

Subject Repeal of Renewable Development Account

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Overview

House File 1738 repeals language establishing the renewable development account (RDA), which was initiated in 1994 as part of the agreement allowing Xcel Energy to build a nuclear waste storage facility adjacent to its nuclear generating plant at Prairie Island. The statute requires Xcel to make annual contributions to the account for each cask of nuclear waste stored at Prairie Island and at the storage facility at the Monticello nuclear plant. The company's total annual contribution is currently about \$30 million.

In its early years the account funded research and development grants on renewable energy vetted through a competitive process. More recently, the legislature has made direct appropriations from the account to support a wide range of renewable energy activities, including financial support for residents and businesses installing renewable energy technologies.

HF 1738 continues payments made under contracts that provided support over a ten-year period—Xcel's Solar Rewards program and the "Made in Minnesota" solar panel program, discontinued in 2017—but funds those remaining payments from the general fund.

Summary

Section	Description
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1	[116C.7792] Solar energy production incentive program.
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	Discontinues RDA funding of Xcel's Solar Rewards program after 2025. The program is funded through 2036 from annual general fund appropriations necessary to fulfill the program's ten-year payment commitments. No new program participants are registered after 2026.
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Section	Description
2	<p>[116J.55] Community energy transition grants.</p> <p>Strikes language citing the RDA as a potential source of funding for grants to assist communities in which a local electric generating plant is scheduled to cease or has ceased operations.</p>
3	<p>[216B.1645] Power purchase contract or investment.</p> <p>Strikes language authorizing the Public Utilities Commission to review expenditures from energy sources funded by the RDA that satisfy state mandates regarding wind and renewable energy development.</p>
4	<p>[216C.377] Solar grant program; public buildings.</p> <p>Subd. 3. Establishment of account. Strikes language referring to the RDA as a source of funds for a program providing grants to local units of government to install solar energy systems.</p>
5	<p>[216C.417] Program administration; “Made in Minnesota” solar energy production incentives.</p> <p>Subd. 1a. Account established; account management. Establishes an account from which the remaining payments owed to participants in the program may be made from the general fund.</p>
6	<p>[216C.417] Program administration; “Made in Minnesota” solar energy production incentives.</p> <p>Subd. 2. Appropriation. Appropriates money from the general fund sufficient to make the remaining payments owed to program participants.</p>
7	<p>Disposition of remaining funds.</p> <p>Provides that any money remaining in the RDA as of the effective date of this act be remitted to Xcel Energy for refund to its electric service customers.</p>
8	<p>Appropriation.</p> <p>Appropriates \$5 million in fiscal year 2026 for the Solar Rewards program.</p>
9	<p>Revisor instruction.</p> <p>In light of the RDA’s repeal, substitutes statutory references identifying Xcel as “the public utility subject to section 116C.7792” with the references listed in column C.</p>
10	<p>Repealer.</p> <p>Repeals the RDA and two programs funded by the RDA that have expired: sections 116C.7791 (solar rebates that ended in 2015) and 216C.41 (renewable energy production incentives that ended in 2021).</p>



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