

# ADVANCING SMALL BUSINESS SOLAR EQUITY

## APPENDIX D: INCENTIVE OPTIONS BRIEF

LAKE STREET–WEST BROADWAY–UNIVERSITY AVENUE  
MINNEAPOLIS AND SAINT PAUL, MINNESOTA



Photo by Brandon Stengel for BWBR Architects, Inc ([www.bwbr.com](http://www.bwbr.com))

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**GREAT PLAINS  
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## **Appendix D: Incentive Options Brief**

### **ADVANCING SMALL BUSINESS SOLAR EQUITY**

#### **About this document**

This document is an appendix of “Advancing Small Business Solar Equity: Final Technical Insights Report” (Kazinka et al. 2024), a report published by Lake Street Council and its partners as an outcome of their participation in the Solar Energy Innovation Network. The full report and other appendices can be found at [www.visitlakestreet.com/business-blog/sein-report](http://www.visitlakestreet.com/business-blog/sein-report).

#### **About the Solar Energy Innovation Network**

The Solar Energy Innovation Network (SEIN) seeks to overcome barriers to solar adoption by connecting teams of stakeholders who are pioneering new ideas with the resources they need to succeed. SEIN is funded by the US Department of Energy Solar Energy Technologies Office and is led by the National Renewable Energy Laboratory.

Teams that participate in SEIN receive direct funding and analytical support from the US Department of Energy national laboratories and participate in peer-to-peer learning with other teams tackling similar challenges. These teams are developing and documenting their solutions for solar adoption with scale in mind so that others can adapt those solutions to their own contexts. Ultimately, the true impact of these teams’ efforts will be to enable a wide array of communities to adopt solar solutions that meet their needs in their contexts.

#### **Disclaimer**

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#### **Overview**

This “Incentive Options Brief” summarizes the incentives for rooftop photovoltaic (PV) solar available for small businesses in the Twin Cities territory. This brief casts a wide net to identify programs from federal, state, city, and utility (Xcel Energy) programs to maximize the potential benefit to small businesses. The dashboard format is intended to provide key information about each respective incentive and highlight their relevance to small business owners. Links to incentive program home pages and companion resources provide additional information.

The most significant incentive for solar is the direct cost savings associated with reduced utility bills. While its impact is not captured through the following incentive programs, it is nonetheless an ongoing and direct benefit of rooftop solar.

It is important to bear in mind that each of these incentives is not universally available and may be subject to annual allocation limits, geographical boundaries, and specific program requirements. Furthermore, the use of specific incentives by small businesses may be limited due to other factors, such as a lack of tax appetite.

Additionally, tracking incentive limits and availability is a significant challenge for future Solar Hub Network program development, communications, and administration, as incentive design is complex and often changes.

All example images (Figure D-1, Figure D-2, Figure D-5, Figure D-7, Figure D-8) included in this brief are adapted from an anonymized real-world solar proposal gratefully provided to the Advancing Small Business Solar Equity team by Apadana Solar Technologies. Apadana is a Twin Cities-based solar installer that specializes in small- to mid-range commercial and nonprofit installations.

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Table D-1: Summary of federal, state, municipal, and utility solar incentives available for small businesses in the Xcel Energy service area of Minneapolis and Saint Paul, Minnesota.

	Inflation Reduction Act, investment tax credit	Minnesota property tax exemption	Minnesota sales tax exemption	Xcel Energy net energy metering	Xcel Energy Solar* Rewards®	Xcel Energy PV Demand Credit	Minneapolis Green Cost Share
<b>Geographic eligibility</b>							
Lake Street	X	X	X	X	X	X	X
West Broadway Ave.	X	X	X	X	X	X	X
University-Midway	X	X	X	X	X	X	
<b>Incentive type</b>							
Tax credit	X						
Tax exemption		X	X				
Ongoing utility bill credit				X	X	X	
Upfront payment or grant					X		X
<b>Incentive level</b>							
	30% tax credit; additional adders available	N/A	N/A	<a href="#">Rate Code A50</a> if <40 kWac (kilowatt-alternating current); <a href="#">Rate Code A53</a> if <1 MWac (megawatt-alternating current), non-Time of Use; <a href="#">Rate Code A54</a> if <1 MWac, Time of Use	\$0.50/Wdc (watt-direct current) upfront; \$0.015/kWh (kilowatt-hour) production	\$0.07/kWh production during peak load hours	Base incentive rate \$0.20/estimated Year 1 kWh production; additional incentives available
<b>Incentive timing</b>							
Before completion of solar array		N/A	N/A				
Within 30 days upon completion of solar array		N/A	N/A		X		X
Ongoing		N/A	N/A	X	X	X	
During tax filing	X	N/A	N/A				
<b>Limitation</b>							
Size of solar array	<1 MWac; >1 MWac if prevailing wage & apprenticeship met			<1 MWac or <120% annual usage	<40 kWac or <120% annual usage	>40 kWac	
Competitive application*	Low-income adder				X		X
Renewable Energy Certificate (REC) ownership	System owner	N/A	N/A	System owner	Xcel Energy	System owner	System owner
*Program subject to annual limits by funding and/or installed kW caps.							

