

cleanenergyeconomymn.org

March 27, 2025

Minnesota House of Representatives Committee on Energy Finance and Policy Capitol 123 Saint Paul, MN 55155

RE: House File 2793 - Community Solar Garden Program Sunset

Dear Chair Swedzinski, Chair Acomb, and committee members,

On behalf of Clean Energy Economy MN (CEEM), we write today with concerns for House File 2793, a proposal to sunset the Community Solar Garden (CSG) Program.

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.

In December 2024, the Minnesota Department of Commerce released a comprehensive analysis of the Low- and Moderate-Income Accessible Community Solar Garden (LMI CSG) program. This study, commissioned by the legislature, found the following:

Over the study period, the CSG program is expected to deliver \$139 million in net benefits to LMI subscribers and \$116 million to non-LMI subscribers. Benefits are significantly higher than costs for Minnesota and CSG developers.¹

Beyond these economic advantages, the program offers substantial benefits boosting the resilience of the electricity grid, supporting job creation in the construction sector, and providing economic opportunities for landowners and host communities. Moreover, it contributes to Minnesota's renewable energy goals, aiding the state in meeting its statutory obligations for sustainable energy production.

On behalf of our community solar business members, CEEM recommends and supports a more measured approach to how the new LMI CSG program could be improved. Distributed generation will play an important role in quickly adding capacity and resiliency to the grid, and sunsetting the CSG program will hurt that effort.

We thank you for this opportunity to share our concerns with HF2793. CEEM and our business members are prepared to collaborate with stakeholders about tweaks to the CSG program to ensure continued benefit to subscribers, nonsubscribers, and the grid as a whole.

Sincerely,

Det

George Damian Director of Government Affairs gdamian@cleanenergyeconomymn.org

Changha Deetle

Chandra Her Senior Policy Associate cher@cleanenergyeconomymn.org



Twin Cities Minnesota Chapter

March 26, 2025

House File 2793 (Swedzinski)

Chairs Swedzinski and Acomb and House Energy Finance and Policy Committee Members -

Elders Climate Action, Twin Cities Chapter is a nonpartisan group of 150 seniors who are concerned about the climate crisis and advocate for strong policies that will reduce greenhouse gases in our atmosphere to a level consistent with life thriving on our planet.

Elders Climate Action, Twin Cities Chapter strongly opposes SF 2793 and its Senate companion bill SF 2855. Now more than ever it's essential to provide Minnesotans with access to more affordable clean energy options like the Community Solar Garden program does.

This program is critical for providing affordable energy, boosting local economies, and enhancing grid reliability. It has allowed over 28,000 Minnesotans and businesses to directly participate in clean energy, regardless of homeownership or rooftop access. It has truly changed the clean energy game, and protecting community solar is essential for Minnesota's clean energy future.

We urge our legislators to incentivize the rapid expansion of affordable clean energy throughout Minnesota. Wind and solar electricity are the cheapest and cleanest sources of electricity that we should be encouraging, not restricting.

Thank you for the opportunity to provide comments. We urge the committee to oppose House File 2793.

Sincerely,

Paul Thompson and Mike Griffin, Legislative Team Co-chairs Elders Climate Action, Twin Cities Chapter twincities@eldersclimateaction.org



RE: HF 2793 - Community Solar Garden Program Sunset

Opposed

Chair Swedzinski and members of the House Energy, Finance, and Policy Committee,

CleanCapital provides this written testimony regarding HF 2793. Please consider this testimony in opposition to the proposed bill.

CleanCapital is a leading independent power producer focused on distributed clean energy, including middle market solar and energy storage. CleanCapital leverages decades of expertise to develop, build, own, operate, and invest in clean energy assets across the U.S. The company is a leadership member of the Coalition for Community Solar Access, a national trade association representing over 125 community solar developers, businesses, and nonprofits, and is an active member of the Minnesota Solar Energy Industries Association (MnSEIA), a trade organization of over 140 members with the mission of growing the solar and energy storage industries as part of Minnesota's clean energy transition. CleanCapital's portfolio of operating and underconstruction assets amount to more than 200 projects totaling over 370 MW—among the largest commercial solar portfolios in the U.S., according to Wood Mackenzie. To date, the company has invested over \$1 billion in projects and companies, including 8 operating community solar projects with a cumulative nameplate capacity of over 11 MW in Minnesota. CleanCapital intends to further invest in Minnesota's Low-to-Moderate (LMI) Accessible Community Solar Garden (CSG) Program and play an active role in the state's transition to a clean, reliable, and resilient electric grid.

