



## Record of Meeting

### Date & Time

August 5, 2019 (6:30 p.m. – 8:30 p.m.)

### Location

Wakefield Town Hall (22295 Frostview Road, Cold Spring MN 56320)\

### Attendance

Committee Members: Jerry Jennissen, Heidi Stalboeger, Jeff Bertram, Jim Bartelme, Taryl Clark, Ken Massmann, LeRoy Gondringer, Richard Blenkush, Tom Schneider, Shawn Blackburn, Leigh Lenzmeir, Jeff Mergen

County Staff: Chelle Benson, Jennifer Buckentine, Heidi Winskowski, Nich Nueman

Planning Consultant: Lance Bernard (HKGi)

### Meeting Materials

<https://shapestearns.com/documents>

### Presentation

See Attachment A

### Meeting Recap

- 1. Project Update:** Lance Bernard from HKGi provided an overview of the work that has been completed to date. This included a summary of public engagement events and draft materials (e.g., pillar statements).
- 2. Presentation:** Brian Ross and Jessi Wyatt from the Great Plains Institute led a group discussion on utility-scale wind and solar development in Stearns County. The Great Plains Institute is an organization of experts dedicated to engaging and collaborating with people, organizations, and communities to craft energy solutions that benefit the economy and environment.

A copy of their presentation is included as Attachment A.

- 3. Follow-Up:** The Steering Committee requested additional information from the presentation. These requests are listed below, in addition to a response to those requests.

**a) Commissioner Lenzmeir requested information on solar housing subsidies.**

- (1) All solar installations, including residential installations, are, for the next two and half years (through 2021), eligible for the Federal Investment Tax credit. In 2019, the credit is 30% of the total cost of the system. In 2020, the credit is 26%, and in 2021 the credit is 22%. Starting in 2022, residential customers are no longer eligible for any tax credit.

- (2) Some utilities offer an incentive for homeowners to install solar energy systems. These will vary considerably across different utility service providers. Xcel Energy has its “Solar Rewards” incentive that pays a homeowner seven cents per KWh (\$0.07/KWh) for every KWh produced by the system for ten years. Payments are made annually.
- (3) The State of Minnesota exempts all solar equipment (including residential installations) from sales taxes.
- (4) A grey area regarding what is a subsidy is Minnesota’s “net metering” law, where the price paid for electricity is the same at a given point on the electric system, regardless of whether the purchaser is a homeowner or a utility. At the electric meter of a home, if the homeowner pays 10 cents/KWh for energy, the utility will also pay 10 cents/KWh for energy produced by the residential homeowner. Some people characterize this as a subsidy because the utility can generate or buy significantly cheaper power on the wholesale market, others say that it is not a subsidy but merely fair play recognizing that the energy is worth the same price at the same point on the system regardless of where it came from.

**b) Jeff Bertram requested data points on where the County stands on solar gardens.**

Stearns County is home to the second largest number of solar gardens in the state, at 17. Chisago County has more, at 22. Several other counties (Goodhue, Dakota, Carver, Wright, and Washington) have 11 or 12.

Resource:

[https://www.xcelenergy.com/programs\\_and\\_rebates/residential\\_programs\\_and\\_rebates/renewable\\_energy\\_options\\_residential/solar/available\\_solar\\_options/community-based\\_solar](https://www.xcelenergy.com/programs_and_rebates/residential_programs_and_rebates/renewable_energy_options_residential/solar/available_solar_options/community-based_solar)

**c) The group wanted us to clarify how a megawatt is measured. What does that equal vs. production?**

A megawatt (MW) is a measure of the maximum capacity of the electric generator. A megawatt hour (MWh) is the measure of total energy produced. A plant with a 100 MW of capacity that operates 10% of the year, will produce far less energy (MWhs) than a plant with 100 MW of capacity that operates 70% of the year.

A new solar generating plant will operate between 20-25% of the year. A new wind farm will operate around 40% of the year. A typical natural gas plant (combined cycle plant) operates 50-70% of the year. A “peaking” natural gas plant will operate less than 10% of the year.

So you want to know how many homes a new generating plant can serve, the answer is not given by the capacity number, but by a combination of the capacity number and the expected operating hours in the year. A MW of solar capacity will, in MN, provide enough energy over the year to meet the needs of about 150 typical homes. A MW of wind capacity will serve about 240 homes.

**d) Is accessory use solar that is greater than 1 MW AC subject to the production tax?**

The production tax statute does not distinguish between an accessory use system and a principal use system. We did not ask for an interpretation from the Department of Revenue (DOR), so it is possible that there is a nuance in the DOR's interpretation that would exempt accessory uses, or some accessory uses, larger than 1 MW AC from the production tax.

Resource: <https://www.leg.state.mn.us/docs/2019/other/190133.pdf>

# **Attachment A - Great Plains Institute Presentation**