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#### Federal incentives

##### **Inflation Reduction Act, investment tax credit**

**Description:** The Inflation Reduction Act raised the federal solar investment tax credit (ITC) from 26 percent back to 30 percent, and it will remain at this level through 2032. All qualified solar installations will receive 30 percent of qualified costs back as a credit, which can be applied for during annual federal tax filing. Qualified costs generally cover equipment (panels, inverters, racking, balance-of-system equipment, including sales and use taxes on each), installation, and interconnection costs. Stand-alone energy storage projects also qualify for a 30 percent ITC.

**Geography:** United States.

**Eligibility:** Owners of solar arrays placed in service in or after 2022.

**Incentive type:** Federal tax credit.

**Incentive level:** 30 percent ITC is available for all qualified solar and storage installations; projects may qualify for additional credit “adders,” which increase the percentage of the cost covered (guidance pending):

- 10 percent for meeting domestic content requirements; guidance detailed in [IRS Notice 2023-38](#).
- 10 percent for siting in an energy community, as defined by the US Department of Energy; see [map of currently eligible energy community census tracts](#).
- 10 percent for siting in low-income communities, as defined by the US Department of Energy, or on federally recognized Indian land; see map of census tracts currently eligible for [10 percent low-income community adder](#); [application required](#).
- 20 percent for qualified, affordable housing projects or to benefit low-income housing; [application required](#).

**Incentive timing:** Taxpayers must file Internal Revenue Service (IRS) Form 3468 with their federal taxes. The tax credit will be applied during federal tax filing. Unused tax credits may be applied backward three years or carried forward 22 years. Tax credits applied in arrears or carried forward are not transferable.

**Funding source:** US Internal Revenue Service, US Department of Treasury.

**Limitations:** The base 30 percent ITC applies to projects <1 MWac (megawatt-alternating current) or to projects >1 MWac that meet prevailing wage and apprenticeship requirements. The tax credit is claimed during federal tax filing, creating a gap between when the system is installed and when the incentives are paid. Tax credits may only be captured by for-profit entities with taxes owed to the federal government. The Inflation Reduction Act allows for the transfer or sale of all or a portion of the tax credit, which may lead to open market trading of credits; this may allow for-profit entities without tax liability to exchange their credit for a portion of its value in liquid cash. This transfer’s exchange value may change with market forces. Tax-exempt entities (such as nonprofits, governments, tribal nations, etc.) are now also eligible recipients of the value of the tax credit through the direct pay mechanism. To take advantage of the direct pay mechanism, the tax-exempt entity must pre-register with the IRS and submit Form 3800; the credit will be handled as a refund in equal amount (Internal Revenue Service 2023a). The low-

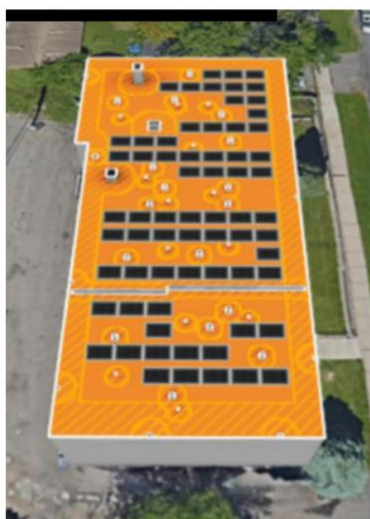
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income community adder only applies to projects less than 5 MWac and authorizes an annual program capacity cap of 1.8 GWdc (gigawatt-direct current). Projects must submit a competitive application for consideration.

**Websites:** [US Department of Energy: Federal Solar Tax Credits for Businesses](#); [IRS Inflation Reduction Act Updates](#).

**Additional information:** Most small business solar installations that qualify for the ITC will additionally qualify for an accelerated depreciation schedule. Accelerated depreciation allows the taxpayer to deduct a larger portion of their depreciable tax basis in earlier years, which provides the benefit of a more immediate reduction in federal tax liability. Rules for the accelerated depreciation structure are described in the [US Department of Energy's Federal Solar Tax Credits for Businesses web page](#): "When the business ITC is claimed, accelerated depreciation rules allow the full tax basis minus half the ITC to be depreciated over a five-year depreciation schedule using a half-year convention." Unused depreciation may be carried forward indefinitely.



