

Minnesota's Solar Energy Mandate

By: Alex Moss

On May 23, 2013, Governor Mark Dayton signed into law the Solar Energy Jobs Act, which will increase the state's solar generation significantly in the next decade, as part of a large omnibus economic development bill. The energy mandate includes a 1.5 percent by 2025 solar electricity standard for all investor-owned public utilities. Act of May 23, 2013, ch. 85, art. 10, § 216B.1691 (2013). A non-mandatory solar energy goal of 10 percent by 2030 is also outlined in the bill. *Id.* The new mandate is imposed on top of the 25 percent by 2025 renewable energy standard passed in 2007.

While clean energy alternatives have been gaining steam in Minnesota, the solar industry has encountered resistance because of high costs. Large utilities have expressed their opposition to the new legislation, citing the costs for solar energy compared to wind and natural gas-fired generation. *See David Shaffer, New Minnesota solar mandate will give power companies a jolt*, STAR TRIBUNE (May 28, 2013, 10:14 AM), <http://www.startribune.com/business/208915221.html>. According to the U.S. Energy Information Administration, the costs of generating electricity from solar power “will be more than double the costs for generating electricity from natural gas for at least the next several decades.” Taylor Smith, *Minnesota Implements Solar Power Mandate*, HEARTLAND INSTITUTE (June 27, 2013), <http://news.heartland.org/newspaper-article/2013/06/27/minnesota-implements-solar-power-mandate>. Many utilities would prefer moving toward solar generation when costs drop; instead, the new mandate will force companies to significantly increase the amount of megawatts they produce from solar (from roughly 13 MWe today to 450 MWe), which will likely affect electric rates for their customers. *See New MN solar law boost to fledgling industry*,

MINNESOTA PUBLIC RADIO (May 31, 2013),

<http://minnesota.publicradio.org/display/web/2013/05/31/news/minnesota-solar-law>.

Others are more optimistic about the new law. Local solar panel manufacturers believe the legislation is a step in the right direction because it will provide greater stability to the Minnesota marketplace. *See* Laura Cina, *MN Solar Manufacturers React to the New Legislation*,

MINNESOTA RENEWABLE ENERGY SOCIETY (July 8, 2013),

<http://www.mnrenewables.org/node/1422>. John Farrell, director of the Energy Self-Reliant

States and Communities program at the Institute for Local Self-Reliance, says the mandate will lead to the creation of about 1,500 jobs for the installation, operations, and maintenance of new solar technology. Herman K. Trabish, *Illustrating the Impact of Minnesota's New Solar*

Standard, GREENTECH MEDIA (May 21, 2013),

[http://www.greentechmedia.com/articles/read/Illustrating-The-Impact-of-Minnesotas-New-](http://www.greentechmedia.com/articles/read/Illustrating-The-Impact-of-Minnesotas-New-Solar-Standard)

[Solar-Standard](http://www.greentechmedia.com/articles/read/Illustrating-The-Impact-of-Minnesotas-New-Solar-Standard). Proponents generally are no longer worrying about a mandate for solar in

Minnesota but instead are debating whether to start “frontloading” the mandate in the immediate future or “backload” production when costs are lower. *See* Adam James, *The Three Best Things*

Minnesota Did For Solar Energy In The Last Week, CLIMATE PROGRESS (May 28, 2013, 3:31

PM), [http://thinkprogress.org/climate/2013/05/28/2065681/the-three-best-things-minnesota-did-](http://thinkprogress.org/climate/2013/05/28/2065681/the-three-best-things-minnesota-did-for-solar-energy-in-the-last-week/)

[for-solar-energy-in-the-last-week/](http://thinkprogress.org/climate/2013/05/28/2065681/the-three-best-things-minnesota-did-for-solar-energy-in-the-last-week/).

With this law, Minnesota became the 17th state to enact a solar energy standard. Shaffer, *supra* 1. Furthermore, Minnesota is one of only three states in all 2013 legislative sessions to have increased their Renewable Portfolio Standards (joining Nevada and Colorado). Ron Meador, *Minnesota's solar standard stands out in season of modest energy progress*, MINNPOST (July 10, 2013), <http://www.minnpost.com/earth-journal/2013/07/minnesotas-solar-standard->

stands-out-season-modest-energy-progress. Despite the satisfaction with Minnesota's solar standard among its backers, the 1.5 percent by 2025 requirement seems modest compared to other states. For example, Delaware requires a 3.5 percent photovoltaic mandate of total electric sales by 2025. *Delaware State Solar Power Rebates, Tax Credits, and Incentives*, SOLAR POWER ROCKS (2012), <http://solarpowerrocks.com/delaware/>. Minnesota's larger renewable mandate of 25 percent by 2025 is on par with most other states; usually, state standards call for around 20-25% renewable over the next 7-12 years. California, whose RPS is touted as the most ambitious clean-energy policy in the country, is at 33 percent by 2020.

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