1.1   .... moves to amend H.F. No. 956 as follows:

1.2   Page 2, line 10, delete everything after "utility" and insert "solely as a result of the

1.3   person furnishing"

1.4   Page 2, line 11, delete everything before "consumers"

1.5   Page 2, line 19, after "with" insert "property containing"

1.6   Page 2, lines 19, 20, and 29, delete "customer-generator's" and insert "customer's"

1.7   Page 2, line 24, delete "customer-generator," and insert "customer,"

1.8   Page 2, line 26, delete ""Customer-generator"" and insert ""Customer""

1.9   Page 2, line 24, before the comma, insert "sharing a common border"

1.10   Page 2, line 29, after "designates" insert "as the first meter to which net metered

1.11   credits are to be applied"

1.12   Page 2, delete line 30 and insert "for billing purposes when the customer is serviced

1.13   by more than one meter."

1.14   Page 2, before line 31, insert:

1.15   "(g) "Distributed generation" means a facility that:

1.16   (1) has a nameplate capacity of ten megawatts or less;

1.17   (2) is interconnected with a utility's distribution system, over which the commission

1.18   has jurisdiction; and

1.19   (3) generates electricity from natural gas, renewable fuel, or a similarly clean fuel,

1.20   and may include waste heat, cogeneration, or fuel cell technology."

1.21   Page 2, line 31, delete "(g)" and insert "(h)" and delete "low emissions"

1.22   Page 2, line 32, delete everything after the first "that" and insert "has a minimum

1.23   efficiency of 40 percent, as calculated under section 272.0211."

1.24   Page 2, delete line 33

1.25   Page 3, line 1, delete "(h)" and insert "(i)" and delete "system" and insert "facility"

1.26   and delete "primary"

1.27   Page 3, line 2, delete "a customer-generator's"

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2.1   Page 3, line 3, delete ", low emissions,"

2.2   Page 3, line 4, delete "(i)" and insert "(j)"

2.3   Page 3, line 9, after "having" insert ": (i) more than 40-kilowatt but"

2.4   Page 3, line 11, strike "or (c)" and insert "; or (ii) less than 40-kilowatt capacity,

2.5   compensation to the customer shall be at a per-kilowatt rate determined under paragraph

2.6   (c)"

2.7   Page 3, line 31, delete "system" and insert "facility"

2.8   Page 4, line 1, delete "systems" and insert "facilities"

2.9   Page 4, delete section 5 and insert:

2.10   "Sec. 5. Minnesota Statutes 2012, section 216B.164, is amended by adding a

2.11   subdivision to read:

2.12   Subd. 4a. **Net metered facility.** Notwithstanding any provision of this chapter to the

2.13   contrary, a customer with a net metered facility having less than 1,000-kilowatt capacity

2.14   may elect to be compensated for the customer's net input into the utility system in the form

2.15   of a kilowatt-hour credit on the customer's energy bill carried forward and applied to

2.16   subsequent energy bills. Any net input supplied by the customer into the utility system

2.17   that exceeds energy supplied to the customer by the utility during a 12-month period

2.18   must be compensated at the utility's avoided cost rate under subdivision 3, paragraph (b),

2.19   or subdivision 4, paragraph (b), as applicable. The customer may choose the month in

2.20   which the annual billing period begins."

2.21   Page 5, line 9, delete "customer-generator's" and insert "customer's"

2.22   Page 5, delete lines 12 to 16

2.23   Reletter the paragraphs in sequence

2.24   Page 5, lines 20, 23, 27, 30, and 34, delete "customer-generator" and insert "customer"

2.25   Page 5, line 17, delete the second "to" and insert "prior to a"

2.26   Page 5, line 21, delete ", and must rank aggregated meters subject to the same"

2.27   Page 5, line 22, delete everything before the period

2.28   Page 5, line 25, delete "will apply" and insert "applies"

2.29   Page 5, line 33, before "next" insert "customer's" and delete everything after "

2.30   kilowatt-hours" and insert a period

2.31   Page 5, delete line 34

2.32   Page 6, line 11, delete "historic annual energy sales" and insert "average annual retail

2.33   electricity sales over the previous three calendar years"

2.34   Page 7, delete lines 14 to 18 and insert:

2.35   "(d) An electric utility may not apply a standby charge to a net metered facility."

