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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 747

01/23/2023 Authored by Reyer, Elkins and Lee, F., The bill was read for the first time and referred to the Committee on Climate and Energy Finance and Policy

1.1 A bill for an act
1.2 relating to solar energy; establishing a program to award grants for the installation
1.3 of solar energy generating systems on public buildings; requiring a report;
1.4 appropriating money; proposing coding for new law in Minnesota Statutes, chapter
1.5 216C.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. [216C.377] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.

1.8 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
1.9 the meanings given.

1.10 (b) "Developer" means an entity that applies for a grant on behalf of a public building
1.11 under this section to install a solar energy generating system on the public building.

1.12 (c) "Local unit of government" means a county, statutory or home rule charter city, town,
1.13 or other local government jurisdiction, excluding a school district eligible to receive financial
1.14 assistance under section 216C.375 or 216C.376.

1.15 (d) "Public building" means a building owned and operated by a local unit of government.

1.16 (e) "Solar energy generating system" has the meaning given in section 216E.01,
1.17 subdivision 9a.

1.18 Subd. 2. Establishment; purpose. A solar on public buildings grant program is
1.19 established in the Department of Commerce. The purpose of the program is to provide grants
1.20 to stimulate the installation of solar energy generating systems on public buildings.

1.21 Subd. 3. Establishment of account. A solar on public buildings grant program account
1.22 is established in the special revenue fund. Money received from the general fund and the

2.1 renewable development account established in section 116C.779, subdivision 1, must be
2.2 transferred to the commissioner of commerce and credited to the account. Earnings, including
2.3 interest, dividends, and any other earnings arising from the assets of the account, must be
2.4 credited to the account. Earnings remaining in the account at the end of a fiscal year do not
2.5 cancel to the general fund or renewable development account but remain in the account
2.6 until expended. The commissioner must manage the account.

2.7 Subd. 4. **Appropriation; expenditures.** Money in the account established under
2.8 subdivision 3 is appropriated to the commissioner for the purposes of this section and must
2.9 be used only:

2.10 (1) for grant awards made under this section; and

2.11 (2) to pay the reasonable costs of the department to administer this section.

2.12 Subd. 5. **Eligible system.** (a) A grant may be awarded to a local unit of government
2.13 under this section only if the solar energy system that is the subject of the grant:

2.14 (1) is installed on or adjacent to a public building that consumes the electricity generated
2.15 by the solar energy generating system, on property within the service territory of the utility
2.16 currently providing electric service to the public building; and

2.17 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the
2.18 average annual electricity consumption of the public building, measured over the most
2.19 recent three calendar years, at which the solar energy generating system is installed.

2.20 (b) A public building that receives a rebate or other financial incentive under section
2.21 216B.241 for a solar energy system is eligible for a grant under this section for the same
2.22 solar energy generating system.

2.23 Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals
2.24 to utilities, local units of government, and developers who may wish to apply for a grant
2.25 under this section on behalf of a public building.

2.26 (b) A utility or developer must submit an application to the commissioner on behalf of
2.27 a public building on a form prescribed by the commissioner. The form must include, at a
2.28 minimum, the following information:

2.29 (1) the capacity of the proposed solar energy system and the amount of electricity that
2.30 is expected to be generated;

2.31 (2) the current energy demand of the public building on which the solar energy generating
2.32 system is to be installed, information regarding any distributed energy resource that currently

3.1 provides electricity to the public building, and the size of the public building's subscription
 3.2 to a community solar garden, if applicable;

3.3 (3) information sufficient to estimate the energy and monetary savings that are projected
 3.4 to result from installation of the solar energy generating system over the system's useful
 3.5 life;

3.6 (4) the total cost to purchase and install the solar energy system and the solar energy
 3.7 system's lifecycle cost, including removal and disposal at the end of the system's life; and

3.8 (5) a copy of the proposed contract agreement between the local unit of government and
 3.9 the public utility or developer that includes provisions addressing responsibility for
 3.10 maintenance, removal, and disposal of the solar energy system.

3.11 (c) The commissioner must administer an open application process under this section
 3.12 at least twice annually.

3.13 (d) The commissioner must develop administrative procedures governing the application
 3.14 and grant award process under this section.

3.15 Subd. 7. **Energy conservation review.** At the commissioner's request, a local unit of
 3.16 government awarded a grant under this section must provide the commissioner with
 3.17 information regarding energy conservation measures implemented at the public building at
 3.18 which the solar energy generating system is to be installed. The commissioner may make
 3.19 recommendations to the local unit of government regarding cost-effective conservation
 3.20 measures the local unit of government can implement and may provide technical assistance
 3.21 and direct the local unit of government to available financial assistance programs.

3.22 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to
 3.23 local units of government to develop and execute projects under this section.

3.24 Subd. 9. **Grant payments.** The commissioner must award a grant from the account
 3.25 established under subdivision 3 to a local unit of government for the necessary and reasonable
 3.26 costs associated with the purchase and installation of a solar energy system.

3.27 Subd. 10. **Application deadline.** An application must not be submitted under this section
 3.28 after

3.29 Subd. 11. **Reporting.** Beginning January 15, 2024, and each year thereafter until January
 3.30 15,, the commissioner must report to the chairs and ranking minority members of the
 3.31 legislative committees with jurisdiction over energy finance and policy regarding grants
 3.32 and amounts awarded to local units of government under this section during the previous
 3.33 year and any remaining balances available in the account established under this section.

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

4.2 Sec. 2. **APPROPRIATIONS.**

4.3 (a) \$..... in fiscal year 2024 is appropriated from the general fund to the commissioner
4.4 of commerce for deposit in the solar on public buildings grant program account for the grant
4.5 program described in Minnesota Statutes, section 216C.377. The appropriation in this
4.6 paragraph must be used only to provide grants to public buildings located outside the electric
4.7 service area of the electric utility subject to Minnesota Statutes, section 116C.779.

4.8 (b) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph
4.9 (j), \$..... in fiscal year 2024 is appropriated from the renewable development account
4.10 established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of
4.11 commerce for deposit in the solar on public buildings grant program account for the grant
4.12 program described in Minnesota Statutes, section 216C.377. The appropriation in this
4.13 paragraph must be used only to provide grants to public buildings located within the electric
4.14 service area of the electric utility subject to Minnesota Statutes, section 116C.779.