HF 2793 proposes to sunset Minnesota's newly reformed LMI Accessible CSG program in 2028. According to a December 2024 report from the Minnesota Department of Commerce, the CSG program has delivered affordable, renewable energy to over 34,000 families and businesses and is projected to generate \$1.67 billion in economic benefits across the state.¹ Sunsetting the program would remove critical bill savings for thousands of LMI households, drive energy costs higher, exacerbate electricity affordability issues, eliminate local clean energy jobs, and threaten American energy independence.

Chair Swedzinski's bill also undermines Minnesota's requirement of achieving a 100% clean energy grid by 2040. Currently, CSG projects account for approximately 60% of all solar in the state. This bill would both harm existing renewable projects in Minnesota and hinder new renewable development by introducing significant economic uncertainty and investment risk. Sunsetting the CSG program would irreparably harm investments made in the state and dismantle long-term contracts made with CSG customers, including municipalities, school districts, houses of worship, small businesses, and LMI households. Ending the CSG program after several years of negotiations, many concessions and compromises from the solar industry, and only just recently reforming the program gives a clear signal that Minnesota is not supportive of the renewable energy industry.

¹ Minnesota Department of Commerce. Community Solar Garden Study, 2024.

Companies like CleanCapital have made significant financial investment in Minnesota based on the rules in effect at the time investments are made. Developers and financiers have relied on clear rules to make informed decisions that support Minnesotans and meet the state's climate goals. Retroactive changes undermine this foundation, violate principles of honoring contractual agreements, and will tarnish the state's reputation as a reliable partner for operating clean energy assets.

CleanCapital strongly urges the Committee to oppose HF 2793.

Sincerely,

Acatt Eliza

Scott Elias, Director of Policy and Market Development CleanCapital selias@cleancapital.com

Jeremy Abcug Policy Analyst CleanCapital jabcug@cleancapital.com



The Economics of Community Solar: A Net Benefit to All Ratepayers

Introduction

Utilities often oppose customer-driven, third-party owned energy projects like community solar because they threaten shareholder profits. They use "cost-shift" — the idea that when one ratepayer benefits, the others bear the cost — as a false flag. And because utility ratemaking is complicated and often happens in a black box, it's hard for legislators to know the truth.

In reality, extensive research and real-world data show that the benefits of community solar and other distributed generation reduce long-term costs for all ratepayers. That's because small projects placed on the distribution system closer to customers make more efficient use of existing infrastructure, leverage private capital to upgrade the system, and allow utilities to reduce and avoid certain costs that ratepayers would otherwise incur.

This document explains why the benefits of community solar outweigh its costs and creates a stronger, more affordable and resilient energy future for all ratepayers.

1. Understanding Why Community Solar Reduces Costs for Everyone

Community solar installations are larger than rooftop systems but smaller than utility-scale projects, interconnecting at the local distribution level. Their placement on schools, brownfields, parking lots, fallowed agricultural land, and farmland reduces grid congestion, improves reliability, offsets utility investments, and brings to communities. Some of the specific values that community solar brings to the system — and that are typically captured in the bill credit that subscribing customers receive — include:

- **Energy** Community solar delivers the same energy value as utility power, and during peak summer demand, its value often exceeds average retail energy costs.
- **Capacity** Distributed solar paired with storage is dispatchable, while standalone solar reliably delivers power during peak demand hours. Both provide valuable capacity to the grid—just as utilities account for other renewable resources when setting retail rates.
- **Transmission Capacity** Distributed generation alleviates transmission congestion and avoids associated capacity costs reducing how many multi-billion-dollar transmission projects the utilities need to build.



- Transmission Line Losses Community solar reduces transmission losses, avoiding the 4%–5% energy waste and additional costs incurred when power travels long distances.
- **Distribution Capacity and Grid Modernization** In order to interconnect their facilities, community solar developers utilize private capital to upgrade the aging distribution system often to the tune of hundreds of thousands of dollars per facility.
- Additional Values Energy and capacity reserve requirements, ancillary services, reliability-related costs, voltage regulation and power quality, general and administrative costs, environmental compliance costs, local economic benefits, and more.

2. A Growing Body of Evidence Shows Benefits Outweigh Costs

Numerous cost-benefit analyses from around the country calculate these values and determine the benefits smaller projects bring to the entire electric grid categorically reduce long-term costs for all ratepayers.

