcel’s Solar*Rewards SFS program has received seven applications. Xcel reported this may be a result of budgeting cycles of schools, hoping to learn more in the 2023 calendar year.⁶ Since none of the seven active projects have received Permission to Operate, they have not yet agreed to the terms and agreements for public filed data.⁷ Once they sign this tariff contract, then pursuant to its terms⁸ Xcel can publicly provide this information. Until then, the information remains non-public. Xcel has not provided energy generation or incentive payments for these projects; these details will be provided in future years. Xcel also applied its 15/15 standard discussed in *In the Matter of a Commission Inquiry into Privacy Policies of Rate-Regulated Energy Utilities*.^{9,10}

All seven (7) projects are income-qualified, with only one being a ground-mounted system and the remaining six being a roof mounted system. Public data on each project is detailed in *Table 5*. Additional details regarding the program will be provided in Xcel’s June 1, 2023, Annual Report, consistent with Decision point 7.

Installation type	Status	Product	Upfront Incentive: \$/Watt
Ground Mount	Design and Construction	Solar*Rewards for Schools	\$0.10
Roof	Metering and Testing	Solar*Rewards for Schools Income-Qualified	\$0.60
Roof	Design and Construction	Solar*Rewards for Schools Income-Qualified	\$0.70
Roof	Design and Construction	Solar*Rewards for Schools Income-Qualified	\$0.70
Roof	Design and Construction	Solar*Rewards for Schools Income-Qualified	\$0.70
Roof	Design and Construction	Solar*Rewards for Schools Income-Qualified	\$0.90
Roof	Facilities Study	Solar*Rewards for Schools Income-Qualified	\$0.70

*Table 5 Xcel Solar*Rewards SFS Active Project Applicants*

⁶ Solar*Rewards for Schools Program Annual Report, filed Dec. 1, 2022, Docket Nos. E002/M-21-718 and E002/M-13-1015

⁷ as defined in Xcel’s Section 9 Tariff, Original Sheet No. 106

⁸ Tariff sheet 9-106, par. 8.f.

⁹ Docket No. E,G999/CI-12-1344 and most recently as related to grid information in Docket No. E002/M-19-685

¹⁰ The 15/15 standard imposes two restrictions to protect customers’ privacy and confidentiality: (1) A set of aggregated data must contain at least 15 customers or premises; and (2) A single customer or premise cannot account for 15 percent or more of data of the data set.

