COMMERCE DEPARTMENT
DIVISION OF ENERGY RESOURCES

Attachment 8
Comprehensive Program Questions and Answers
Minnesota Solar for Schools Grant Application
RFP Reference Number: COMM-SFS09-20260202

Current Response Date: **06/04/2026**

#	Question	Response	Date Response Posted
	SECTION I. Introduction		
1.	Is this grant only for those schools outside of Xcel Energy territory?	Xcel schools are eligible starting in the January 2024 funding round. See RFP Section I. Introduction and Section I.A. Background and mn.gov/solar4schools for further details.	01/10/2024
2.	How can I learn more about the incentive changes taking place in 2026?	Review the Department's January 2026 Program Updates Slide Deck available on *Solar for Schools - Learn More About the Grant*	02/02/2026
3.	For colleges and universities, please explain the total funding availability and any separation in fiscal years.	See RFP Section I. Introduction	07/01/2022
	SECTION II. Eligibility		
4.	Is there a preference between fixed or tracking Systems?	No	01/05/2022
5.	This program appears to be fully separate from the state master contract for solar installations, is that correct? Would it be allowed by the statute for schools to use the master contract?	This program is separate from the master contract. Projects funded by this grant qualify for use of the state master contract for solar energy system design and installation. For questions about the contract, contact Doug Heeschen at doug.heeschen@state.mn.us. Note: The state solar master contract S-1049(5) has pre-vetted vendors qualified to design and install projects meeting the grant requirements. While Applicants may also use the MN State Master Contract for Solar Energy System Design and Installation, they must still post an RFP when utilizing the state master contract or any of the contract's prequalified vendors. Using one of the master contract's prequalified vendors without use of the master contract does not meet this program's procurement requirements.	07/01/2024
6.	Does eligibility for the Minnesota Solar for Schools Program Application include private schools?	Private schools are not eligible per program statute. See RFP Section II. Eligibility.	01/12/2022
7.	If a school has two facilities in one building, with one address but separate electric meters (i.e., High school and elementary school), are both eligible?	They may both be eligible, yes. See RFP Section II. Eligibility.	01/12/2022

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8.	Could you clarify if tribal schools, charter schools, type 6 schools, or coops are eligible for the grant?	Tribal Contract and cooperative units are eligible starting in the January 2024 program year. See RFP Section II. Eligibility.	01/10/2024
9.	Are school buildings such as office buildings or athletic centers eligible?	In some cases. See RFP Section II. Eligibility.	01/24/2022
10.	Can a university or college campus location apply for more than one grant?	Yes. See RFP Section II. Eligibility.	01/24/2022
11.	Applicants solicit only third-party financed proposals, or should Applicants entertain all possible scenarios?	Applicants may entertain various on-site financial and ownership scenarios (including third-party financing options and direct ownership) but must follow all applicable laws.	07/01/2024
12.	Is a single college/university eligible to apply for funds across two biennia?	A single school district or college/university is eligible to apply for more than one grant across the biennia. A Project ID remains with the project, even if you requested one in one year and applied in a different year.	07/01/2022
13.	What if we cannot complete the grant obligations within the timeframe?	Extensions may be granted to the Grantee by the Department upon written request.	07/01/2022
14.	If a school district has schools that are both inside and outside of Xcel service territory, is the district able to use both sources of funding?	Districts with schools both within Xcel Energy service territory and outside Xcel Energy service territory, the larger cap ($675,000) may apply if the application(s) meet the following criteria. Grant funds for projects that would exceed the standard $500,000 cap must only be used on district schools in Xcel Energy service territory for systems larger than 40kWac. An Applicant may be required to petition for this cap increase up to the $675,000. See Q15 for petition requirements. Districts with schools only outside of Xcel territory are not eligible to petition for a cap increase. To illustrate, see the below examples: 1. **A district has not previously received a grant and is now applying for grant(s), but only for those schools within Xcel territory.** The cap in this situation will be set automatically at the Xcel cap ($675,000) and will remain so if funds are only used for schools within Xcel territory. The district need not petition to increase the cap. 2. **A district has previously received grant funds for school(s) only outside Xcel Energy service territory but is now interested in applying for a grant for school(s) in the district within Xcel territory.** The cap would have originally been set at the standard $500,000 cap as the first district's initial grant application(s) were exclusively for sites outside Xcel territory. To increase the cap, the district must indicate their petition as part of their Readiness Assessment and submit all required information.	07/01/2024