- **Maine:** A <u>cost-benefit analysis</u> by the ME Public Utilities Commission found that the state's Net Energy Billing (NEB) program—including community solar—delivers **\$1.23 in benefits for every \$1 invested.**¹
- **Massachusetts:** A <u>study</u> found that optimal deployment of 1,766 MW of storage and distributed solar would generate **\$2.3 billion in savings** for ratepayers, primarily from avoiding peak energy costs and reducing the need for new infrastructure.²
- New Hampshire: Value of Distributed Energy Resources <u>study</u> by Dunsky Energy found that distributed solar, including community solar, provides net avoided cost values of **\$0.11 to \$0.18 per kWh.**³
- Virginia: A <u>study</u> by Dunsky Energy found that the state's shared solar program generates **system-wide savings** by reducing transmission and distribution costs.⁴
- **Ohio:** A study by former Texas Utility Commissioner Karl Rabago found that expanding community solar and other distributed energy resources could save Ohio ratepayers **up to \$3 billion**.
- **National:** A <u>study</u> by Vibrant Clean Energy found that expanding local solar and energy storage—including community solar—could save U.S. ratepayers up to **\$473 billion by 2050.**⁵

¹ Maine Public Utilities Commission, 2023 Cost-Benefit Analysis of Net Energy Billing,

https://www.maine.gov/mpuc/sites/maine.gov.mpuc/files/inline-files/NEB-Y2023_CBA-LD%201986.pdf

² U.S. Department of Energy. State of Charge: Massachusetts Energy Storage Initiative. September 2016. https://www.mass.gov/doc/state-of-charge-report/download

³ New Hampshire Public Utilities Commission, Value of Distributed Energy Resources Study,

https://www.energy.nh.gov/sites/g/files/ehbemt551/files/inline-documents/sonh/nh-vder-report.pdf

⁴ Dunsky Energy + Climate Advisors, Value of Shared Solar: A Framework for Understanding the Cost-Effectiveness of Community Solar Programs (2023),

https://www.dunsky.com/wp-content/uploads/Value-of-Shared-Solar-Report_Dunsky_CCSA.pdf

⁵ Vibrant Clean Energy, *Local Solar Roadmap: Press Release* (2020),

https://vibrantcleanenergy.com/wp-content/uploads/2020/12/LocalSolarRoadmapPressRelease_FINAL.pdf

3. Utilities Use "Cost Shift" as a False Flag to Oppose Customer- driven, Third-party Owned Energy Projects

- The utility business model is at odds with competitive markets: Utility business models rely on spending capital to fund infrastructure projects in order to make a regulated rate of return. Every megawatt of community solar built, is one megawatt of energy that they can't earn a profit for their shareholders.
- Utility rate structures are built on cost shifting: Regulated utilities are built on cost shifts, from grid infrastructure for central power plants to utilityfunded generation and upgrades, all shared across customers regardless of individual benefit. Rate structures also absorb the high costs of peaker plants that run just a few days a year but drive up rates, along with low-income assistance and unpaid bills—all standard utility practices.
- Costs and lost revenues for the utilities are two different things: Lowering utility costs isn't a cost—it reduces the price of service. The "cost shift" argument wrongly assumes utilities can always charge customers, even when alternatives provide benefits that offset the need for certain grid investments. Regulators must ensure these benefits are reflected in utility long-term plans to prevent unnecessary or misdirected spending.

A Useful Analogy

It's like a county deciding to use taxpayer funds to repair or build a road. Not everyone in the county will use the new road directly; however, all drivers benefit from reduced congestion and better access, not just those who live and work alongside that road. Community solar operates in much the same way, with long-term benefits for the grid and all ratepayers.

LIGHTSTAR

March 27, 2025

Rep. Chris Swedzinski, Co-Chair Rep. Patty Acomb, Co-Chair House Committee on Energy Finance and Policy Capitol Rm 123 St. Paul, MN 55155

Testimony on HF2793, Community solar garden program sunset

Dear Co-Chairs Swedzinski and Acomb and Members of the Committee:

Thank you for the opportunity to provide testimony on HF2793, *community solar garden program sunset*. Lightstar Renewables, LLC (Lightstar) strongly opposes this proposed legislation.

Lightstar develops, builds, and owns community solar projects with more than 1.5 gigawatt (GW) of projects completed or in development in the United States and abroad. Lightstar is focused on community solar development that is built with ecological and agricultural needs at the forefront. Our Minnesota pipeline currently consists of around 20MW of community solar projects in various stages of development, representing enough clean energy generation to power approximately 4,000 homes.

Lightstar feels the current program dates and MW allocations as set in Minnesota Statutes 2024, section 216B.1641 are appropriate for steady, reasonable market growth at 80MW in 2027, 2028, 2029, and 2030, and 60MW in 2031 and each year thereafter. When Lightstar commits to a market, as the company has done in Minnesota, we commit for the long-term. Therefore, the provision to sunset the community solar program after 2028 as filed in this bill would hinder our ability to bring our current projects to fruition and invest in Minnesota beyond 2028.

Since community solar developers bear all costs associated with grid infrastructure upgrades necessary to interconnect these projects, community solar is the only way private investment pays for much-needed grid infrastructure upgrades. Without this injection of private capital to the utility grid, Minnesota ratepayers will be responsible for these costs when upgrades are unavoidable. To put this in perspective, Lightstar typically invests approximately \$800,000 - \$1.2 million for interconnection alone for the average 5MW community solar project. Lightstar has already started investing in the market through our current projects, and the 2028 sunset would make it nearly impossible for us to fully participate and bring these benefits to Minnesota.