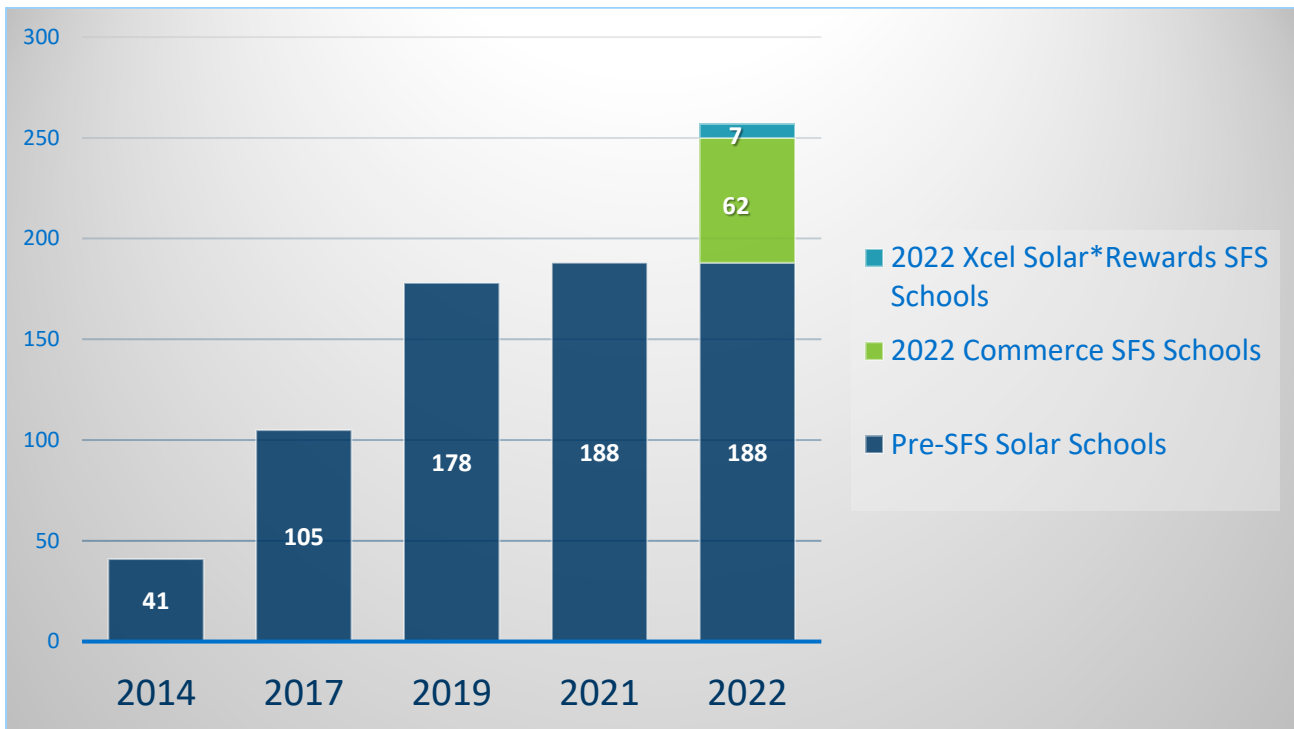
Program Impact and Outlook

Schools are increasingly going solar nationally. In September 2022, Generation180 released their biannual report, *Brighter Future: A Study on Solar in U.S. K-12 Schools*. The report found that, since 2015, the cumulative installed solar school capacity has tripled with the total number of solar schools doubling.¹¹ Through 2021, 9 percent of K-12 schools and 19 percent of school districts nationally had solar PV systems. The report found that, between 2020 and 2021 alone, the number of solar schools and solar installed capacity at schools grew by 14% and 22%, respectively.

Minnesota Impact

Through 2021, Minnesota had nearly 190 schools with solar PV systems.¹² Cumulatively between the Xcel Energy Solar*Rewards SFS and Commerce SFS programs, 69 schools across Minnesota are on track to install new PV systems, representing roughly a 33% increase. The trend in number of solar schools in the state from 2015 through 2022 is detailed in *Figure 4*.

Figure 4 Growth in Number of Minnesota K-12 Schools on Track to Install Solar Through 2022



Through 2021, the cumulative installed solar capacity at Minnesota K-12 schools was over 23 MW.¹³ Resulting from the 2022 Commerce SFS applicants, 3.445 MW of solar is on track to be added, an increase of nearly 15%. The increase in solar capacity does not yet portray the complete picture as the solar project capacity at the