2.36   Page 7, before line 19, insert:

3.1   "Sec. 9. Minnesota Statutes 2012, section 216B.164, is amended by adding a

3.2   subdivision to read:

3.3   Subd. 10. **Alternative tariff; compensation for resource value.** (a) An electric

3.4   utility may apply for commission approval, or a cooperative electric association or

3.5   municipal electric utility may apply for approval from its governing body, for an

3.6   alternative tariff that compensates customers through a bill credit mechanism for the

3.7   value to the utility, its customers, and society for operating distributed solar photovoltaic

3.8   resources interconnected to the utility system and operated by customers primarily for

3.9   meeting their own energy needs.

3.10   (b) If approved, the alternative tariff shall be applied to current and future customers

3.11   in lieu of the small facility rate or net metering for distributed solar resources under

3.12   subdivisions 3 and 4a.

3.13   (c) The commission or governing body shall consider any application filed on or

3.14   before March 31, 2014, and may, after notice and opportunity for public comment,

3.15   approve the alternative tariff provided the utility has demonstrated the alternative tariff:

3.16   (1) appropriately applies a methodology established by the department under this

3.17   subdivision;

3.18   (2) includes a mechanism to allow recovery of the cost to serve customers operating

3.19   distributed solar systems;

3.20   (3) charges the customer for all electricity consumed by the customer at the

3.21   applicable rate schedule for sales to that class of customer;

3.22   (4) credits the customer for all electricity generated by the solar photovoltaic device

3.23   at the value-based credit rate established under this subdivision;

3.24   (5) applies the charges and credits in clauses (3) and (4) to a monthly bill that

3.25   includes a provision so that the unused portion of the credit in any month or billing period

3.26   shall be carried forward and credited against all charges. In the event that the customer

3.27   has a positive balance after the 12-month cycle ending on the last day in February, that

3.28   balance will be eliminated and the credit cycle will restart the following billing period

3.29   beginning on March 1;

3.30   (6) complies with the size limits specified in subdivision 4a;

3.31   (7) complies with the interconnection requirements under section 216B.1611; and

3.32   (8) is not subject to standby or network charges.

3.33   (d) A utility must provide to the customer the meter and any other equipment needed

3.34   to provide service under the alternative tariff.

4.1   (e) In no case shall the commission or governing body approve an alternative tariff

4.2   rate where the value-based credit rate under paragraph (c), clause (4), is lower than the

4.3   applicable retail rate schedule of the subject utility.

4.4   (f) The department must establish the distributed solar value methodology in

4.5   paragraph (c), clause (1), no later than January 31, 2014. When developing the distributed

4.6   solar value methodology, the department shall consult stakeholders with experience and

4.7   expertise in power systems, solar energy, and electric utility ratemaking regarding the

4.8   proposed methodology, underlying assumptions, and preliminary data.

4.9   (g) The distributed solar value methodology established by the department must,

4.10   at a minimum, account for the value of energy and its delivery, generation capacity,

4.11   transmission capacity, transmission and distribution line losses, and environmental value.

4.12   The department may, based on known and measurable evidence of the cost or benefit of

4.13   solar operation, incorporate other values into the methodology, including credit for locally

4.14   manufactured or assembled energy systems, systems installed at high-value locations

4.15   on the distribution grid, or other factors.

4.16   (h) The distributed solar value credit applied to alternative tariffs approved under

4.17   this section shall represent the present value of the future revenue streams of the value

4.18   components identified in paragraph (g).

4.19   (i) The utility shall recalculate the alternative tariff on an annual cycle, and shall file

4.20   the recalculated alternative tariff with the commission or governing body for approval."

4.21   Page 8, line 13, delete "under this subdivision"

4.22   Page 8, line 15, delete everything after the first period

4.23   Page 8, line 32, delete everything after the period

4.24   Page 8, delete line 33

4.25   Page 8, line 34, delete "improvements"

4.26   Page 9, line 5, after "commission" insert "under section 216B.1691, subdivision 4"

4.27   Page 9, line 14, delete "credits" and insert "renewable energy credits necessary for

4.28   the electric utility to achieve compliance"

4.29   Page 10, delete section 12

4.30   Renumber the sections in sequence and correct the internal references

4.31   Amend the title accordingly