

Section

commission to initiate a proceeding to establish generic standards for the interconnection of distributed energy facilities.

- 8 **[216B.1635] Recovery of gas utility infrastructure costs.** Allows for utility cost recovery outside of a general rate case for replacing and updating natural gas distribution pipelines and other infrastructure as required under federal law.
- 9 **[216B.164] Definitions.**
- 10 **[216B.164] Subd. 3. Purchases; small facilities.** Increases the maximum capacity of distributed generation facilities operating under the net metering statutes from 40 to 105 kilowatts. Allows compensation for excess generation at the average utility rate plus the premium charged by the utility to “green pricing” customers. Allows a utility to take possession of any renewable energy credits attached to electricity purchased under this section.
- 11 **[216B.164] Subd. 4. Purchases; wheeling; costs.** Increases to 1,000 kilowatts the maximum capacity facility subject to this subdivision, which requires the distributed energy facility to be paid the utility’s avoided energy costs for excess generation.
- 12 **[216B.164] Subd. 4a. Net metered facility.** Allows a customer up to 105-kilowatts capacity to elect to receive a credit on the customer’s energy bill carried forward.
- 13 **[216B.164] Subd. 4b. Aggregation of meters.** Requires a utility to accommodate a customer who requests having several meters.
- 14 **[216B.164] Subd. 4c. Limiting cumulative generation prohibited.** Prohibits the commission, a municipality, or cooperative electric association board from limiting the aggregate level of net metering capacity on a utility’s system to a level below 5 percent of average annual electricity sales during the past three years.
- 15 **[216B.164] Subd. 5. Nondiscrimination; dispute resolution.** Prohibits a utility from imposing unduly burdensome conditions on, or discriminating against, a facility seeking to interconnect with and sell energy to a utility.
- 16 **[216B.164] Subd. 6. Rules and uniform contract.** Requires the commission to establish a statewide uniform contract for a facility having less than 105 kilowatt capacity.
- 17 **[216B.164] Subd. 6a. Generation exceeding capacity.** Specifies that generation that exceeds a facility’s capacity does not nullify a net metering contract and must be purchased at the avoided cost rate.
- 18 **[216B.164] Subd. 10. Energy for public buildings.** Allows a wind generator or wind storage device with a capacity up to 3.5 megawatts to be subject to net metering provisions.
- 19 **[216B.1641] Value of solar rate.**

Section

Subd. 1. Definition. Defines “solar photovoltaic device.”

Subd. 2. Applicability. Specifies that this section applies to public utilities and cooperative associations and municipalities that have elected to be governed under section 216C.412, below.

Allows a customer to elect to be compensated under this section or net metering.

Caps a solar photovoltaic device subject to this section at 2 megawatts capacity.

Subd. 3. Standby charge prohibited. Prohibits a utility from applying a standby charge to a solar photovoltaic device under this section.

Subd. 4. Standard contract. Requires the commission to establish a statewide uniform contract with at least a 20-year term to be used by a utility purchasing energy from a solar photovoltaic device electing to be governed under this section.

Subd. 5. Credits. Requires a utility to purchase all energy and capacity offered by a project to which it is interconnected for the term of the contract at the value of solar rate.

Subd. 6. Value of solar rate; calculation. Directs the Department of Commerce to calculate the value of solar rate (VSR) for each utility subject to it by February 1, 2014. Specifies the components that must be used to calculate the VSR. The department may incorporate additional amounts into the VSR, including measurable economic development benefits of solar energy.

Subd. 7. Value of solar rate; information. Directs the Department of Commerce to solicit information from utilities in order to calculate the VSR, and directs utilities to respond in a timely fashion.

Subd. 8. Value of solar rate; process. Directs the Department of Commerce to solicit comments and recommendations from utilities, ratepayers, and other interested parties regarding the VSR calculation.

Subd. 9. Value of solar rate; adjustments. Requires the commissioner of commerce to annually determine whether the VSR needs to be adjusted after receiving comments from interested parties. The commissioner has authority to adjust the rate.

