



NC Solar Center | IREC | Contacts | About Us | IES

Minnesota Incentives for Renewable Energy

Renewable Energy Production Incentives

Last DSIRE Review: 04/01/2004

Incentives
 Incentives List
 DSIRE Home

Incentive Type: Production Incentive

Eligible Technologies: Biomass, Hydroelectric, Anaerobic Digestion

Applicable Sectors: Commercial, Residential, Nonprofit, Tribal Councils

Amount: 1.5 cents per kilowatt-hour

Max. Limit: None

Terms: 10-year payment period

Website: [http://www.state.mn.us/](http://www.state.mn.us/cgi-bin/portal/mn/jsp/content.do?id=-536881350&subchannel=-536881511&sc2=null&sc3=null&contentid=536885915&contenttype=EDITORIAL&programid=536885394&agency=Comr)

[cgi-bin/portal/mn/jsp/content.do?id=-536881350&subchannel=-](http://www.state.mn.us/cgi-bin/portal/mn/jsp/content.do?id=-536881350&subchannel=-536881511&sc2=null&sc3=null&contentid=536885915&contenttype=EDITORIAL&programid=536885394&agency=Comr)

[536881511&sc2=null&sc3=null&contentid=536885915&contenttype=EDITORIAL&programid=536885394&agency=Comr](http://www.state.mn.us/cgi-bin/portal/mn/jsp/content.do?id=-536881350&subchannel=-536881511&sc2=null&sc3=null&contentid=536885915&contenttype=EDITORIAL&programid=536885394&agency=Comr)

Authority 1: Minn. Stat. § 216C.41

Date Enacted: 7/1/97

Effective Date: 7/1/99 (hydro); 1/1/97 (wind); 7/1/01 (digesters)

Expiration Date: 12/31/2005 (hydro); 1/1/2017 (wind); 12/31/2017 (digesters)

Summary:

Minnesota offers a payment of 1.5 cents per kilowatt-hour for electricity generated by hydro facilities and on-farm anaerotic manure methane digesters. This incentive is available to hydro facilities located at the site of a dam, if the dam was in existence as of March 31, 1994; and begins generating electricity after July 1, 1994, or generates electricity after substantial refurbishing of a facility that begins after July 1, 2001. Anaerobic digesters placed in operation after July 1, 2001, are also eligible. Qualifying projects receive payments for 10 years.

Until late 2003, Minnesota also offered a payment of 1.5 cents per kilowatt-hour for electricity generated by new wind energy projects less than 2 MW in capacity. In November 2003, the Minnesota Department of Commerce (DOC) announced that planned capacity for new wind energy systems had reached the goal of 200 MW, and the DOC established a waiting list for additional projects. However, projects approved for incentive payments must begin generating electricity within 18 months of the date of approval by the DOC. Any projects that fail to meet this deadline will lose incentive payment eligibility, and any capacity allocated to projects failing to meet the 18-month deadline will be re-allocated to applicants on the waiting list in the order in which their eligible applications were received. The waiting list for new projects totaled 55 MW in April 2004, according to the Minnesota Department of Commerce.