We appreciate your consideration of our opposition to this bill. Please feel free to contact me with any questions.

Thank you,

Brianna Fiorelo

Brianna B. Fiorillo Midwest Senior Policy & Strategy Manager, Lightstar Brianna.Fiorillo@lightstar.com 603.395.0546



Minnesota 2024 LMI CSG Study Summary

The <u>Minnesota Department of Commerce 2024</u> <u>Community Solar Garden Study</u> provides a comprehensive review of Minnesota's updated community solar garden (CSG) program, focusing on the newly implemented **Low- and Moderate-Income (LMI)** Accessible CSG Program that began in 2024.

Key points include:

1. Program Evolution & Legislative Changes

- Minnesota's community solar program transitioned from the Legacy CSG Program (2013–2023) to the LMI-Accessible CSG Program in 2024 due to 2023 legislation, HF 2310.
- HF 2310 prioritized residential and LMI customer participation while capping annual deployment to manage costs. The legislation also required the Minnesota Department of Commerce to hire a third party to conduct a study of Minnesota's community solar garden program.

2. Ratepayer Impact Analysis

- The study's authors conducted a benefit-cost analysis (BCA) for the CSG program and applied multiple industry cost tests in the methodology.
- The BCA found the LMI-Accessible CSG Program to be cost-effective, with projected net benefits of \$2.92 billion for the state, with \$1.67 billion in job creation, land lease payments, and community benefits.
- LMI subscribers are expected to receive \$139 million in benefits, while non-LMI subscribers may see \$116 million in benefits.
- Bill Savings: Subscribing customers could save \$7–\$10/month (LMI) and \$2–\$3/month (non-LMI).



3. Program Comparisons & Recommendations

- The study compared Minnesota's program to other jurisdictions, recommending:
 - Improved consumer communication targeting potential subscribers.
 - Streamlined income verification processes using methods like geoeligibility and self-attestation.
 - More robust consumer protections and clear marketing guidelines.
 - Potential program adjustments like increasing the LMI carve-out and revising capacity limits to adapt to market conditions.
 - Of note, the DOC isn't recommending any changes to the program capacity or rates.

4. Grid Interconnection Challenges

- The study highlighted issues with interconnection bottlenecks and grid capacity limitations, recommending:
 - Flexible interconnection rules with limited-export agreements.
 - Proactive planning with scenario-based modeling to predict future DER growth.
 - Improved hosting capacity maps for better developer insights.





Rewiring America Testimony House Energy Finance and Policy Committee March 27, 2025

Dear Chairs Swedzinksi and Acomb and Committee Members,

I am writing today on behalf of Rewiring America to express our support for the continuation of Minnesota's recently updated community solar garden program.

Empowering households to make independent energy decisions is central to our mission at Rewiring America. Nearly 42% of energy-related emissions stem from everyday choices—how we heat and cool our homes, heat water, and power appliances. While the average American family spends 3% of their income on energy, low-income households pay nearly 8%, and in Minnesota, that burden is often significantly higher.

The recently implemented Low and Moderate-Income (LMI) Accessible Community Solar Garden program ensures that households in Xcel's service territory - including LMI and renters - are able to make independent decisions about their energy usage. The program currently requires that at least 30% of subscribers in a project be LMI households. This guarantees that the benefits reach those that need it most and enables independent energy decisions that help to mitigate household budget constraints.

The legislature must allow the newly established, equity-driven Community Solar Garden program to be fully implemented and evaluated before making changes such as those proposed in HF2793. Premature adjustments risk undermining a program designed to deliver cleaner, more affordable energy to those who need it most.

Thank you for your time,

Jenna Warmuth Sr. Manager, Midwest Regional Policy 218.969.5976 | <u>rewiringamerica.org</u>

CLEAR Energy Coalition



Advancing a Clean, Local, Equitable, Affordable, and Reliable Energy Future for Minnesota

Contact: Katie Kienbaum kkienbaum@ilsr.org

March 26, 2025

Co-Chairs Swedzinski and Acomb, and House Energy Finance & Policy Committee Members,

The CLEAR Energy Coalition supports clean, affordable, and reliable energy for all Minnesotans. We appreciate the opportunity to offer comments on House File 2793, which terminates Minnesota's <u>nation-leading Community Solar Garden Program</u>. This is a radical reversal considering the Legislature made changes less than two years ago to improve program benefits for low- to moderate-income families, affordable housing providers, schools, and other public interest institutions, as well as add important consumer protection provisions.

The CLEAR Energy Coalition opposes HF 2793. We urge the Committee to reject this attempt to take power and bill savings away from Minnesota families, businesses, and institutions, to the benefit of Xcel Energy's shareholders.