Subd. 10. Value of solar rate; billing. Directs that owners receiving the VSR are to receive their regular electric bill based on their consumption and are to be credited the VSR for all their electricity production. Separate meters are required.

Subd. 11. Commission review; approval. Directs the commissioner to submit the VSR and the comments and recommendations received to the commission annually for its review. The commission may solicit additional comments and shall approve or modify the VSR and direct utilities to begin paying the approved rate. The commission must approve or modify the VSR, and must issue an order to all electric utilities to begin crediting the VSR to owners of solar photovoltaic devices.

Section

20 [216B.1651] Definitions.

Subd. 2. Community solar generating facility. Defines a community solar generating facility as a solar photovoltaic device with a capacity under two megawatts that sells subscriptions for portions of its generation to subscribers that live within the electric service area of the public utility to which the facility is interconnected or to a cooperative association or municipality that has elected to be governed under section 216C.412, below.

21 [216B.1652] Subscriptions.

Subd. 1. Presale of subscriptions. Prohibits construction of a community solar generating facility until contracts have been executed that represent at least 80 percent of the facility's capacity.

Subd. 2. Size. Requires a subscription to be capped at 120 percent of the annual average electricity consumption at the site. A subscriber may not own subscriptions whose total capacity exceeds the maximum capacity of a facility subject to the net metering statute. If a subscriber receives electricity generated from a renewable energy source prior to purchasing a subscription, the capacity of the source must be subtracted from the subscriber's otherwise allowable maximum capacity to be received from the community solar generating facility.

Subd. 3. Certification. Requires a subscriber to be provided with certain information prior to purchasing a subscription.

Subd. 4. On-site subscriber. Specifies that a subscriber owning the property on which a community solar generating facility is located has no additional rights than any other subscriber.

Subd. 5. Subscription prices. Specifies that subscription prices are not subject to regulation by the commission, but are negotiated between subscribers and the facility.

Subd. 6. Subscription transfer. Requires a subscriber terminating a contract with the facility to transfer it to an eligible subscriber or to the facility.

Subd. 7. New subscribers. Requires the facility to provide the utility with which it is interconnected information regarding new subscribers.

Subd. 8. Meter change. Requires a subscriber moving to a different property served by the facility to notify the facility within 30 days.

Subd. 9. Renewable energy credits. Provides that a subscriber owns the renewable energy credits allotted to the subscription.

Subd. 10. Disputes. Provides that disputes between the facility and the utility be resolved under the mechanism available under the net metering statute.

Section

22 [216B.1635] Disposition of electricity generated.

Subd. 1. Allocation. Provides that a subscriber is allocated electricity generated by the facility proportional to the size of the subscription. Subscribers may not resell electricity governed by the contract. Any excess generation by the facility above the needs of subscribers must be sold to the utility.

Subd. 2. Utility purchases. Requires the interconnecting utility to purchase all excess electricity generated by the facility for the price paid under the net metering law or any other law governing prices paid for solar energy.

Subd. 3. Interconnection. Requires the commission to establish uniform interconnection fees for solar community generating facilities.

Subd. 4. Nonutility status. Provides that a community solar generating facility is not a public utility.

23 [216.1654] Billing. Describes the billing procedure for subscribers and requires the Department of Commerce to establish a uniform administrative system to credit the utility accounts of subscribers. Requires the commission to examine whether the rate paid by a utility to a facility should be adjusted to reflect the utility's actual fixed costs.

24 [216B.1691] Subd. 1. Definitions. Defines "renewable energy credit."

25 [216B.1691, Subd. 2a. Eligible energy technology standard. Requires that each public utility generate or procure 40 percent of its retail electricity sales from renewable sources by 2030.

26 [216B.1691] Subd. 2e. Rate impact of standard compliance; report. Requires the commission to develop a uniform reporting system for utilities analyzing the rate impact of compliance with the Renewable Energy Standard.

27 [216B.1691] Subd. 2f. Solar energy standard. Establishes a separate Solar Energy Standard for public utilities, with a target of 0.5% in 2016, 2% in 2020, and 4% in 2025.

