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HOUSE FILE No. 3033

FIRST COMMITTEE ENGROSSMENT

February 18, 2010

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

Referred by Chair to Energy Finance and Policy Division.

April 15, 2010

Returned to the Committee on Finance as Amended.

1.1 A bill for an act
1.2 relating to energy; modifying fee for storage of spent nuclear fuel; establishing
1.3 rebate program for solar photovoltaic modules; appropriating money; amending
1.4 Minnesota Statutes 2008, section 116C.779, subdivision 1; proposing coding for
1.5 new law in Minnesota Statutes, chapter 116C.

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

1.7 Section 1. Minnesota Statutes 2008, section 116C.779, subdivision 1, is amended to
1.8 read:

1.9 Subdivision 1. **Renewable development account.** (a) The public utility that owns
1.10 the Prairie Island nuclear generating plant must transfer to a renewable development
1.11 account ~~\$16,000,000 annually~~ \$500,000 each year for each dry cask containing spent fuel
1.12 that is located at the Prairie Island power plant for each year the plant is in operation, and
1.13 \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant
1.14 to paragraph (d). The fund transfer must be made if nuclear waste is stored in a dry cask at
1.15 the independent spent-fuel storage facility at Prairie Island for any part of a year. Funds
1.16 in the account may be expended only for development of renewable energy sources.
1.17 Preference must be given to development of renewable energy source projects located
1.18 within the state. The utility that owns a nuclear generating plant is eligible to apply for
1.19 renewable development fund grants. The utility's proposals must be evaluated by the
1.20 renewable development fund board in a manner consistent with that used to evaluate other
1.21 renewable development fund project proposals.

1.22 (b) The public utility that owns the Monticello nuclear generating plant must transfer
1.23 to the renewable development account \$350,000 each year for each dry cask containing
1.24 spent fuel that is located at the Monticello nuclear power plant for each year the plant is
1.25 in operation, and \$5,250,000 each year the plant is not in operation if ordered by the

2.1 commission pursuant to paragraph (d). The fund transfer must be made if nuclear waste
2.2 is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
2.3 any part of a year.

2.4 (c) Expenditures from the account may only be made after approval by order of the
2.5 Public Utilities Commission upon a petition by the public utility.

2.6 (d) After discontinuation of operation of the Prairie Island nuclear plant or the
2.7 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
2.8 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
2.9 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
2.10 facility for any year in which the commission finds, by the preponderance of the evidence,
2.11 that the public utility did not make a good faith effort to remove the spent nuclear
2.12 fuel stored at the facility to a permanent or interim storage site out of the state. This
2.13 determination shall be made at least every two years.

2.14 **EFFECTIVE DATE.** This section is effective when 32 dry casks containing spent
2.15 fuel are located at the Prairie Island nuclear plant.

2.16 **Sec. 2. [116C.7791] REBATES FOR SOLAR PHOTOVOLTAIC MODULES.**

2.17 **Subdivision 1. Definitions.** For the purpose of this section, the following terms
2.18 have the meanings given.

2.19 (a) "Installation" means an array of solar photovoltaic modules attached to a building
2.20 that will use the electricity generated by the solar photovoltaic modules or placed on a
2.21 facility or property proximate to that building.

2.22 (b) "Manufactured" means:

2.23 (1) the material production of solar photovoltaic modules, including the tabbing,
2.24 stringing, and lamination processes; or

2.25 (2) the production of interconnections of low-voltage photoactive elements that
2.26 produce the final useful photovoltaic output by a manufacturer operating in this state on
2.27 the effective date of this section.

2.28 (c) "Qualified owner" means an owner of a qualified property, but does not include
2.29 an entity engaged in the business of generating or selling electricity at retail, or an
2.30 unregulated subsidiary of such an entity.

2.31 (d) "Qualified property" means a residence, multifamily residence, business, or
2.32 publicly owned building located in the assigned service area of the utility subject to
2.33 section 116C.779.

3.1 (e) "Solar photovoltaic module" means the smallest, nondivisible, self-contained
3.2 physical structure housing interconnected photovoltaic cells and providing a single direct
3.3 current of electrical output.

3.4 Subd. 2. **Establishment.** The commissioner of commerce shall establish a program
3.5 to provide rebates to an owner of a qualified property for installing solar photovoltaic
3.6 modules manufactured in Minnesota after December 31, 2009.

3.7 Subd. 3. **Rebate eligibility.** (a) To be eligible for a rebate under this section, a
3.8 solar photovoltaic module:

3.9 (1) must be manufactured in Minnesota;

3.10 (2) must be installed on a qualified property as part of a system whose generating
3.11 capacity does not exceed 40 kilowatts;

3.12 (3) must be certified by Underwriters Laboratory, must have received the ETL
3.13 listed mark from Intertek, or must have an equivalent certification from an independent
3.14 testing agency;

3.15 (4) may or may not be connected to a utility grid;

3.16 (5) must be installed by a person certified as a solar photovoltaic installer by the
3.17 North American Board of Certified Energy Practitioners; and

3.18 (6) may not be used to sell, transmit, or distribute the electrical energy at retail,
3.19 nor to provide end-use electricity to an offsite facility of the electrical energy generator.
3.20 On-site generation is allowed to the extent provided for in section 216B.1611.

3.21 (b) To be eligible for a rebate under this section, an applicant must have applied for
3.22 and been awarded a rebate or other form of financial assistance available exclusively to
3.23 owners of properties on which solar photovoltaic modules are installed that is offered by:

3.24 (1) the utility serving the property on which the solar photovoltaic modules are to
3.25 be installed; or

3.26 (2) this state, under an authority other than this section.

3.27 (c) An applicant who is otherwise ineligible for a rebate under paragraph (b) is
3.28 eligible if the applicant's failure to secure a rebate or other form of financial assistance is
3.29 due solely to a lack of available funds on the part of a utility or this state.

3.30 Subd. 4. **Rebate amount and payment.** (a) The amount of a rebate under this
3.31 section is the difference between the sum of all rebates described in subdivision 3,
3.32 paragraph (b), awarded to the applicant and \$5 per watt of installed generating capacity.

3.33 (b) Notwithstanding paragraph (a), the amount of all rebates or other forms of
3.34 financial assistance awarded to an applicant by a utility and the state, including any rebate
3.35 paid under this section, net of applicable federal income taxes applied at the highest

4.1 applicable income tax rates, must not exceed 60 percent of the total installed cost of
4.2 the solar photovoltaic modules.

4.3 (c) Rebates must be awarded to eligible applicants beginning July 1, 2010.

4.4 (d) The rebate must be paid out proportionately in five consecutive annual
4.5 installments.

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

4.7 Sec. 3. **APPROPRIATION.**

4.8 (a) The utility subject to Minnesota Statutes, section 116C.779, shall transfer
4.9 \$2,000,000 in fiscal year 2011; \$4,000,000 in fiscal year 2012; \$5,000,000 in fiscal year
4.10 2013; \$5,000,000 in fiscal year 2014; and \$5,000,000 in fiscal year 2015, from the account
4.11 established under that section to the commissioner of commerce. The commissioner of
4.12 commerce must place the funds in the special revenue fund.

4.13 (b) \$2,000,000 in fiscal year 2011; \$4,000,000 in fiscal year 2012; \$5,000,000 in
4.14 fiscal year 2013; \$5,000,000 in fiscal year 2014; and \$5,000,000 in fiscal year 2015, is
4.15 appropriated from the special revenue fund to the commissioner of commerce for awarding
4.16 rebates for solar photovoltaic modules as specified in section 2. This appropriation does
4.17 not cancel, and remains available until the money is expended.

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