Community solar makes it possible for thousands of Minnesotans — especially working class families, renters, and others who can't afford rooftop solar — to reduce their electricity bills, share the financial benefits of clean energy, and do their part to take care of our environment. For Minnesota as a whole, the revised Community Solar Garden Program is expected to deliver nearly \$3 billion in *net* benefits, <u>according to the Department of Commerce</u> — in part, because community solar gardens deliver savings for all utility customers by lowering peak demand and avoiding expensive transmission grid upgrades. Notably, the program also creates new jobs in the green economy and provides crucial revenue for family farms via lease payments.

Despite these benefits, Xcel Energy and other utility monopolies push back against community solar gardens and local solar. That's because these programs empower communities to build energy projects that utility investors don't profit from.

Again, we encourage the Committee to oppose HF 2793 to ensure that Minnesota's clean energy transition benefits our state's families and communities, not just big corporations and wealthy investors. Thank you for your consideration.

Sincerely,

The CLEAR Energy Coalition

Black Visions Cooperative Energy Futures Minnesota Environmental Justice Table Sierra Club North Star Chapter Vote Solar Community Power Institute for Local Self-Reliance Minnesota Interfaith Power & Light Solar United Neighbors



March 26, 2025 Subject: HF 2793 Written Testimony

Dear Members of the Committee,

Solar Landscape respectfully submits testimony opposing HF 2793, authored by Representative Chris Swedzinski. The bill would sunset the Low-to-Moderate Income (LMI) Accessible Community Solar Gardens program on July 31, 2028.

Solar Landscape is the nation's leading developer of commercial/industrial rooftop community solar. We partner with landlords to develop, install, and operate these systems. With over 400 megawatts of renewable energy projects nationwide, we are proud to have projects underway in Minnesota under the LMI Accessible Community Solar Gardens program. These projects bring energy savings, workforce development, and job growth to the state.

We are committed to building Minnesota's clean energy workforce. With over 285 employees — including installers, engineers, and operators — we have seen firsthand how solar development drives job creation. In 2019, we launched STEP-UP (Solar Training and Education Partnerships for Underserved Populations), a workforce development initiative that has prepared more than 2,300 individuals in seven states for careers in renewable energy. Community solar programs make this investment possible, helping trainees build the skills needed for entry-level roles in residential and commercial solar. Community solar programs, such as the LMI Accessible Community Solar Gardens program, make this investment possible by creating the market conditions needed to support training and hiring. Our own internal research has shown that 525 megawatts of community solar generate roughly 4 million labor hours, or 2,100 full-time jobs if done within the course of a year.



Ending the LMI Accessible program would end a growing source of workforce development and limit economic opportunity, especially for low-income Minnesotans. The program, launched only last year, gives people real control over energy costs. Repealing it would harm the very communities it was meant to help while stifling job growth and energy innovation.

Solar Landscape respectfully asks the Committee to withdraw HF 2793. The LMI Accessible Community Solar Gardens program delivers guaranteed energy savings to low- and moderateincome Minnesotans. As electricity demand is projected to rise more than 10% in the coming decade, Minnesota needs clean, rapidly deployable generation and the workforce to sustain it. We are proud to contribute to Minnesota's renewable energy economy and urge lawmakers to keep this vital program in place.

Sincerely,

Mark Schottinger President, Chief Legal Officer, Solar Landscape markfs@solarlandscape.com Esteemed members of the Minnesota House Energy Finance and Policy Committee:

My name is Kristen Fornes and I am the Head of ENGIE North America's Distributed Solar and Storage business. I am testifying today against House File 2793 (Swedzinski). ENGIE's Distributed Solar & Storage group is based in Chicago and has been building and operating small-scale solar and storage facilities for customers across the Midwest since 2008, including a significant portfolio of projects in Minnesota. ENGIE currently has 42 MW of operational community solar projects in Minnesota that have been online since 2017, powering the equivalent of 5,880 households¹ with clean, affordable and locally-produced energy. We are also developing additional projects for the LMI CSG Program adopted by the General Assembly just two years ago. These projects will reduce electric expenses for Minnesotans who most need the relief.

ENGIE has invested millions of dollars in our Minnesota community solar portfolio in good faith and in reliance on established law. According to the original CSG statute from 2013 and the updated 2022 law, the Community Solar program has a 25-year tenure. ENGIE relied on the program's 25-year tenure to invest heavily in the state of Minnesota. ENGIE signed long term leases with landowners, procured materials, contracted with MN-based construction partners, contracted with local subscribers, constructed and now maintains a highly productive operating portfolio of solar assets.

