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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **2384**

March 29, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to energy; establishing rebate program for installation of solar  
1.3 technologies, funded by a surcharge on retail electricity bills; proposing coding  
1.4 for new law in Minnesota Statutes, chapter 216C.

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

1.6 Section 1. **[216C.251] CITATION.**

1.7 Sections 216C.251 to 216C.255 may be known as "The Solar Energy Advancement  
1.8 Act of 2007."

1.9 Sec. 2. **[216C.252] DEFINITIONS.**

1.10 Subdivision 1. **Scope.** The terms used in sections 216C.251 to 216C.255 have the  
1.11 meanings given them in section 216C.01 and this section.

1.12 Subd. 2. **Eligible photovoltaic device.** "Eligible photovoltaic device" means a  
1.13 photovoltaic device with a nameplate value between 0.5 and 40 kilowatts (kW) total  
1.14 electrical output whose panels have a 20-year warranty from the manufacturer.

1.15 Subd. 3. **Eligible solar thermal system.** "Eligible solar thermal system" means a  
1.16 solar thermal system with an array of between 32 and 3,200 square feet whose collectors  
1.17 have been certified by the Solar Rating and Certification Corporation.

1.18 Subd. 4. **Photovoltaic device.** "Photovoltaic device" has the meaning given in  
1.19 section 216C.06, subdivision 17.

1.20 Subd. 5. **Solar thermal system.** "Solar thermal system" means a flat plate or  
1.21 evacuated tube with a fixed orientation that collects the sun's radiant energy and transfers  
1.22 it to a storage medium for distribution as energy for heating and cooling.

2.1 Subd. 6. **Wind energy conversion system.** "Wind energy conversion system" has  
 2.2 the meaning given in section 216C.06, subdivision 19.

2.3 **Sec. 3. [216C.253] ELECTRIC BILL SURCHARGE.**

2.4 Subdivision 1. **Surcharge.** Beginning with the first billing cycle of January 2008,  
 2.5 each utility selling electricity at retail to customers in Minnesota must include a surcharge  
 2.6 of ten cents on each customer's monthly bill, except for customers exempted under  
 2.7 subdivision 3.

2.8 Subd. 2. **Collection and payment.** Each utility subject to the surcharge must  
 2.9 collect the surcharge established in subdivision 1. Surcharges are payable to and must  
 2.10 be submitted to the commissioner monthly, before the 25th of each month following  
 2.11 the month of collection.

2.12 Subd. 3. **Exemptions.** A customer is exempt from the surcharge established in  
 2.13 subdivision 1 if the customer:

2.14 (1) generates electricity through a photovoltaic device or wind energy conversion  
 2.15 system with a nameplate capacity of one-half kilowatt or greater;

2.16 (2) purchases 100 kilowatt hours (kWh) or more of electricity monthly under  
 2.17 section 216B.169;

2.18 (3) produces a monthly average of 50 kWh or more of electricity through an eligible  
 2.19 technology, as defined in section 216B.1691, subdivision 1, paragraph (a), that has been  
 2.20 certified by the commissioner as carbon-neutral or carbon-negative; or

2.21 (4) received fuel assistance during the preceding fiscal year from the federal Low  
 2.22 Income Home Energy Assistance Program.

2.23 **Sec. 4. [216C.254] SOLAR DEVELOPMENT ACCOUNT; APPROPRIATION.**

2.24 (a) The solar development account is established in the special revenue fund. The  
 2.25 commissioner must deposit receipts from the surcharge established in section 216C.253 in  
 2.26 the account. Any interest earned in the account must remain in the account. Money from  
 2.27 other sources may be credited to the account.

2.28 (b) Money in the account is appropriated to the commissioner for the purpose of  
 2.29 awarding rebates under section 216C.255. Any balance remaining in the account at the  
 2.30 end of a fiscal year remains in the fund.

2.31 (c) The commissioner may begin making disbursements from the account to eligible  
 2.32 applicants on July 1, 2008.

2.33 **Sec. 5. [216C.255] REBATES FOR SOLAR INSTALLATIONS.**

3.1 Subdivision 1. **Scope.** Rebates may be paid to applicants installing eligible  
3.2 photovoltaic devices or eligible solar thermal systems after January 1, 2008, on a residence  
3.3 or business owned by the applicant or a business for which the applicant is the legal agent  
3.4 regarding physical modifications, provided that the application meets the specifications in  
3.5 this section and has been approved by the commissioner.

3.6 Subd. 2. **Application.** (a) A person seeking a rebate under this section must submit  
3.7 an application to the commissioner on a form determined by the commissioner. The  
3.8 commissioner must review each application to determine:

3.9 (1) whether the application is complete;

3.10 (2) whether the project is eligible for a rebate;

3.11 (3) whether the system has been installed by a certified installer; and

3.12 (4) the amount of the rebate for which the project is eligible.

3.13 (b) Applications may be filed with the department beginning January 1, 2008. An  
3.14 applicant who received a rebate under this section may file another application for a rebate  
3.15 in a subsequent fiscal year provided that the cumulative electrical output for a photovoltaic  
3.16 device does not exceed ten kW total output and the cumulative array for a solar thermal  
3.17 system does not exceed 800 square feet.

3.18 Subd. 3. **Amount of rebate.** (a) For an eligible photovoltaic device, the rebate  
3.19 amount is \$2 per watt of rated output, up to ten kW of nameplate value. The commissioner  
3.20 may approve a rebate up to \$2.50 per watt of rated output for a photovoltaic device  
3.21 installed by an installer who is certified to install solar photovoltaic devices by the  
3.22 North American Board of Certified Energy Practitioners, or has equivalent training and  
3.23 certification as determined by the commissioner.

3.24 (b) For an eligible solar thermal system, the rebate amount is \$25 per square foot  
3.25 of array area, up to a maximum of 800 square feet. The commissioner may approve  
3.26 a rebate up to \$31 per square foot of array for a solar thermal system installed by an  
3.27 installer who is certified to install solar thermal systems by the North American Board of  
3.28 Certified Energy Practitioners, or has equivalent training and certification as determined  
3.29 by the commissioner.