1234 Lake Street  
Minneapolis, MN 55406  
Solar estimates provided by Apadana Solar  
Technologies, April 2023

### **Inflation Reduction Act: Investment Tax Credit**

**Total Project Cost: \$87,229**  
**System Size: 21.13 kWac (67 panels)**  
**Estimated System Production in Year 1: 30,407 kWh**  
**Eligible for 30% Investment Tax Credit**

Applying the Investment Tax Credit:  
 $\$87,229 \text{ total project cost} * 30\% \text{ tax credit} = \mathbf{\$26,169}$   
**Available in federal tax credits**

New Total Project Cost:  
 $\$87,229 - \$26,169 = \mathbf{\$61,060, \text{ once tax credits are applied}}$

Figure D-1. Example applying the Inflation Reduction Act investment tax credit for a 21.13 kWac (kilowatt-alternating current) system. (Image adapted with permission from Apadana Solar Technologies).



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1234 Lake Street  
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Solar estimates provided by Apadana Solar  
Technologies, April 2023

## Inflation Reduction Act: Accelerated Depreciation\*

Total Project Cost: **\$87,229**  
System Size: **21.13 kWac (67 panels)**  
Estimated System Production in Year 1: **30,407 kWh**

Federal Depreciation Estimate: \$22,072  
State Depreciation Estimate: \$5,863

Total Depreciation Estimate: **\$27,935, assumed captured in Year 1**

New Total Project Cost (Depreciation):  
 $\$87,229 - (\$22,072 + \$5,863) = \mathbf{\$59,294}$

New Total Project Cost (Investment Tax Credit + Depreciation):  
 $\$87,229 - (\$26,169 + (\$22,072 + \$5,863)) = \mathbf{\$33,125}$

**\*Note: Estimations based on industry standards. Actual numbers may vary**

Figure D-2. Example applying the Inflation Reduction Act accelerated depreciation for a 21.13 kWac system. (Image adapted with permission from Apadana Solar Technologies).

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#### State incentives

The State of Minnesota offers two tax exemptions applicable for solar energy systems.

##### **Solar energy property tax exemption**

**Description:** If a solar array is sited on a property not primarily used for solar energy generation, the system is exempt from inclusion in the property tax classification.

**Geography:** Minnesota.

**Eligibility:** Property owner.

**Incentive type:** Tax exemption.

**Incentive timing:** N/A.

**Funding source:** N/A.

**Limitations:** If the property is used primarily for solar energy generation, the exemption does not apply.

**Website:** [Minnesota Statutes, section 272.02, subdivision 24.](#)

##### **Solar energy sales tax exemption**

**Description:** All solar energy systems are exempt from sales tax.

**Geography:** Minnesota.

**Eligibility:** As described in [Minnesota Statutes, section 216C.06, subdivision 17](#), “Solar energy system’ means a set of devices whose primary purpose is to collect solar energy and convert and store it for useful purposes including heating and cooling buildings or other energy-using processes, or to produce generated power by means of any combination of collecting, transferring, or converting solar-generated energy.”

**Incentive type:** Tax exemption.

**Incentive timing:** N/A.

**Funding source:** N/A.

**Limitations:** N/A.

**Website:** [Minnesota Statutes, section 297A.67, subdivision 29.](#)

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#### Energy utility incentives

##### Overview

Xcel Energy has several programs that support solar adoption. These programs include net energy metering, Solar\*Rewards®, and PV Demand Credit. Programs may be subject to annual limits.

### SOLAR PROGRAM COMPARISON

	Solar*Rewards	Net Metering
Size Limitations	40 kW AC, or 120% of annual consumption	1000 kW AC, or 120 of annual consumption
Cost to Participant	Pay solar installer for equipment per contract terms	
Financial Benefit	Monthly energy use offset by solar, plus incentive per kWh of solar production	Monthly energy use offset by solar
Additional Incentive	Yes	No
Minimum Contract Length	10 years	None
Contract with	1) Solar Installer – equipment 2) Xcel Energy – interconnection & incentive	
Earn Renewable Energy Credits (RECs)	No	Yes



Figure D-3. Xcel Energy solar program comparison. (Reproduced with permission from Xcel Energy).

##### Net energy metering

**Description:** Xcel Energy offers a net energy metering service for all qualifying distributed generation energy system owners in their service territory. Net energy metering uses a bidirectional meter installed during the interconnection to Xcel Energy’s grid to maximize compensation for the electricity the system owner adds onto the grid; utility bill cost savings are the most significant ongoing financial incentive for solar. The bidirectional meter measures both when customer consumption exceeds production (and electricity is imported from the grid) and when customer production exceeds consumption (and electricity is exported to the grid). Each total appears on the customer’s monthly utility bill; the former is applied as a traditional charge from the utility for electricity consumed, and the latter is applied as a credit on the bill for electricity produced (Zinaman et al. 2017; Minnesota Public Utilities Commission 2023).