This bill proposes ending the community solar program in 2028, seventeen years earlier than ENGIE's current contracts. ENGIE subscribers, who are primarily municipalities, school districts, houses of worship, small and large businesses alike, are in year 8 of a 25 year contract with ENGIE and are already saving money on their utility bills. Across ENGIE's Minnesota portfolio, our subscribers will save more than half a million dollars this year. At any given time, ENGIE's community solar projects are all fully subscribed, showing that there is demand from Minnesota ratepayers for affordable, local electricity options. Our existing community solar projects provide a steady stream of income for six landowners & family farms through annual land lease payments – ENGIE is leasing 282 acres of land to house our operational solar assets, all of which are co-planted with a resilient mix of native grasses. One of ENGIE's Minnesota community solar projects was even featured in the New York Times² highlighting native pollinator gardens planted underneath solar arrays, and their positive impacts on ecosystems. In addition to subscriber savings, our community solar assets created jobs for local workers and generate tax revenue for Minnesota local governments and school districts.

Make no mistake, the impact of this bill would irreparably harm ENGIE's investments made in Minnesota to date. ENGIE's customers – municipalities, school districts, houses of worship, small and large businesses alike – all signed long-term contracts with ENGIE with the expectation that these projects will deliver the savings and system benefits outlined in existing MN law, regulations,

¹ Solar Energy Industries Association (SEIA) estimates 1 MWdc will power approximately 140 homes in Minnesota. See article map. <u>https://seia.org/whats-in-a-megawatt/</u>

² "Solar Farms Have a Superpower Beyond Clean Energy" Published Sept. 5, 2024. Updated Sept. 6, 2024. The New York Times. <u>https://www.nytimes.com/2024/09/05/climate/solar-power-pollinators-wildlife.html?unlocked_article_code=1.IU4.Z25G.Yj1AeRjzUlvj&smid=url-share</u>

tariffs and contracts. These MN entities will also be harmed should this bill become law. Now, multiply those losses across all MN CSG investors, owners, operators, customers, and landowners.

Passing this bill would result in an unprecedented interference in existing contracts for operating energy infrastructure. If retroactive changes in law were routine, can you imagine the impact this would have on business? Not only would it send a signal that Minnesota is a risky place to invest, but it would also lead to years of litigation, abandoned projects, and stranded costs for ratepayers. Passing investment-destroying retroactive changes in law is not a reputation that the state of Minnesota wants to earn. I urge you to please reject this bill.

Kristen Fornes

Head of ENGIE North America Distributed Solar and Storage



March 27, 2025

Re: Community Solar's Big Local Benefits, please oppose HF 2793

Dear Co-Chair Swedzinski, Co-Chair Acomb, and members of the committee,

When Minnesota created its community solar program, it unlocked opportunities for folks to benefit from clean energy beyond utility shareholders or those who owned a sunny rooftop. This benefit was on display in public comments filed in Public Utilities Commission Docket 13-867 in support of community solar, particularly by public institutions that have use the savings to the benefit of their residents:

Laurie Hokkanen, Chanhassen City Manager, told the Public Utilities Commission that the city "**projected significant energy savings credits** over the term of our contracts. Those savings **were invested in our community in many ways**, **including maintaining lower property tax levies**."

Mankato Area Public School superintendent Dr. Paul Peterson wrote: "The Commission should recognize that **many subscribers to CSGs in Xcels' territory are municipalities**, whether cities, counties or school districts. As municipalities, each of these is dependent on revenues from taxation, which typically comes from local property levies or from state taxes passed through various appropriations...**The District presently has a positive contribution of approximately \$779,706 to its annual utility budget. For a large-sized school district, this is a significant amount.**"

Chris M. Meyer, Winona County Board Chair, wrote: "we are **concerned about the** welfare of the taxpayers and 50,000 residents of Winona County [because we expected] \$2 million in savings over the duration of our community solar garden contracts."

Daniel R. Buchholtz, Administrator and Clerk/Treasurer of the City of Spring Lake Park wrote: "The City of Spring Lake Park has subscribed a significant portion of its energy use through the community garden program [with **expected savings of] \$1 million over the next 20 years...to invest in core services**."

Revisions to the community solar law in 2023 strengthened the program's focus on access for public institutions and for those unable to benefit from direct solar ownership. Please don't end a program that has so much promise and benefit for Minnesota communities. Vote no.

Sincerely, John Farrell, Institute for Local Self-Reliance 2720 E. 22nd St, Minneapolis, MN 55406



March 26, 2025

Chair Acomb, Chair Swedzinski, and Members of the Energy Finance and Policy Committee:

My name is Amelia Vohs and I lead the Climate Program at Minnesota Center for Environmental Advocacy (MCEA). MCEA is a St. Paul and Duluth based nonprofit advocacy organization with a 50-year history of using science and the law to defend Minnesota's environment and the health of its people. We write to express concerns with HF 2793 which seeks to end the community solar garden program.

