



# Solar on Public Buildings Grant Program

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# Federal Clean Energy Tax Credits

# Direct/Elective Pay

- Inflation Reduction Act: Federal Clean Energy Tax Credits
- Now available to more entities, even those who don't pay federal taxes
  - Local governments
  - Tribal Nations
  - Nonprofits
  - Houses of worship
- 12 Direct Pay Tax Credits



# Most Relevant to Local Governments

- Tax Credits for Clean Vehicles
  - Alternative Fuel Vehicle Refueling Property Credit
  - Commercial Clean Vehicles
- Tax Credits for Energy Generation
  - Production Tax Credit (PTC)
  - Investment Tax Credit (ITC)

Learn More: <https://localinfrastructure.org/wp-content/uploads/2023/12/Direct-Pay-Full-Report.pdf>

# Federal Investment Tax Credit: Clean Energy Generation

Credit	2023-2033	Notes
Base Credit	30%	No cap. Must meet labor requirements if >1M project.
Domestic Content Bonus	10%	No cap. May be difficult to obtain until manufacturing growth – ask developers if available.
Energy Community Bonus	10%	No cap. Available to federally designated Energy Communities as well as Brownfield Sites.
LMI communities or Indian land	10%	1.8GW/yr cap (includes low-income benefit credit)
Qualified low-income residential building /low-income economic benefit project	20%	1.8GW/yr cap (includes LMI communities/Indian land credit). 1 Low-income credit or the other. Not both.

Learn more: <https://www.energy.gov/eere/solar/federal-solar-tax-credits-businesses>



# Solar on Public Buildings – MN State Grant Program

\$4.3M to be distributed in state grants for solar arrays:

- Local units of government: county, statutory or home rule charter city, town, or other local government jurisdiction (excluding school districts), as well as federally recognized Indian Tribes in Minnesota.
- On or adjacent to a publicly owned and operated building.
- In Xcel Energy electric service territory.
- Capacity that is lesser of 40kW or 120% average annual electricity usage

# Maximum Allowable Grant

Adjusted Net Tax Capacity (ANTC) / Capita *	% System Cost (Up to)	Not to Exceed
Under \$1,000	70%	\$84,000
>\$1,000	60%	\$72,000
>\$2,000	50%	\$60,000
>\$3,500	40%	\$48,000
>\$4,500	30%	\$36,000
Tribal Nation	70%	\$84,000

*\*The ANTC / Capita financial capacity assessment was determined with data from the MN Department of Revenue. This assessment takes into consideration both the tax base of a local government and the population.*



# Technical Assistance

- Public Webinars
- Free consultation and support from the University of Minnesota partner Clean Energy Resource Teams (CERTS) on:
  - Building selection and energy usage
  - Utility interconnection
  - Selecting a developer through an RFP process
  - Cost-benefit analysis
  - Pre-application review for program application completeness
- Ongoing technical support through completion



The department will administer two funding rounds beginning in 2024, with the potential for additional rounds:

- Round 1: April 2024 – October 2024: \$2.15M
- Round 2: October 2024 – April 2025: \$2.15M

# Round 1: Public Building Readiness Assessment

## Step 1: Notice of Intent: Public Building Readiness Assessment

- Date of Issue: Monday, April 22, 2024
- Public Building Readiness Assessment Due Monday, June 3, 2024
- Public Building Readiness Eligibility Notification: Monday, July 1, 2024

# Round 1: Full Grant Application

## Step 2: Full Grant Application

- Application Open: Upon Notification
- Application Due: Monday, September 23, 2024
- Final Notification: Monday, October 21, 2024

# Prepare for Readiness Assessment

- Schedule a pre-application consultation with Peter Lindstrom from CERTs ([plindstr@umn.edu](mailto:plindstr@umn.edu))
- Determine eligibility of building
- Gather energy usage data (three years of electricity use)
- Determine system budget
- Start conversation with utility about connecting a solar array to the grid ([SolarProgramMN@xcelenergy.com](mailto:SolarProgramMN@xcelenergy.com))
- Know your local government's procurement procedure and follow those processes to seek bids from developers
- Connect with local Regional Development Organization which may be able to provide assistance



# Additional Opportunities for Local Governments

# State and Federal Programs and Grants

- Solar for Schools – statewide grant program
- Federal Rebates for home energy efficiency and electrification: local governments can use for public housing or for their constituents.
- State rebates for electric panels and heat pumps (for residential housing)
- Battery Storage grant from Xcel Energy; Commerce program outside of Xcel territory
- Solar for All – pending federal award
- <https://mn.gov/commerce/energy/consumer/energy-programs/>



# Questions



# Thank You!

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