**Geography:** Xcel Energy service territory in Minnesota.

**Eligibility:** Xcel Energy customer.

**Incentive type:** Bill credit applied when production of solar array exceeds customer consumption at a given moment.

**Incentive level:** Rooftop solar electricity generation is credited at the same rate as electricity consumption until the solar array becomes a net exporter and produces more than the

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customer has consumed. The value of the net export of electricity generation is variable and subject to change: [Rate Code A50](#) applies to systems <40 kWac; [Rate Code A53](#) applies to systems <1 MWac and for customers not on time of use; [Rate Code A54](#) applies to systems <1 MWac and for customers on time of use.

**Incentive timing:** Monthly bill credit. Credits for net electricity exports roll over month-to-month if they exceed the electricity consumed that billing month. If a credit remains at the end of the calendar year, the customer receives a check for the difference.

**Funding source:** Xcel Energy.

**Limitations:** System capped at the lesser of 1 MWac or 120 percent annual usage. If the system is less than 40 kWac, the 120 percent annual usage cap does not apply.

**Website:** Xcel Energy net energy metering.

**Additional information:** All qualifying Xcel Energy photovoltaic (PV) solar system owners may participate in Xcel Energy’s net energy metering service. Net energy metering customers who additionally participate in Xcel Energy’s Solar\*Rewards® incentive program agree to trade the renewable energy certificates (RECs) generated by their system in exchange for a production-based incentive. Net energy metering customers who do not participate in Solar\*Rewards® retain the RECs their system produces (Xcel Energy 2023d). More information about RECs is available in the “Additional information” subsection under “Solar\*Rewards®” in this appendix.

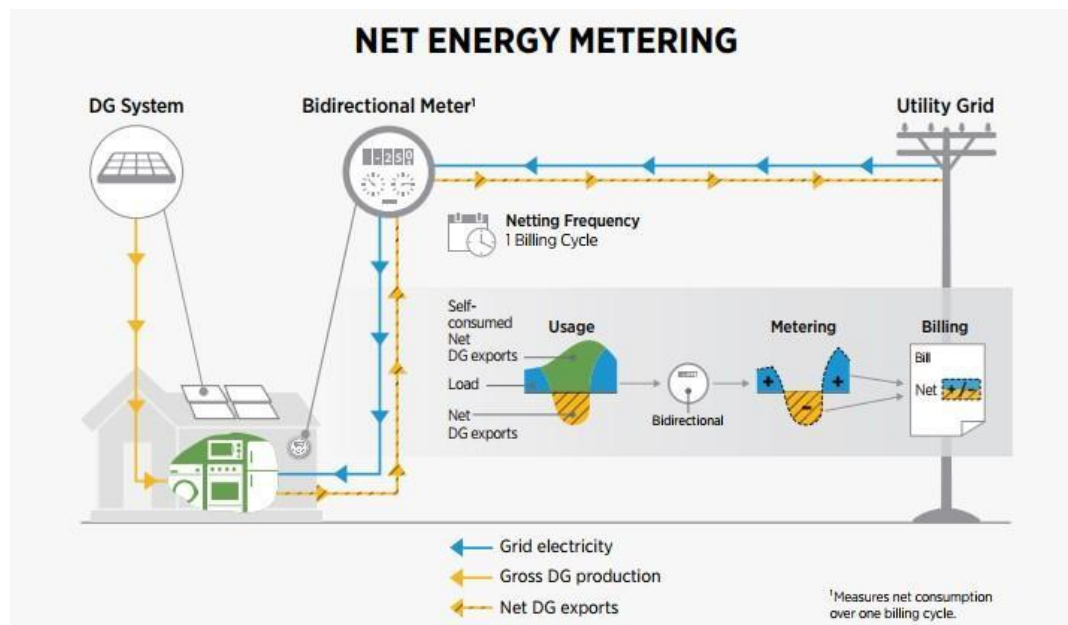


Figure D-4. Net energy metering graphic showing energy production and flow in a grid-tied solar system using a bidirectional meter. (Reproduced with permission from the National Renewable Energy Laboratory, <https://www.nrel.gov/docs/fy18osti/68469.pdf>, accessed December 21, 2023).

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1234 Lake Street  
Minneapolis, MN 55406  
Generated August 2023

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## Xcel Energy: Net Energy Metering

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*Estimate generated from NREL's System Advisor Model (SAM)\**

**System Size: 21.13 kWac (27.46 kWdc)**

**Estimated System Production in Year 1: 34,463 kWh/year**

SAM Assumptions:

- 1.3 DC-to-AC ratio
- 10° fixed tilt, 180° (south-facing) azimuth
- Xcel Energy electricity rate: General Service Rate A14
- Retail building electricity consumption profile, annual load: 90,050 kWh/year
- Estimated Annual Electricity Bill without solar (Year 1): \$10,889/year

Estimated Net Electricity Bill Savings in Year 1:

**\$3,154/year**

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*Figure D-5. Example applying Xcel Energy net energy metering for a 27.46 kWdc (kilowatt-direct current) system. This net energy metering example was generated via estimates in National Renewable Energy Laboratory's System Advisor Model (SAM). SAM is a free techno-economic software model that facilitates decision-making for people in the renewable energy industry. A grid-connected photovoltaic system was modeled using a few basic inputs to describe the system's nameplate capacity, array orientation and mounting type, and system losses. (National Renewable Energy Laboratory 2023; image adapted with permission from Apadana Solar Technologies).*

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#### Solar\*Rewards®

**Description:** Solar\*Rewards® is a solar incentive program Xcel Energy offers to different customer types.

For a small business audience, Solar\*Rewards® is currently only available to income-qualified for-profits. Solar\*Rewards® for income-qualified for-profits includes a one-time size-based upfront payment and an ongoing annual payment made to the owner of the solar energy system in exchange for the RECs produced by the solar system.

**Geography:** Xcel Energy service territory in Minnesota.

**Eligibility:** Xcel Energy's for-profit customers who primarily serve low-income constituents.

**Incentive type:** A one-time size-based upfront payment calculated as \$/Wdc (dollars per watt-direct current), plus ongoing production-based incentive calculated as \$/kWh (dollars per kilowatt-hour) on all electricity produced by the array.

**Incentive level:** Solar\*Rewards® for income-qualified for-profits includes a size-based upfront payment—\$0.50/Wdc and a production-based incentive—\$0.015/kWh.

**Incentive timing:** The Solar\*Rewards® upfront payment is disbursed within 30 days after the system becomes fully operational. The production-based incentive is paid out annually and does not appear on monthly utility statements. Customers agree to a 10-year contract, which is renewable at the end of the term. If allowed to expire after 10 years, ongoing RECs produced by the system will be owned by the system owner.

**Funding source:** Xcel Energy.

**Limitations:** While the Solar\*Rewards® program budget is subject to annual limits, it typically includes a carve-out for income-qualified projects (includes residential, nonprofit, and government entities, in addition to for-profit entities). When the income-qualified cap is reached, applicants are waitlisted for the next available round of funding. The system size is capped at the lesser of 40 kWac or 120 percent of annual usage. Solar\*Rewards® customers are not eligible for the PV Demand Credit incentive. Because Solar\*Rewards® incentives are in exchange for the RECs produced by the system, it affects claims the participant can make about their system (see figure D-6).

**Website:** [Xcel Energy Solar\\*Rewards®, renewable energy certificates.](#)

#### Additional information:

Renewable energy certificates are a market-based instrument equivalent to one megawatt-hour (MWh) of electricity generated from a renewable source put onto the grid. RECs verify that renewable energy has been generated and can be sold on the market to organizations looking to offset their carbon impact, meet net-zero emissions goals, or claim they support clean energy (Environmental Protection Agency 2024).

Xcel Energy is looking to reduce its carbon emissions by 80 percent by 2030, with plans to deliver electricity with net-zero carbon emissions by 2050 (Xcel Energy 2023b). Purchasing RECs from solar arrays interconnected to their grid can help Xcel Energy meet its emissions reduction goals (Xcel Energy 2023d).

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Customers who participate in Solar\*Rewards® agree to sell all RECs produced by their solar array to Xcel Energy in exchange for a production-based incentive. Since customers who participate in Solar\*Rewards® agree to sell the “proof” that they have generated renewable energy, the claims they can make about their solar array change compared to those who do not participate in Solar\*Rewards®, where the customer would retain their RECs (Xcel Energy 2023c). See figure D-6 for acceptable REC claims by ownership type.

## APPROPRIATE REC CLAIMS

	Own REC	Do Not Own REC
We've gone solar	✓	X
Reduce our emissions	✓	X
Reduce our carbon footprint	✓	X
Meet our sustainability goals	✓	Depends
Gets us to X% renewable	✓	X
Support renewable energy	✓	✓
Earn bill credits	✓	✓



Figure D-6. Appropriate REC claims by ownership. (Reproduced with permission from Xcel Energy).



### Xcel Energy: Solar\*Rewards Income-Qualified For-Profit

**Total Project Cost: \$87,229**  
**System Size: 27.4 kWdc (67 panels)**  
**Estimated System Production in Year 1: 30,407 kWh**  
**Solar\*Rewards Upfront Incentive: \$0.50/Wdc**  
**Solar\*Rewards Production-based rate: \$0.015/kWh produced**

One-time Upfront Payment:  
 $27.4\text{kWdc} * 1000\text{Wdc/kWdc} = 27,400\text{Wdc}$   
 $27,400\text{Wdc} * \$0.50/\text{Wdc} = \mathbf{\$13,700}$   
**Disbursed upon system becoming fully operational**

New Total Project Cost:  
 $\$87,229 - \$13,700 = \mathbf{\$73,529}$

Annual Solar\*Rewards Production-based rate:  
 $30,407 \text{ estimated kWh} * \$0.015/\text{kWh produced} = \mathbf{\sim\$456.10/\text{year}}$

Figure D-7. Example applying Xcel Energy's Solar\*Rewards® for Income-Qualified For-Profit for a 27.4 kWdc system. (Image adapted with permission from Apadana Solar Technologies).

