

## Minnesota Community Solar Gardens Program

IREC developed the National Shared Renewables Scorecard to provide policymakers, regulators, and other stakeholders with a tool for evaluating the strengths and weaknesses of state shared renewable energy programs. IREC graded **Minnesota's Community Solar Gardens Program** using the Scorecard's full criteria\* and found that the program currently receives a **B** because it **reflects many shared renewables best practices**, offering a solid foundation for shared renewable energy development.

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| <b>KEY</b> | One star (★) indicates an especially important criterion for a state program.<br>Two stars (★★) indicate one of the most heavily weighted and critical criteria for program success. |
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| Category                        | Criterion   | Description  | Program Grade |
|---------------------------------|---|--|---------------|
| General Program Details         | Aggregate Capacity Limit  | Does the program have an <b>unlimited aggregate capacity</b> ?   | ✓             |
|                                 | Tracking & Reporting Requirements                                   | ★ Does the program specifically require the utility or other relevant entity to <b>collect and make publicly available data</b> regarding installed and queued capacity (e.g., via regularly updated public queue or annual public reports)? | ✓             |
|                                 | Low- to Moderate-Income (LMI) Consumer Participation                | ★ Does the program have specific component(s) to <b>promote LMI customer participation</b> (e.g., capacity carve-out or target)?   | ✗             |
|                                 |   | Does the program <b>explicitly address financial barriers</b> faced by LMI participants (e.g., incentives or on-bill financing)?   | ✗             |
|                                 |   | Does the program have specific requirements regarding LMI customer <b>marketing, education and outreach</b> ?  | ✗             |
| Customers and Subscriptions     | Eligibility   | Are <b>all customer classes</b> eligible for the program?  | ✓             |
|                                 | Portability   | ★ Does the program explicitly permit <b>portability</b> (i.e., allows participants to move within the utility service territory and take their subscription with them)?  | ✓             |
|                                 | Transferability   | ★ Does the program explicitly permit <b>transferability</b> (i.e., allows participants to leave the program or service territory and transfer their subscriptions to others)?  | ✓             |
| Generation Systems              | System Capacity Limit   | Is the system size limit <b>at least 5 megawatts (MW)</b> ?  | ✗             |
|                                 | Siting Requirements   | ★★ Does the program allow <b>both on-site and off-site</b> facilities?   | ✓             |
|                                 |   | Can the facility and customers be <b>located anywhere</b> within the utility service territory?  | ✗             |
|                                 |   | Do the program rules explicitly address whether facilities can be <b>co-located</b> ?  | ✓             |
| Ownership & Management          | Are <b>third-party facility ownership and management</b> permitted? | ✓  |               |
| Bill Credits                    | Valuation   | ★★ Is the bill credit valuation (whether embedded cost, value-based or other) <b>above the short-term avoided energy cost rate</b> for the utility?  | ✓             |
|                                 |   | ★ Is the valuation methodology <b>clearly articulated</b> in the statute, rule and/or tariff?  | ✓             |
|                                 | Unsubscribed Generation   | Is <b>unsubscribed generation</b> clearly treated and valued at least at an avoided cost rate?   | ✓             |
| Renewable Energy Credits (RECs) | Subscribed RECs   | Are <b>subscribed RECs</b> clearly treated?  | ✓             |
|                                 | Unsubscribed RECs   | Are <b>unsubscribed RECs</b> clearly treated?  | ✓             |
| <b>State Program Grade:</b>     |   |  | <b>B</b>      |

### Program Strengths

- ✓ **Values shared renewable energy generation at the Value of Solar (VOS) rate, which is above the short-term avoided energy cost rate for the utility.** This is one of the most heavily weighted, critical criteria for program success.
- ✓ **Allows shared renewable energy facilities to be located either on-site or off-site.** This is another heavily weighted criterion.
- ✓ Explicitly permits customers to keep their subscriptions if they move within the same utility's service territory.

### Opportunities for Improvement

- **Increase the system size limit to at least 5 megawatts.** Currently, the system capacity limit is 1 megawatt.
- **Add specific components to promote access for low- to moderate-income customer participation, including components related to financing, marketing, education or outreach.** The current program does not have any such components.
- **Allow the facility and customers to be located anywhere within the utility service territory.** Currently, the facility must be located in the same county or contiguous county as subscribers.

\*Note: The criteria above are a subset of the full criteria used to arrive at the state grades, but reflect the most substantial program design components. For more information about the Scorecard, including the full criteria applied to grade state programs and definitions for many of the terms within the criteria, see <https://sharedrenewablescorecard.org/>.

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