MCEA opposes a sunset of Minnesota's community solar garden program. This program has been critical in creating equitable access to clean energy. It has allowed Minnesotans who do not have housing that is workable for rooftop solar or who cannot afford rooftop solar an opportunity to power their homes with local clean energy. Moreover, the program has allowed people who care about clean energy to choose that energy source for themselves now, rather than waiting for investor-owned utilities to fully decarbonize. Community solar gardens have brought more clean energy to Minnesota than we would otherwise have to-date and are one of many important tools in our decarbonization toolbox.

The program has also created new jobs and businesses. These businesses, as well as community solar garden subscribers, have made decisions and entered long-term contracts with an understanding that this program would continue to exist. To eradicate the program would cause significant financial harm to the providers and participants who acted on the good faith belief that the program would continue to exist past 2028.

Any concerns with the program's structure or operation should be dealt with through program modifications, not through eradication.

Because the program is a key tool to enabling equitable access to clean energy for all Minnesotans, MCEA opposes HF2793 and opposes ending the community solar garden program.

Thank you,

Culige

Amelia Vohs Climate Program Director Minnesota Center for Environmental Advocacy <u>avohs@mncenter.org</u> 507-271-0449



Esteemed Members of the Minnesota House Energy and Finance Policy Committee:

On behalf of <u>HASI</u> (NYSE: HASI), a leading U.S. financial investor in sustainable infrastructure projects, I am submitting written testimony in advance of the hearing on HF 2793, which we adamantly oppose.

HASI serves as a trusted capital provider to the leading energy companies deploying both utility-scale renewable energy and distributed solar energy systems across America. With clean energy project investments located in nearly every U.S. state, HASI invests ~\$2 billion in new capital annually and currently manages approximately \$14 billion in assets. Among these managed assets are multiple investments in community solar garden (CSG) projects across Minnesota, made in partnership with our clients ENGIE North America, Clearway Energy, and Pivot Energy.

HASI currently holds investment interests in 32 projects totaling 49 MW of operational community solar projects in Minnesota, powering the equivalent of 6,860 households¹ with clean, affordable, and homegrown clean energy, reducing electric utility expenses for Minnesotans.

Since 2017, our company has committed millions of dollars to Minnesota CSG projects, acting in good faith and in reliance on established law. According to the original CSG statute from 2013 and the updated 2022 law, the CSG program has a 25-year tenure. As a permanent capital provider to our clients, HASI relied on the program's 25-year tenure in order to structure our co-investments in the above-mentioned energy projects serving the state of Minnesota.

Our community solar developer/owner/operator clients have all signed long-term leases with landowners, procured materials, contracted with local subscribers, constructed, and now maintain a highly productive operating portfolio of solar assets. This bill proposes ending the community solar program in 2028 — seventeen years earlier than the expiration of current contracts for the portfolio of projects in which we are co-invested with ENGIE, to name just one example.

The retroactive changes contemplated in this bill signal to investors that Minnesota is an unstable and unpredictable place to make energy infrastructure investments. Such uncertainty could significantly impact investors' confidence in future Minnesota infrastructure projects supported by Minnesota regulation and policy. We respectfully urge you to reject this bill.

Sincerely,

Daniela Shapiro Senior Managing Director HASI

¹ Solar Energy Industries Association (SEIA) estimates 1 MWdc will power approximately 140 homes in Minnesota. See article map. <u>https://seia.org/whats-in-a-megawatt/</u>



2836 Lyndale Ave S, Suite 132 Minneapolis, MN 55408 www.nokomisenergy.com 612.470.3223

March 26, 2025

Subject: HF2793 Written Testimony

Members of the Committee,

Thank you for the opportunity to submit our feedback on HF2793. My name is Matt Privratsky and I'm the Director of Government Affairs for Nokomis Energy, a local clean energy developer based right here in the Twin Cities.

Nokomis was founded, in part, thanks to the creation of Minnesota's legacy community solar garden (CSG) program and has grown into a successful clean energy development shop with dozens of employees by delivering cost effective solar projects directly to utilities and businesses as well the many families, farmers, non-profits, schools, and government entities we've served through the CSG program. We have proudly advocated for new, competitively procured clean energy programs like the Distributed Solar Energy Standard and we are excited to continue our work bringing projects directly to cooperative, municipal, and investor owned utilities across the upper Midwest.

At the end of 2024, the Department of Commerce released its comprehensive analysis of the new Low and Moderate Income (LMI) CSG program — a report wisely requested by this committee — showing that the program provides a net benefit to the state as a whole. More specifically, it provides financial and community benefits not just to program subscribers themselves but also to the many workers and businesses who build the gardens and to the landowners and communities who host them — all while delivering local energy that helps Minnesota meet its climate goals.