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#### **PV Demand Credit**

**Description:** The PV Demand Credit is an additional production-based incentive applied during peak load hours (1:00 p.m.–7:00 p.m.) available to Xcel Energy demand-metered customers.

**Geography:** Xcel Energy service territory in Minnesota.

**Eligibility:** Xcel Energy demand-metered customers.

**Incentive type:** Production-based incentive during peak hours.

**Incentive level:** A \$0.06964/kWh credit for solar production generated between 1:00 p.m. and 7:00 p.m. (rate subject to change). The PV Demand Credit cannot exceed the customer's monthly demand charge.

**Incentive timing:** Monthly bill credit.

**Funding source:** Xcel Energy.

**Limitations:** Must be an Xcel Energy demand-metered customer. The system must be >40 kWac and not enrolled in Solar\*Rewards®.

**Website:** [Xcel Energy net energy metering, PV Demand Credit.](#)



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#### Local incentives for Twin Cities

##### City of Minneapolis, Green Cost Share

**Description:** Green Cost Share is a competitive grant program operated by the City of Minneapolis Health Department. The grant is available to business or property owners who add solar to their building or invest in property upgrades that increase energy efficiency or reduce pollution.

**Geography:** City of Minneapolis.

**Eligibility:** The property must meet the following requirements:

- Located in the City of Minneapolis.
- Classified as business/commercial, industrial, multifamily (3+ units), nonprofit, enrolled in the City’s 4d Affordable Housing Incentive program, or a single-family or duplex home (only eligible for solar group purchases).

Table D-2: Minneapolis Green Cost Share program solar project eligibility by property type. (Reproduced with permission from the City of Minneapolis).

Project Type	Single Family	Multifamily (1-2 units)	Multifamily (≥ 3 units)	Non-Profit	Business/Commercial	Industrial
Solar Energy		If in 4d* Program	Eligible	Eligible	Eligible	Eligible
Solar Group Buy	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible

**Incentive type:** Grant.

**Incentive level:** Base rate: \$0.20/estimated Year 1 kWh production. Environmental justice rate: \$0.35/estimated Year 1 kWh production; available to eligible properties located either within the City’s Green Zones or Great Street Eligible Priority Area (see “Additional information” for details). Income-qualified housing rate: \$0.40/estimated Year 1 kWh production; available to eligible properties participating in subsidized housing or utility bill support programs. All incentive levels are eligible for a maximum match of \$50,000.

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Table D-3: Minneapolis Green Cost Share Program incentive rates and respective eligibility requirements. (Reproduced with permission from the City of Minneapolis).

Incentive Category	How to Qualify
Base Rate	Any eligible property.
Environmental Justice Rate	Any eligible property in; <ol style="list-style-type: none"> <li>1. A Minneapolis Green Zone</li> <li>2. A Minneapolis Great Street Eligible Priority Area</li> </ol>
Income-qualified Housing Rate	Any eligible property or person qualified for an Income-qualified housing or utility support program. For example: <ol style="list-style-type: none"> <li>1. 4d Affordable Housing Incentive Program (solar)</li> <li>2. Low Income Rental Classification (LIRC)</li> <li>3. Income Qualified Solar*Rewards</li> <li>4. Minnesota Energy Assistance Programs</li> <li>5. Affordable housing provider (&lt;80% AMI)</li> </ol>

Table D-4: Minneapolis Green Cost Share program incentive rates. (Reproduced with permission from the City of Minneapolis).

Project Type	Base Rate	Environmental Justice Rate	Income-qualified Housing Rate	Other Special Rate(s)
The following incentives are based on the annual estimated kilowatt hour production of a solar array.				
Solar Energy & Solar Group Buy	\$0.20 per kWh up to \$50,000	\$0.35 per kWh up to \$50,000	\$0.40 per kWh up to \$50,000	None

**Incentive timing:** The application must be made prior to construction start and include all bids/quotes received for proposed work, plus estimates of annual solar production. There are typically four rounds of applications per year. In 2023, application deadlines are February 1, April 3, June 1, and August 1. The grant is disbursed to approved applicants upon verification of completion.

**Funding source:** City of Minneapolis, funded through utility franchise and pollution control annual registration fees. The total budget across all program categories ranges from ~\$1.5 million to ~\$1.8 million a year. A minimum of 40 percent of funding is reserved for projects qualified for the environmental justice or income-qualified housing incentive rates.

