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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2317

02/15/2012 Authored by Knuth, Greene, Atkins, Brynaert, Hornstein and others

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance

1.1 A bill for an act
1.2 relating to energy; establishing incentive payments for public buildings installing
1.3 solar photovoltaic devices; appropriating money; proposing coding for new law
1.4 in Minnesota Statutes, chapter 216C.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[216C.437] DEFINITIONS.**

1.7 Subdivision 1. **Scope.** For the purposes of sections 216C.438 and 216C.439, the
1.8 terms defined in this section have the meanings given them.

1.9 Subd. 2. **Local government.** "Local government" means any home rule charter
1.10 or statutory city, county, commission, district, authority, or other political subdivision or
1.11 instrumentality of this state, including a sanitary district, park district, school district, the
1.12 Metropolitan Council, a port authority, an economic development authority, or a housing
1.13 and redevelopment authority.

1.14 Subd. 3. **Public building.** "Public building" means a building owned by this state or
1.15 a local government used for government activities and located in the electric service area
1.16 of the public utility that owns the Prairie Island nuclear generating plant.

1.17 Subd. 4. **Solar photovoltaic device.** "Solar photovoltaic device" has the meaning
1.18 given in section 216C.06, subdivision 16, and must meet the requirements of section
1.19 216C.25.

1.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.21 Sec. 2. **[216C.438] PUBLIC BUILDINGS SOLAR ACCOUNT.**

1.22 Subdivision 1. **Establishment of account.** A public buildings solar account is
1.23 established in the special revenue fund. The commissioner of commerce must deposit

2.1 revenues in the account as directed in subdivision 2. Money from other sources may
2.2 be credited to the account. Any interest earned on the account must be credited to the
2.3 account. Money remaining in the account at the end of a biennium does not cancel to the
2.4 general fund but remains in the account.

2.5 Subd. 2. **Renewable development account; appropriation.** Beginning January 1,
2.6 2013, and each year thereafter, money is appropriated to the commissioner of commerce
2.7 from the renewable development account under section 116C.779 for deposit in the
2.8 public buildings solar account established under subdivision 1 for the purpose of paying
2.9 public buildings solar incentives as specified in section 216C.439. The annual amount
2.10 appropriated is equal to \$10,900,000 minus the total amount of renewable energy
2.11 production incentive payments made under section 216C.41 and Laws 2005, chapter
2.12 40, in the previous calendar year.

2.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.14 Sec. 3. **[216C.439] PUBLIC BUILDINGS SOLAR INCENTIVE.**

2.15 Subdivision 1. **Application.** (a) To be eligible to receive a public buildings solar
2.16 incentive payment, an owner of a public building must file an application with the
2.17 commissioner of commerce that contains the following information:

2.18 (1) the location and square footage of the public building applying for the incentive;

2.19 (2) the capacity of the solar photovoltaic device to be installed;

2.20 (3) evidence that the public building applying for the incentive meets one of the
2.21 following criteria:

2.22 (i) the public building has received financing through the public buildings enhanced
2.23 energy efficiency program under section 216C.43 and has completed the investigation
2.24 and implementation phases of the project;

2.25 (ii) the calculation of the B3 energy benchmarking tool developed under Laws
2.26 2001, chapter 212, article 1, section 3, that measures the public building's actual energy
2.27 consumption per square foot divided by benchmark energy consumption per square foot is
2.28 equal to 0.75 or less for the most recent calendar year; or

2.29 (iii) for new construction, the public building meets the most recent sustainable
2.30 building 2030 energy-efficiency performance standards developed by the Center for
2.31 Sustainable Building Research at the University of Minnesota;

2.32 (4) evidence that the public building's solar photovoltaic device is certified by
2.33 Underwriters Laboratory, received the ETL listed mark from Intertek, or has an equivalent
2.34 certification from an independent testing agency;

3.1 (5) evidence that the public building's solar photovoltaic device was installed
3.2 by, or that the installation has been reviewed and approved by, a person certified as a
3.3 solar photovoltaic device installer by the North American Board of Certified Energy
3.4 Practitioners;

3.5 (6) certification that the electricity generated by the solar photovoltaic device will
3.6 not be sold, transmitted, or distributed at retail, nor provided to an off-site facility of
3.7 the generator;

3.8 (7) evidence that the solar device is connected to a utility that will purchase
3.9 electricity generated in excess of the public building's own consumption, as specified in
3.10 section 216B.164;

3.11 (8) certification that the building owner has the technical and financial resources
3.12 to operate and maintain the solar photovoltaic device during the period an incentive is
3.13 to be paid; and

3.14 (9) any other information the commissioner deems necessary to determine whether
3.15 the project qualifies for payment of an incentive under this section.

3.16 (b) The commissioner shall determine whether a project qualifies for payment of an
3.17 incentive under this section and respond in writing to the applicant approving or denying
3.18 the application within 15 working days of receipt of the information required in paragraph
3.19 (a). Applications shall be reviewed in the order in which complete applications are
3.20 received.

3.21 Subd. 2. **Amount of incentive; duration of incentive.** (a) Each owner of a public
3.22 building whose application is approved by the commissioner under subdivision 1 shall
3.23 receive the following incentive payment for each kilowatt of electricity generated by the
3.24 solar photovoltaic device:

3.25 (1) for a project with a capacity of less than 30 kilowatts: 27 cents;

3.26 (2) for a project with a capacity between 30 and 99 kilowatts: 25 cents;

3.27 (3) for a project with a capacity between 100 and 999 kilowatts: 24.5 cents; and

3.28 (4) for a project with a capacity of 1,000 kilowatts or more: 23 cents.

3.29 (b) A project that begins production in 2013 will receive the incentive listed in
3.30 paragraph (a). A project that begins production after 2013 will receive the incentive
3.31 listed in paragraph (a) reduced by seven percent for each year after 2013 that production
3.32 begins. A project will continue to receive the same amount of incentive as specified
3.33 in this paragraph each year for 20 years.

3.34 (c) The commissioner shall specify the methods and procedures an owner of a
3.35 public building receiving an incentive payment under this section must use to measure

4.1 and verify the amount of electricity generated annually in order for the commissioner to
4.2 determine the amount of the incentive payment.

4.3 (d) No single public building may receive an annual incentive payment greater
4.4 than \$.....

4.5 Subd. 3. **Change of ownership.** If ownership of a public building has been
4.6 transferred from the original owner that received the incentive, the new owner must meet
4.7 the criteria established under subdivision 1 in order to receive an incentive payment.

4.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.