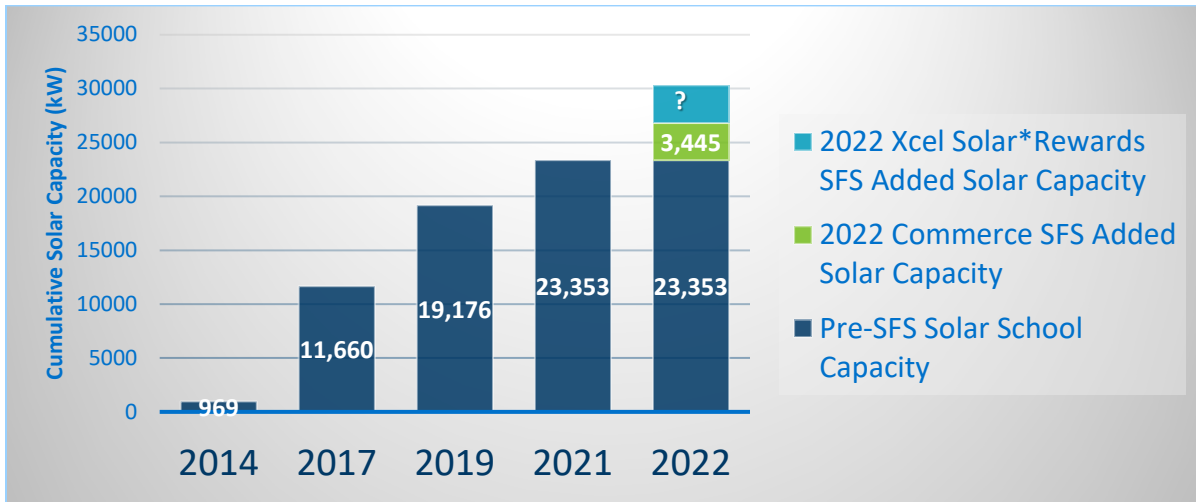
¹¹ [Brighter Future: A Study on Solar in U.S. K-12 Schools](#)

¹² [Brighter Future: A Study on Solar in U.S. K-12 Schools](#) and Commerce internal data

¹³ [Brighter Future: A Study on Solar in U.S. K-12 Schools](#) and Commerce internal data

seven projects that applied through Xcel’s Solar*Rewards SFS program remains unknown at this time. The trend in Minnesota’s cumulative solar school capacity from 2014 through 2022 is detailed in *Figure 5*.

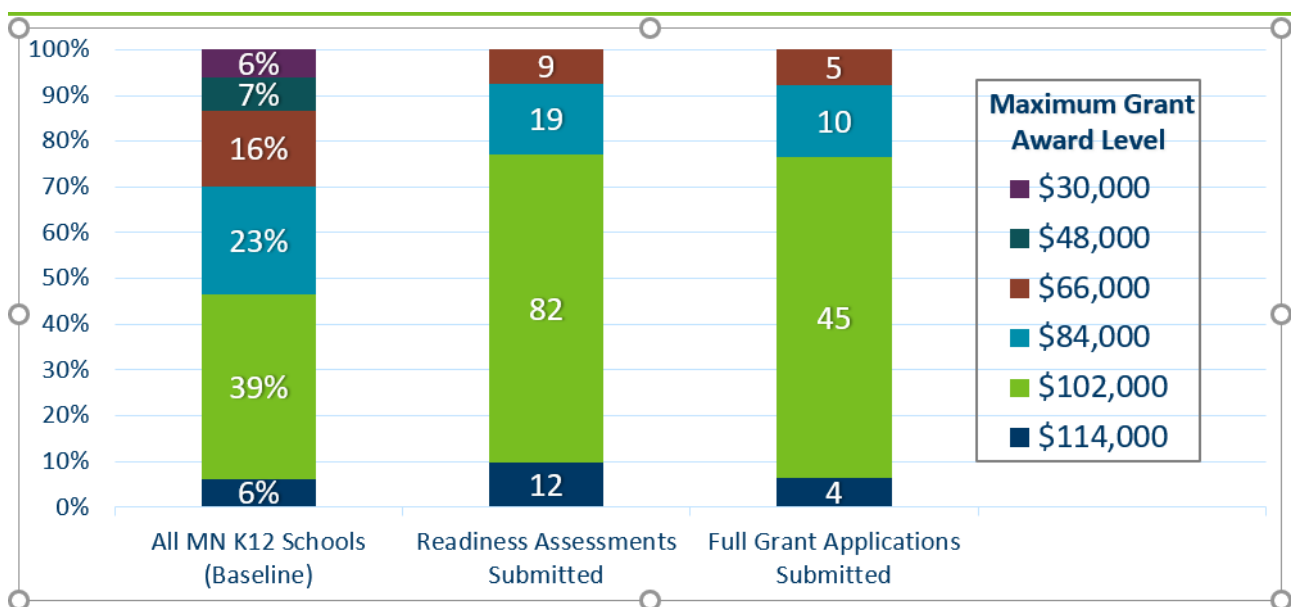
Figure 5 Growth in Minnesota's Cumulative K-12 Solar School Capacity