While we are always open to conversations about how the new LMI CSG program could be improved, we are concerned that abruptly sunsetting it — particularly after its so recently been updated to better focus its benefits toward low and moderate income Minnesotans — would have dramatic impacts on the local benefits, jobs, and businesses it's helped create across the state. At a time when our industry, and so many others, are already dealing with immense uncertainty at the federal level, it's important that Minnesota send a clear market signal that we are open for business and we welcome clean energy investment. Unfortunately, an abrupt repeal of a core clean energy program would do the opposite, so we must respectfully oppose HF2793.

Sincerely,

Matt Privratsky Director of Government Affairs Nokomis Energy My name is Allan Campbell, I live in a condominium in Minneapolis, and my wife and I participate in the Community Solar Garden program.

Two years ago, the Legislature amended the Community Solar Garden law to make it more accessible to low and moderate income households, while also capping program costs. The 2023 legislation also required the Department of Commerce to hire a third party to conduct a cost-benefit analysis of the Program. The third party's finding was that the Community Solar Garden program provides a net benefit to the State through the creation of green jobs, land lease payments, and savings on participants' monthly electric bills—an estimated \$7 to \$10 a month for low-income families participating in the program.

Having found that the program provided a net benefit, I question why the Legislature is now, only two years later, considering termination of the program. Certainly the tragic effects of climate change have not miraculously disappeared. Worsening floods and wildfires continue to drive up our insurance costs. Families, especially those with low or moderate incomes continue to need help with electric bills.

For these reasons I see no need for legislation to terminate the Community Solar Garden Program.



3/26/25

Chair Swedzinski, Chair Acomb, and Members of the House Energy Committee,

Vote Solar writes to express deep disappointment that the committee is considering HF2793, a bill to sunset Minnesota's community solar garden program. Community solar makes up 60% of the state's solar capacity and is critical to meeting 2040 clean energy goals as electricity demand rises. Eliminating it would be a major setback.

Opponents often cite a "cost shift," yet the Minnesota Department of Commerce found community solar delivers nearly \$3 billion in net benefits, reducing peak demand costs, avoiding expensive transmission projects, and improving grid efficiency. Similar studies in Maine, Massachusetts, and Ohio confirm this.

Utilities routinely socialize the costs of power plants, transmission lines, and grid upgrades—whether or not every customer benefits. Yet when it comes to community solar, the same cost-sharing principles are framed as a problem. The key difference? Community solar introduces competition, challenging utility monopolies and reining in their ability to earn a rate of return on new infrastructure investments. Policymakers should recognize this financial incentive and approach efforts to dismantle community solar with skepticism.

Community solar also advances energy equity. Just last year, the Legislature enacted reforms to strengthen low-income community solar access and improve affordability. These changes need time to breathe and take effect—sunsetting the program in 2028 would cut that progress short. Low- and moderate-income customers see 3-8% lower energy bills, helping reduce energy burden. Without this program, thousands of Minnesotans would lose access to clean energy savings.

Community solar has bipartisan support nationwide because it works. It lowers costs, expands access, and builds a more resilient energy system. We urge you to reject this bill and keep Minnesota on a cleaner, more competitive path.

Sincerely,

Patty O'Keefe Midwest Regional Director Vote Solar



City of Hopkins

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March 26, 2025

Minnesota House of Representatives Energy Finance and Policy

Dear Chair Swedzinski and members of the committee:

The City of Hopkins participates in Xcel's Solar*Rewards Community program, the nation's largest community solar program. In 2015, the city entered into a 25-year power purchase agreement with SunEdison, with an anticipated energy cost savings of \$70,000+ per year. The city subscribed to four separate solar gardens.

The city participates in the program through city facilities. Community solar participation for city operations has created 14,000 MWh and over \$1 million in bill credits. These savings allow for more resources for other city programs and services. In 2023, 68% of emissions in Hopkins came from energy used in buildings. Emissions have decreased 38% since 2007, largely due to cleaner electricity.

In the City of Hopkins 2040 Comprehensive Plan, Natural Environment Goal 2 lists: Increase the use of solar power and other renewable sources for city infrastructure, facilities, and operations and encourage residents and businesses to make renewable energy improvements. The community solar program creates an option to reduce greenhouse gas emissions and support renewable energy, to achieve our adopted goals.

The program removes barriers to residents who want to participate in solar but may not have adequate sunlight on their roofs, financial capital, or who rent their homes. Nearly 70% of residents in Hopkins rent their homes, and this program creates options for those residents.

HF 2793 and SF 2855 would prematurely sunset a program that offers benefits to the Hopkins community. Please consider the benefits the Community Solar Garden program creates for communities like Hopkins.

Thank you for your time.

Sincerely,

Mikala Larson

Mikala Larson Sustainability Specialist City of Hopkins