

Senator
John Marty

Senate
State of Minnesota

August 14, 2015

Beverly Jones Heydinger, Chair
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, MN 55101-2147

Dear Chair Heydinger:

Minnesota's community solar program has received strong interest from people and businesses around the state and could become a meaningful source of clean, renewable energy in the next few years.

This program was created, in part, to allow more people of all economic means to participate in the growing solar economy even if they did not own their own homes or could not install solar on their housing. It is an opportunity for people with low or moderate incomes to be part of generating more solar power in Minnesota. I believe there is widespread agreement that this was one of the purposes for the community solar program, and I also understand that there has been interest in doing so from Xcel, some members of the PUC, and some solar developers.

I am attaching a memo from one of the businesses interested in including low income people, which provides more details and suggests some possible changes.

Unfortunately, unlike other states with community solar programs, we neglected to explicitly direct that a portion of the program benefit low income households. Because the program is likely to move forward rapidly in the coming months, I am writing to ask that the Public Utilities Commission work with Xcel Energy and the Department of Commerce to facilitate changes to the community solar program for it to fulfill its intended purpose.

Thank you for your consideration of this request.

Warm regards,



John Marty

Attachment: Memo on low-income benefits

cc: Governor Mark Dayton
Chris Clark, President, Northern States Power Company
Commissioner Michael Rothman, Minnesota Department of Commerce

Deputy Commissioner of Energy and Telecommunications Bill Grant, Minnesota
Department of Commerce
Commissioner Katie Clark Sieben, Minnesota Department of Employment and
Economic Development
Commissioner Kevin Lindsey, Minnesota Department of Human Rights
Senator Sandy Pappas
Senator Jeff Hayden
Senator Bobby Joe Champion
Senator Patricia Torres-Ray
Senator Fong Hawj
Senator Scott Dibble
Representative Melissa Hortman
Representative Rena Moran
Representative Susan Allen
Representative Raymond Dehn
Representative Joe Mullery
Representative Karen Clark
Adam Duinck, Chair, Metropolitan Council
Gary Cunningham, Council Member, Metropolitan Council

MEMORANDUM

June 29, 2015

TO: Sen. John Marty
FR: Michael Krause, Kandiyo Consulting, Jamez Staples, Renewable Energy Partners
RE: Low-Income Access and Participation in Community Solar

Unlike the community solar program in Colorado or new state programs in Maryland and California, Minnesota's community solar law does not include any requirements to provide at least some of the program's benefits for low-income households. In fact, we have seen in almost all of the gigawatt of community solar applications so far that the main beneficiaries are large corporate and institutional ratepayers, not homeowners, renters, non-profits and small businesses.

There have been strong statements of support from Xcel, PUC commissioners and some of the solar developers and stakeholders for program changes that will guarantee a more equitable distribution of the benefits from community solar. We suggest the following provisions as a starting point for such benefits:

Require every community solar project over 100 kilowatts to:

- Set aside five percent of the project's subscriptions for distribution to low-income households
- Contract with disadvantaged businesses for at least 20 percent of the development and maintenance costs of the community solar project
- Pay a fee as an alternative to either of these measures roughly equal to the value of five percent of the subscriptions (about 10 cents per watt of DC solar capacity).

Funds accumulated from the alternative payments could be split as follows:

- Grants to the state's 25 Weatherization and Low-Income Energy Assistance providers to subsidize community solar subscriptions for low-income households.
- DEED grants for workforce development and business development to expand the capacity of minority, women and veteran-owned solar businesses.

If Minnesota develops 500 megawatts of community solar over the next 2-3 years, it will represent an investment of about \$1.25 billion. This approach for low-income benefits could have some combination of the following impacts from that investment:

- 25,000 one-kilowatt subscriptions for low-income households
- \$250 million of contracted work by MBE/WBE/Veteran firms
- \$10-12 million in community solar subsidies for low-income households; AND
- \$5-6 million for workforce training for disadvantaged firms; AND
- \$5-6 million in grants to develop more minority, women and veteran-owned firms in solar and related energy fields.