

# HOUSE RESEARCH

## Bill Summary

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### Overview

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- 1 **[216B.02] Subd. 4. Public utility.** Provides that a person supplying consumers with energy from solar equipment on the person's property that is owned or operated by a third party is not deemed to be a public utility.
- 2 **[216B.164] Definitions.**
- 3 **[216B.164] Subd. 3. Purchases; small facilities.** (a) Increases the net metering cap from 40 to 1,000 kilowatts capacity. Specifies the billing mechanism.  
  
(c) Prohibits qualifying facilities not generating electricity prior to January 1, 2015 from receiving the utility's average retail rate for electricity generated by the facility and purchased by the utility.
- 4 **[216B.164] Subd. 4. Purchases; wheeling; costs.** Specifies that a facility with up to 1,000-kilowatt capacity or a net metered facility under section 5 is governed under this subdivision.
- 5 **[216B.164] Subd. 4a. Net metered facility.** Specifies that a net-metered facility under 1,000-kilowatt capacity may elect to be compensated with a bill credit that may be carried forward. Excess generation is compensated at the utility's avoided cost rate or average retail rate, as applicable.
- 6 **[216B.164] Subd. 4b. Aggregation of meters.** Specifies how a customer with more than one meter will be treated for billing purposes. With the commission's approval, a utility may

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charge a customer a fee to cover the additional administrative costs of multiple meters.

- 7 **[216B.164] Subd. 4c. Limiting cumulative generation prohibited.** Prohibits the commission or any body regulating public utilities from limiting the cumulative generation of net metered facilities to less than five percent of a utility's annual retail electricity sales averaged over three years. The commission may limit net metering levels above five percent as a result of significant cost or reliability impacts, or technical issues.
- 8 **[216B.164] Subd. 6. Rules and uniform contract.** Requires the commission to establish a statewide uniform contract between utilities and net metered or qualifying facilities under 1,000 kilowatts capacity.
- 9 **[216B.164] Subd. 10. Alternative tariff; compensation for resource value.** Allows a utility to apply for approval from its governing body for an alternative tariff that compensates customers installing distributed solar energy generators primarily to serve their own needs. Specifies that the alternative tariff must apply a methodology developed by the department by January 31, 2014 that recognizes the value of solar energy, including savings on generation and transmission capacity costs, and reduced transmission and distribution line losses. The department may include economic development considerations in the calculation.
- 10 **[216B.2427] Solar electricity standard.**
- Subd. 1. Definitions.**
- Subd. 2. Solar electricity standard.** Specifies the proportion of retail electricity sales of Minnesota utilities that must be generated by solar energy by 2025 (blank).
- Subd. 3. Use of integrated resource planning process.** Allows the commission to modify or delay implementation of the solar energy standard as part of the integrated resource planning process.
- Subd. 4. Utility plans filed with commission.** Requires a utility to report its progress in reaching the solar standard targets in its integrated resource plan or a separate report. States report contents, including an estimate of the efforts taken to meet the standard on rates.
- Subd. 5. Renewable energy credits.** Allows a utility to use renewable energy credits generated by a solar electricity facility to comply with the solar energy standard.
- Subd. 6. Compliance; penalties.** Specifies that the commission, if it finds noncompliance with the solar energy standard, may order a utility to purchase solar energy, construct solar facilities, or purchase renewable energy credits. Failure to comply with such an order may be penalized with a financial penalty that is the lesser of constructing solar facilities or purchasing sufficient renewable energy credits to meet the standard.
- 11 **[[216C.436] Subd. 7. Repayment.** Specifies that a special assessment on property taxes used to finance an energy improvement may be payable over 20 years.

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**12**      **[216C.436] Subd. 8. Bond issuance; repayment.** Specifies that the bonds providing the funds for financing energy improvements through special assessments on property taxes must not be payable more than 20 years from the date of issuance.