**Limitations:** Funding is renewed each budget cycle.

**Website:** [City of Minneapolis, Green Cost Share.](#)

**Additional information:** The environmental justice incentive rates apply in the City's [Green Zones](#) and [Great Street Eligible Priority Areas](#). Minneapolis established Northside and Southside Green Zones in neighborhoods that have high levels of environmental pollution and have been racially, politically, and economically marginalized. The Great Street Eligible Priority Areas include the following:

1. The City of Minneapolis Green Zones
2. Areas of concentrated poverty where 50 percent or more of residents are people of color
3. Promise Zones, as defined by the US Department of Housing and Urban Development

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4. Important cultural districts with high proportions of Black, Indigenous, and people of color (BIPOC) and immigrant community members, as defined by the City of Minneapolis



1234 Lake Street  
Minneapolis, MN 55406  
Solar estimates provided by Apadana Solar Technologies, April 2023

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### City of Minneapolis: Green Cost Share

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**Total Project Cost: \$87,229**  
**System Size: 21.13 kWac (67 panels)**  
**Estimated System Production in Year 1: 30,407 kWh**  
**Eligible for Green Cost Share Base Rate: \$0.20/estimated kWh production**

Applying the Green Cost Share Incentive:  
30,407 estimated kWh \* \$0.20/estimated kWh = **\$6,081**  
**Reimbursed upon project completion**

New Total Project Cost:  
\$87,229 - \$6,081 = **\$81,148**

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Figure D-8. Example applying the City of Minneapolis Green Cost Share base incentive rate for a 21.13 kWac system. (Image adapted with permission from Apadana Solar Technologies).

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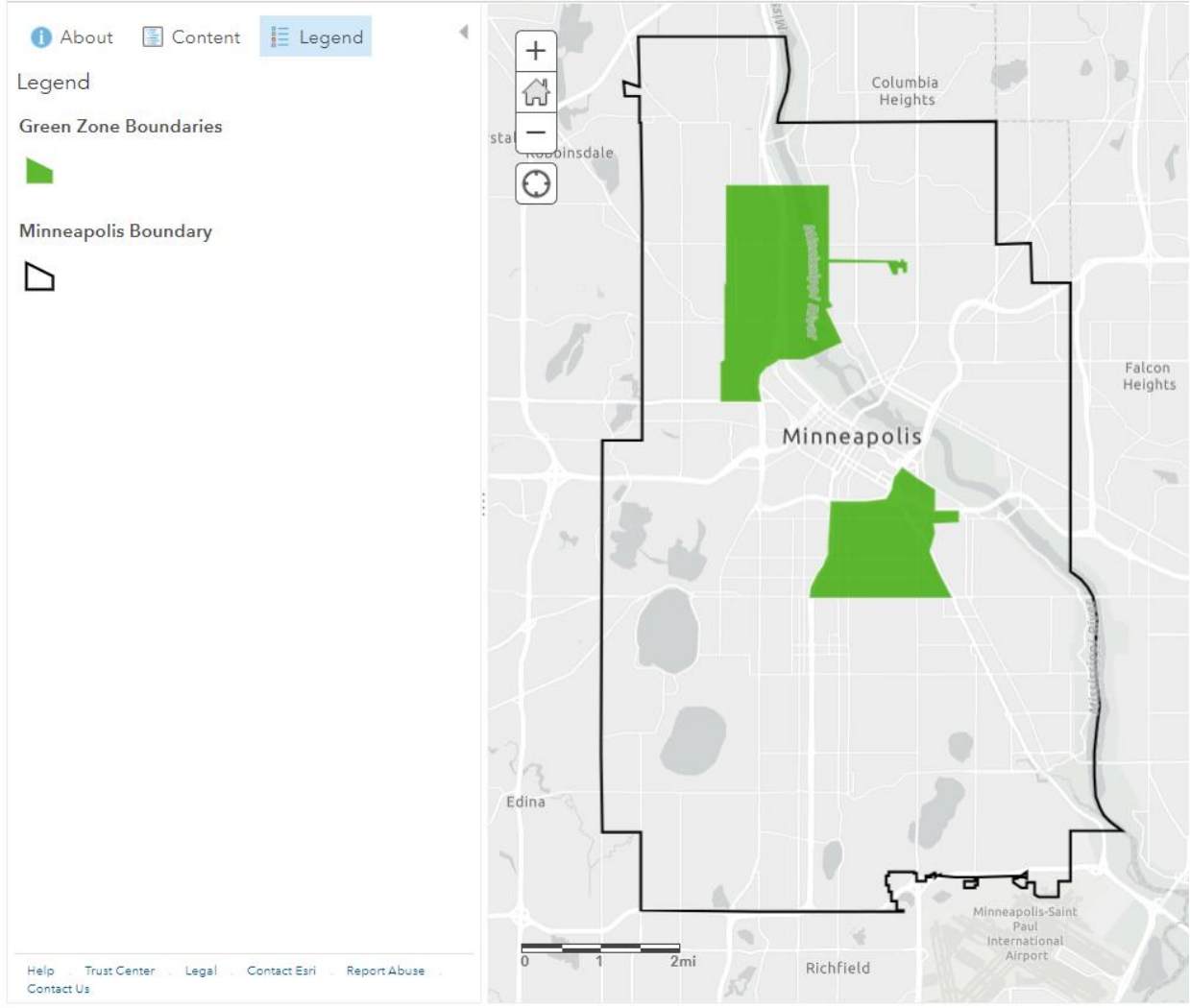


