

DRAFT

March __, 2020
Governor Tim Walz
130 State Capitol
75 Rev. Dr Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Governor Walz, Speaker Hortman, and Majority Leader Gazelka:

The clean energy industries of Minnesota would like to express support for Senate File 3389 and portions of House File 1842, and we urge their passage in a bipartisan effort that would stimulate the Minnesota economy without straining the General Fund. Our organizations represent hundreds of energy companies and related businesses in the state.

These bills request appropriations from the Renewable Development Account, so would not siphon General Fund dollars away from other needed efforts to support our healthcare system or other vital industries. Now is a great time to spend the Renewable Development Account dollars to help stimulate the economy in the wake of the COVID-19 outbreak.

The modification of the Solar*Rewards incentive programs would provide an additional \$42 million dollars in incentives to homeowners and small businesses for improvements to building stock, create energy savings in the coming decades, and support an industry that employs over 4,000 Minnesotans. This bill also elongates Solar*Rewards by moving the program end date from 2021 to 2024, which will help solar installers ameliorate decreased demand from the 4% Federal Investment Tax Credit step-down next year.

The Solar on Schools portion of HF1842 would provide \$16 million dollars in grants to school districts to install solar arrays. As energy bills are the second-highest operating expenditure after teachers for school districts around Minnesota, the energy savings from solar installations will significantly ease financial strain on school districts—and on local property taxes. At least half of the districts receiving grants are required to be low-income. Lastly, the educational component requirement in this bill will stimulate an interest in STEM fields through hands-on, experiential learning in a way that no textbook can provide.

Over the last year, we have worked hand-in-hand with Xcel Energy, the Minnesota Department of Commerce, and leaders in both the House and Senate Energy Committees to develop the language within these bills. We hope for and urge their passage in a bipartisan fashion.

David Shaffer
Executive Director
MnSEIA