

Minnesota Renewable Energy Incentives Overview (5/08)

The *Database of State Incentives for Renewables & Efficiency* is the most comprehensive energy incentives resource: www.dsireusa.org. It is a user friendly outlines both energy efficiency and renewable energy incentives available nation.

Minnesotans who install renewable electricity systems can benefit from net metering. Net metering means that utilities purchase excess electricity that is produced by a grid-connected renewable energy system including solar electricity, biomass, and wind. In Minnesota, utilities pay retail rate for net excess generation from systems up to 40 kilowatts (kW) capacity.

Solar Electric Incentives

Source	Amount	Individual	Business	Non-taxable ¹
Minnesota Solar Electric Rebate (\$2 - \$2.25 per watt)	Up to 10 kilowatts	X	X	X
Utility rebate ²	Up to \$4,000	X	X	X
Federal tax credit ³	30%	Up to \$2,000	No limit	
Depreciation (federal tax incentive) ³	5-yr accelerated		X	
Net metering (systems < 40 kW)	Retail credit	X	X	X
State sales tax	Exempt	X	X	
Local property tax	Exempt	X	X	
Renewable Energy and Energy Efficiency Program ⁴ (USDA Section 9006)	\$2,500 - \$500,000		X	

Solar Thermal Incentives

Source	Amount	Individual	Business	Non-taxable ¹
Federal tax credit ³	30%	Up to \$2,000	No limit	
Depreciation (federal tax incentive) ³	5-yr accelerated		X	
State sales tax	Exempt	X	X	
Local property tax	Exempt	X	X	
Renewable Energy Equipment Grant Program ⁵	Up to \$4,000	X		
Renewable Energy and Energy Efficiency Program ⁴	\$2,500 - \$500,000		X	

¹ Non-taxable entities include non-profits, schools, government, tribes, etc

² Minnesota Power and Great River Energy customers only

³ Expires December 31, 2008

⁴ Also known as USDA Section 9006; Available to agriculture producers and related rural businesses in eligible rural areas.

Biomass/Small Hydropower generation

Source	Amount	Individual	Business	Non-taxable ¹
Renewable Energy Production Incentive	\$.01-.015/kWh	X	X	X
Renewable Energy and Energy Efficiency Program ⁴ (USDA Section 9006)	\$2,500 - \$500,000		X	

Wind

Source	Amount	Individual	Business	Non-taxable ¹
Renewable Energy and Energy Efficiency Program ⁴ (USDA Section 9006)	\$2,500 - \$500,000		X	

Utility Green Power Option – For consumers who wish to support renewable energy without owning their own system, ask your electric service provider about their green power program. Electric utilities in Minnesota must offer their customers the option to purchase green power generated from a renewable resource. For many this is the most convenient way to support renewable energy technologies.

For more information contact:**Energy Information Center**

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⁵ The household must be eligible for Weatherization Assistance in Minnesota to be eligible for this grant.