Grant Distribution

Figure 6 illustrates the distribution of the Commerce SFS applicants compared to the expected distribution when looking across all of Minnesota’s school districts. Both the Readiness Assessment school applicants as well as the Full Grant Application applicants were heavily weighted in the two highest grant award levels. These represent the schools deemed to be in the highest financial need and demonstrate that the program is reaching the schools that were least likely to be able to afford and/or consider going solar.

Figure 6 Commerce SFS Round 1 Funding Grant Allocation Distribution



Additionally, the geographic distribution of solar schools has greatly expanded with the launching of the Commerce SFS program, as illustrated in *Figure 7*; the blue labeled solar schools indicate schools that were solar prior to the launching of either SFS grant program and the white labels indicate Commerce SFS program applicants.

Figure 7 Geographic Distribution of Minnesota Solar Schools



2023 Program Outlook

Commerce SFS grant remaining funds are detailed in *Figure 8*. Currently, the nearly 80% of the Commerce SFS K-12 grant funds are reserved, with just over \$1.7 million remaining available to future applicants. For the college and university funding pool, over 90% remains available. Under the Xcel Solar*Rewards SFS program, \$5,948,294 (75%) remains available for K-12 schools, and 100% of the college and university funds remain available.¹⁴

Figure 8 Commerce SFS Grant Funds Available as of December 2022

K12 Grant Reservations		
Program Total	Reserved	Available
\$7,518,000*	\$5,946,270 (77.3%)	\$1,703,730 (22.7%)

*Increased from \$7.2M in February 2022

College and University Grant Reservations		
Program Total	Reserved	Available
\$1,117,800**	\$96,000 (8.6%)	\$1,021,800 (91.4%)

**An additional \$1,024,200 will become available July 1, 2023, totaling \$2,142,00

With direct pay available to schools through the passage of the Inflation Reduction Act (IRA), schools now will have access to the federal solar Investment Tax Credit for the first time. This added incentive will likely increase interest and demand for schools to go solar. However, with guidance not yet released from the IRS, it is undetermined what impact the direct pay option will have on the overall costs of going solar for Minnesota schools as it is yet unclear what impact both SFS grant programs and other incentives will have on the value of the tax credit.

Once the IRS guidance is released, and the overall impact on demand of the program is known, Commerce will reevaluate grant levels after the January 2023 RFP Funding Round, particularly as it relates to the college and university grant level. The first 2023 RFP Funding Round is scheduled to open for both K-12 public schools as well as colleges and universities on January 9, 2023.

Prior to the launching of both SFS programs, Minnesota ranked 13 of all 50 states in cumulative installed solar school capacity and 11 in overall number of solar K-12 schools.¹⁵ Considering the impact both SFS programs have already had on the number of and total capacity of solar schools in the state and the likely increase in demand resulting from direct pay, Minnesota has the potential to capitalize on these programs, becoming a national leader in solar schools.

¹⁴ Solar*Rewards for Schools Program Annual Report Attachment A, filed Dec. 1, 2022, Docket Nos. E002/M-21-718 and E002/M-13-1015

¹⁵ [Brighter Future: A Study on Solar in U.S. K-12 Schools](#) and Commerce internal data