Figure D-9. Minneapolis Green Zones boundaries. (Reproduced with permission from the City of Minneapolis).

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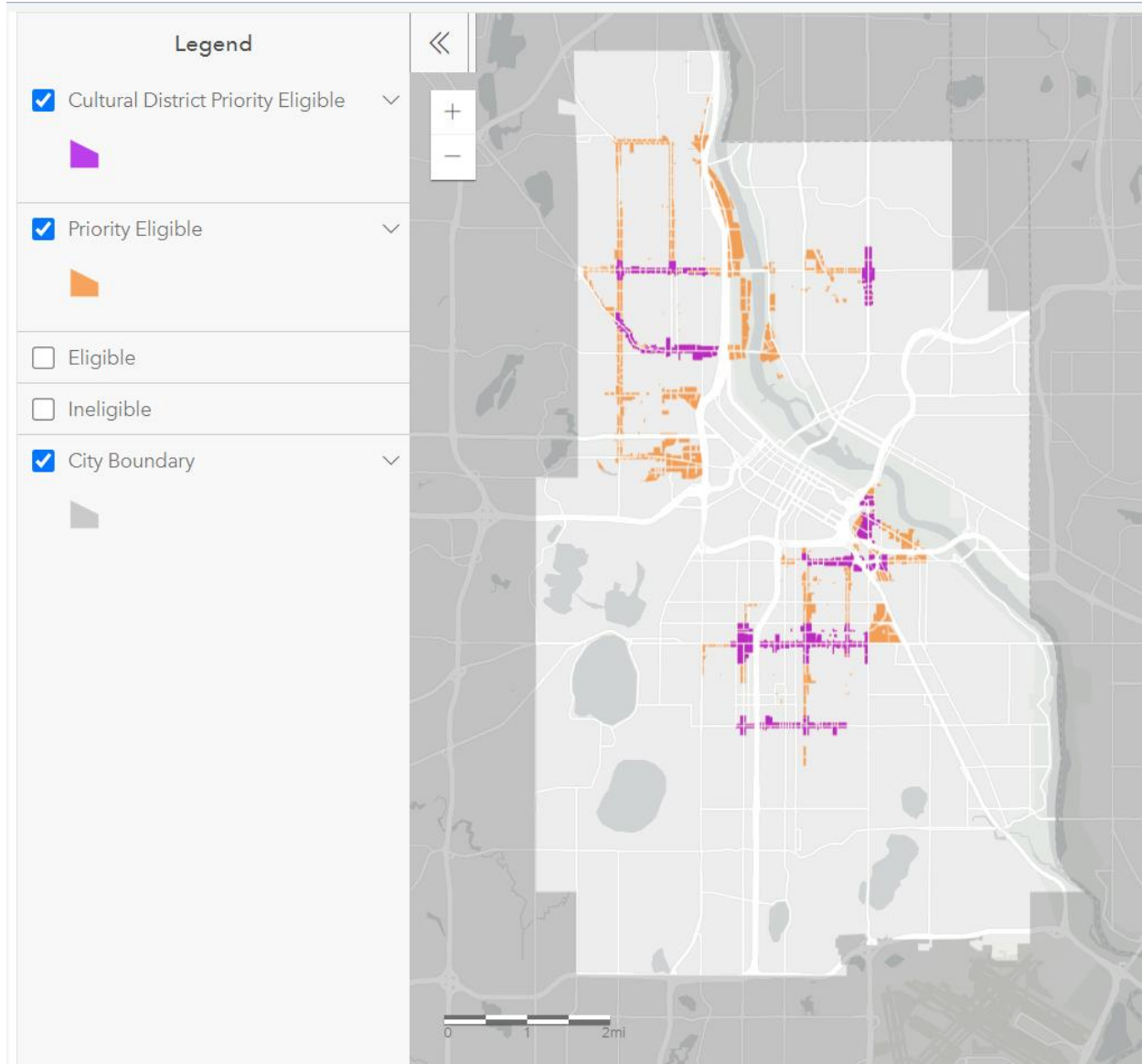


Figure D-10. Minneapolis Great Streets Eligible Priority Areas. (Reproduced with permission from the City of Minneapolis).

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