COALITION FOR COMMUNITY SOLAR ACCESS

Minnesota 2024 LMI CSG Study Summary

The **Minnesota Department of Commerce 2024 Community Solar Garden Study** provides a comprehensive review of Minnesota's updated community solar garden (CSG) program, focusing on the newly implemented **Low- and Moderate-Income (LMI) Accessible CSG Program** that began in 2024.

Key points include:

1. **Program Evolution & Legislative Changes**
   - Minnesota's community solar program transitioned from the Legacy CSG Program (2013–2023) to the LMI-Accessible CSG Program in 2024 due to 2023 legislation, HF 2310.
   - HF 2310 prioritized residential and LMI customer participation while capping annual deployment to manage costs. The legislation also required the Minnesota Department of Commerce to hire a third party to conduct a study of Minnesota's community solar garden program.

2. **Ratepayer Impact Analysis**
   - The study's authors conducted a benefit-cost analysis (BCA) for the CSG program and applied multiple industry cost tests in the methodology.
   - The BCA found the LMI-Accessible CSG Program to be cost-effective, with projected net benefits of $2.92 billion for the state, with $1.67 billion in job creation, land lease payments, and community benefits.
   - LMI subscribers are expected to receive $139 million in benefits, while non-LMI subscribers may see $116 million in benefits.
   - Bill Savings: Subscribing customers could save $7–$10/month (LMI) and $2–$3/month (non-LMI).

3. Program Comparisons & Recommendations

- The study compared Minnesota's program to other jurisdictions, recommending:
  - Improved consumer communication targeting potential subscribers.
  - Streamlined income verification processes using methods like geo-eligibility and self-attestation.
  - More robust consumer protections and clear marketing guidelines.
  - Potential program adjustments like increasing the LMI carve-out and revising capacity limits to adapt to market conditions.
  - Of note, the DOC isn't recommending any changes to the program capacity or rates.

4. Grid Interconnection Challenges

- The study highlighted issues with interconnection bottlenecks and grid capacity limitations, recommending:
  - Flexible interconnection rules with limited-export agreements.
  - Proactive planning with scenario-based modeling to predict future DER growth.
  - Improved hosting capacity maps for better developer insights.