Appendix 1: Commerce SFS Grantees

School	School Type	Final/Anticipated Grant	Final/Estimated System Size	Status
Moose Lake Public Schools	K-12 Public	\$ 96,968	49.60	Awarded Grant
Houston Public Schools	K-12 Public	\$ 111,674	49.60	Awarded Grant
Houston Public Schools	K-12 Public	\$ 111,674	49.60	Awarded Grant
Braham Area Schools	K-12 Public	\$ 101,902	49.60	Awarded Grant
Braham Area Schools	K-12 Public	\$ 92,603	40.80	Awarded Grant
Marshall Public Schools	K-12 Public	\$ 101,809	49.60	Awarded Grant
Marshall Public Schools	K-12 Public	\$ 99,913	49.60	Awarded Grant
Marshall Public Schools	K-12 Public	\$ 101,809	49.60	Awarded Grant
Marshall Public Schools	K-12 Public	\$ 99,913	49.60	Awarded Grant
Marshall Public Schools	K-12 Public	\$ 93,691	49.60	Awarded Grant
Saint Peter Public School District	K-12 Public	\$ 102,000	51.06	Awarded Grant
Saint Peter Public School District	K-12 Public	\$ 102,000	51.06	Awarded Grant
Morris Area Schools	K-12 Public	\$ 84,000	49.05	Awarded Grant
Stewartville School District	K-12 Public	\$ 96,078	49.60	Awarded Grant
Stewartville School District	K-12 Public	\$ 96,078	49.60	Awarded Grant
Browns Valley	K-12 Public	\$ 84,000	48.23	Awarded Grant
SFS22-1078	K-12 Public	\$ 102,000	59.20	Contract Negotiations
SFS22-1013	K-12 Public	\$ 102,000	59.20	Contract Negotiations
SFS22-1016	K-12 Public	\$ 102,000	59.20	Contract Negotiations
SFS22-1035	K-12 Public	\$ 102,000	59.20	Contract Negotiations
SFS22-1040	K-12 Public	\$ 102,000	59.20	Contract Negotiations

School	School Type	Final/Anticipated Grant	Final/Estimated System Size	Status
SFS22-1043	K-12 Public	\$ 102,000	59.20	Contract Negotiations
SFS22-1103	K-12 Public	\$ 102,000	48.23	Contract Negotiations
SFS22-1091	K-12 Public	\$ 84,000	59.20	Contract Negotiations
SFS22-1094	K-12 Public	\$ 84,000	59.20	Contract Negotiations
SFS22-1058	K-12 Public	\$ 102,000	59.20	Contract Negotiations
SFS22-1067	K-12 Public	\$ 102,000	59.20	Contract Negotiations
SFS22-1068	K-12 Public	\$ 102,000	59.20	Contract Negotiations
SFS22-1086	K-12 Public	\$ 84,000	48.23	Contract Negotiations
SFS22-1021	K-12 Public	\$ 102,000	59.20	Contract Negotiations
SFS22-1023	K-12 Public	\$ 102,000	59.20	Contract Negotiations
SFS22-1076	K-12 Public	\$ 66,000	59.20	Waiting on Utility MOU
SFS22-1077	K-12 Public	\$ 66,000	59.20	Waiting on Utility MOU
SFS22-1004	K-12 Public	\$ 107,458	45.92	Waiting on Utility MOU
SFS22-1090	K-12 Public	\$ 86,700	29.52	Waiting on Utility MOU
SFS22-1121	K-12 Public	\$ 84,000	59.20	Waiting on Utility MOU
SFS22-1124	K-12 Public	\$ 84,000	59.20	Waiting on Utility MOU
SFS22-1062	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1063	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1104	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1019	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1135	K-12 Public	\$ 66,000	59.20	Waiting on Utility MOU
SFS22-1088	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1089	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1025	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1026	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1132	K-12 Public	\$ 114,000	59.20	Waiting on Utility MOU
SFS22-1054	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1056	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1031	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1033	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU

School	School Type	Final/Anticipated Grant	Final/Estimated System Size	Status
SFS22-1126	K-12 Public	\$ 84,000	59.20	Waiting on Utility MOU
SFS22-1110	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-1113	K-12 Public	\$ 102,000	59.20	Waiting on Utility MOU
SFS22-2003	College / University	\$ 48,000	49.60	Waiting on Full Application
SFS22-2004	College / University	\$ 48,000	39.90	Waiting on Full Application