

HF1040 - 0 - Wind and Solar Stewardship Program Established

Chief Author: **Peggy Scott**
 Committee: **Energy Finance and Policy**
 Date Completed: **2/27/2025 9:12:43 AM**
 Agency: **Pollution Control Agency**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	-	-	-	-	-
Environmental	-	263	263	(526)	-	-
Total	-	263	263	(526)	-	-
Biennial Total			526		(526)	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	-	-	1.5	1.5
Environmental	-	1.5	1.5	-	-
Total	-	1.5	1.5	1.5	1.5

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 2/27/2025 9:12:43 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	-	-	-	-	-
Environmental	-	263	263	(526)	-	-
Total	-	263	263	(526)	-	-
Biennial Total			526		(526)	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc Special Revenue	-	-	-	263	263	
Environmental	-	263	263	-	-	
Total	-	263	263	263	263	263
Biennial Total			526			526
2 - Revenues, Transfers In*						
Restrict Misc Special Revenue						
Revenues	-	-	-	789	263	
Transfers In	-	-	-	(526)	-	
Environmental	-	-	-	526	-	
Total	-	-	-	789	263	263
Biennial Total						1,052

Bill Description

HF 1040 creates a product stewardship program for wind and solar energy infrastructure. Producers are required to, individually or through a product stewardship organization, develop, implement and finance a product stewardship program that manages covered products sold in the State of Minnesota that have been discarded. It must address waste reduction, promote recycling, and negotiating contracts for collection, transport, and processing for end-of-life recycling of such products.

By March 1, 2026, and before offering wind or solar infrastructure for sale in Minnesota, producers must submit a plan for approval to MPCA. A producer must either submit their own plan or documentation demonstrating they have entered into an agreement with a product stewardship organization with an MPCA-approved plan. The MPCA must review plans within 90 days of receipt and notify the producer of approval and implementation date or of any inadequacies. If the plan requires revision, it must be resubmitted to MPCA within 60 days of notification. MPCA can require plans be updated every five years.

Producers, wholesalers, and retailers are prohibited from selling or offering for sale solar photovoltaic modules and wind energy conversion systems in the state unless the products are covered by an approved product stewardship plan. Recyclers must meet certain standards set in the law.

The stewardship organization or individual producers must pay an annual fee set by the MPCA by June 30, 2027 and annually, to cover its costs to implement the law.

Assumptions

The MPCA's role will consist of working with the stewardship organization (SO) and individual producers to oversee implementation, provide technical support, review and approve annual plans and reports, coordinate on outreach, and provide program oversight and enforcement. The MPCA assumes that an SO would be created under this law and that all producers would work with the SO. Although the bill allows individual producers to submit plans, run programs, and submit reports on their own, joining a stewardship organization would be the preferred approach, in particular because of the collection convenience requirements.

The MPCA would need to hire 1.5 new FTE starting in FY26 and ongoing. 1 FTE would provide initial coordination and assistance efforts, outreach and education related to the program development, review of the plans and annual reports and ongoing assistance and oversight. 0.5 FTE would be needed for compliance and enforcement.

The MPCA would not receive reimbursement for its costs until July 2027; therefore, state dollars would be needed to pay for staffing requirements until that point, thereby impacting the environmental fund. After July 2027, the SO and individual producers would pay the administrative and/or variable fee.

Expenditure and/or Revenue Formula

1.5 FTE x \$175,000 = \$262,500 in FY26 and FY27; starting in FY28 staffing costs will be covered by revenues paid to the MPCA by the stewardship organization

*The annual cost of 1.0 FTE is \$175,000 in FY2025-2029. Annual costs for 1.0 FTE include salary, fringe, and non-specialized employee support costs (work space, computer and office supplies, office equipment, local travel, etc.)

Long-Term Fiscal Considerations

It is expected the SO will fully fund this program in the long term, including MPCA staff required to implement this section. MPCA will have staffing expenditures in FY26 and FY27, and starting in FY28 those costs will be reimbursed by the SO.

Local Fiscal Impact

Local government has the option to participate or not to participate in the program. If they decide to become involved in the management of any wind/solar equipment under this program, they would be eligible to seek reimbursement from the SO and/or individual producers.

References/Sources

Agency Contact:

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