28 [216B.1692] Subd. 1. Qualifying projects. Specifies that a utility air emissions control project may be approved by the commission to obtain cost recovery outside of a rate case if the facilities on which the controls are to be installed are located outside the state and are needed to comply with federal or state air regulations and the project has received an advance determination of prudence by the commission.

29 [216B.1692] Subd. 1a. Exemption. Exempts a project from provisions that are satisfied by the requirement that the project receive an advance determination of prudence from the commission.

30 [216B.1692] Subd. 8. Sunset. Extends the expiration of this section by five years to 2020.

31 [216B.1695] Subd. 5. Cost recovery. Allows recovery of costs of an emissions-

Section

reduction project in a rider approved under section 216B.1692.

32 [216B.1695] **Subd. 5a. Rate of return.** Allows the commission to allow a rate of return on an emissions-reduction project at a rate determined to be in the public interest.

33 [216B.23] **Subd. 1a. Authority to issue refund.** Conforming language.

34 [216B.241.] **Subd. 1e. Applied research and development grants.** Requires the commissioner of commerce to annually assess utilities \$500,000 annually for a grant to the Clean Energy Resource Teams established under section 216C.385.

35 [216B.241] **Subd. 5c. Large solar electric generating plant.** Conforming language.

36 [216B.2411] **Subd. 3. Other provisions.** Conforming language.

37 [216B.40] **Exclusive service right; service extension.** Specifies that an electric utility has an exclusive right to service customers in its service territory by electric line.

38 [SECTION DELETED BY AUTHOR'S AMENDMENT]

39 [216C.411] **Solar energy incentive account.** Establishes an account in the special revenue fund in the state treasury to pay an incentive for solar electricity produced in the service territory of cooperative associations or municipalities that have elected to be governed under section 216C.412. Up to \$5 million annually is transferred to the account from the Renewable Development Fund.

40 [216C.412] **Solar energy production incentive.** Specifies the workings of the solar energy production incentive paid by public utilities and cooperative associations and municipalities that have elected to be governed under section. Incentives are paid on a per-kilowatt basis to owners of eligible solar photovoltaic devices for a period of 20 years. The incentive is equal to a reference price, specified for residential and commercial projects of various sizes, minus the value of solar price established by the commissioner of commerce under section 216B.1641. The commissioner of commerce annually determines whether the reference price needs adjustment. The commissioner must determine an additional incentive amount to be paid to owners of solar photovoltaic devices that meet this section's definition of Made in Minnesota.

41 [216C.436] **Subd. 7. Repayment.** Provides that repayments of loans made by a city to a commercial or residential property owner to install conservation investments or renewable energy devices may be made via special assessments on property taxes for a term of 20 years.

42 [216C.436] **Subd. 8. Bond issuance; repayment.** Provides that the revenue bonds sold by the city to finance the loans made under the previous section must be payable within 20 years of issuance.

43 **Laws 2005, ch. 97, art. 10, sec. 3. Sunset.** Extends the expiration date of the statute amended in section 8 above by eight years to 2023.

Section

- 44 Study of potential for solar energy installations on public buildings.** Requires the commissioner of commerce to contract for a study to estimate the space available on public buildings for solar installations.
- 45 Transmission for future renewable energy standard.** Requires the public utilities commission to order all electric utilities to develop plans for transmission enhancements necessary to support the increase in the Renewable Energy Standard to 40 percent by 2030.
- 46 Solar interconnection study.** Requires each electric utility to provide to the commissioner of commerce an assessment of the amount of capacity available on nonresidential buildings in its service area, and what the costs of necessary upgrades to the distribution system to allow such interconnections would be.
- 47 Value of on-site energy storage study.** Requires the commissioner of commerce to contract for a study to analyze the costs and benefits of installing utility-managed energy storage devices in residential and commercial properties and existing barriers to their installation.
- 48 Value of solar thermal study.** Requires the commissioner of commerce to contract for a study to analyze the costs and benefits of installing solar thermal devices in residential and commercial properties.
- 50 Repealer.** Repeals Minnesota Statutes, section 216B.1637, which allows Xcel Energy to recover, outside of a general rate case, costs incurred for cast iron natural gas distribution lines and other equipment.