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		3. **A district is applying for multiple grants in one application period both within and outside Xcel Energy service territory.** The cap will be set based on Readiness Assessment and application criteria. The district must indicate their petition as part of their Readiness Assessment and submit all required information. This is a clarification from previous communications where the Department inadvertently communicated grant caps for districts only outside Xcel may petition to have access to the Xcel district cap. This clarification is to ensure prioritization of reaching a large geographic distribution of districts outside Xcel territory. The grant cap for districts inside Xcel was left higher due to most of the existing solar schools (pre-SFS) being within Xcel. In addition, the Xcel cap was lowered from $720,000 since districts now also have access to the PV Demand Credit. The Department may revisit the grant cap outside Xcel as market conditions evolve.	
15.	CLARIFICATION: How does a district petition the Department for an increase to their cap if they are eligible?	Districts will indicate their petition request as part of the Readiness Assessment(s) and must additionally specify the utility and grant request for each application in the current funding round, list any previous SFS grants, if applicable, (including installation location, utility, and final grant value(s)). A signed letter must also be submitted as part of the Readiness Assessment(s) by the district's authorized representative verifying this information and making it clear that the petition request is being led and submitted by the school district. Districts and associated application(s) must maintain eligibility through the Full Grant Application. The approved funds above the standard cap must only be used for projects within Xcel territory larger than 40kWac. NOTE: Request to increase a district grant cap is different than a change to system size(s) and thus grant size(s).	07/01/2024
16.	Could you explain the new 2026 incentive structure and how it benefits Applicants?	The grant was originally a percentage of System cost, capped by a total dollar value. This is 'flipped' so the grant is a dollar per watt based on System size ($/w), capped by a percentage of System cost. Other potential reductions discussed in RFP Section III. Grant Awards. Since Applicants are required to determine System size in the Readiness Assessment, basing the grant on size is a more straight forward way for schools to fairly accurately estimate their grant earlier in the application process. *[Total Maximum Grant ($) = System Size (kWdc) X 1000 X Grant Rate ($/w)]*	02/02/2026

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<tr><th>#</th><th>Question</th><th>Response</th><th>Date Response Posted</th></tr>
<tr><td></td><td></td><td>Each grant rate is also tied to a higher end of the market rate seen in Minnesota, Solar for Schools, and other state programs for costs of solar arrays in those various size ranges (see RFP Section III. Grant Awards for full details as well as <u>Solar for Schools - Learn More About the Grant</u>. This was purposefully designed so that if schools start to see proposals coming in where schools are seeing proposals coming in with project costs exceeding the cost basis rate, it gives them the opportunity to ask more questions and make sure they understand where those higher costs are coming from.

Example: a school wants a 100kWdc system and is eligible for a grant of $2.34/watt, up to $234,000. Using the table below – which can be found in the RFP Section III. Grant Awards and on <u>Solar for Schools - Learn More About the Grant</u> – helps the school see that the $2.34 grant rate equates to 90% of $2.60 with $2.60 representing the higher end of what they can expect for a price per watt of a system in that size range. So, when the school saw a proposal come in for $270,000 total cost, or $2.70/watt, this gave them pause and they returned to the installer to ask clarifying questions. Perhaps there are reasons such as a further away installation location or added prices due to other reasons, but at minimum, this empowers schools with the information to have these conversations.

<table>
<tr><th>System Size (kWdc)</th><th>Department Cost Basis ($/watt)</th><th>90%</th><th>80%</th><th>70%</th></tr>
<tr><td>≤ 50</td><td>$ 3.00</td><td>$ 2.70</td><td>$ 1.92</td><td>$ 1.68</td></tr>
<tr><td>> 50 & ≤ 125</td><td>$ 2.60</td><td>$ 2.34</td><td>$ 1.60</td><td>$ 1.40</td></tr>
<tr><td>> 125 & ≤ 625</td><td>$ 2.20</td><td>$ 1.98</td><td>$ 1.28</td><td>$ 1.12</td></tr>
<tr><td>> 625 & ≤ 1250</td><td>$ 1.80</td><td>$ 1.62</td><td>$ 0.96</td><td>$ 0.84</td></tr>
</table></td><td></td></tr>
<tr><td>17.</td><td>What is the maximum size a project can be now?</td><td>During the 2023 legislative session, the maximum size of a project was increased to up to 120% of load or 1 MW, though for schools outside of Xcel service territory, a school would need upfront consent of the interconnecting electric utility prior to application.</td><td>01/10/2024</td></tr>
<tr><td>18.</td><td>Which MN State Colleges and Universities are eligible?</td><td>All MN State Colleges and Universities are eligible.</td><td>01/10/2024</td></tr>
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19.	How does a district apply for more than one school?	To apply for more than one school, email the Solar for Schools email requesting an ID for each school you wish to apply for. Then you will submit a readiness assessment for each school that you have a unique ID for.	01/29/2024
20.	Are guarding costs considered necessary costs and thus eligible for inclusion in the grant (e.g., shields, barriers, fencing around a ground-mounted solar array)?	Consideration of guarding costs for inclusion in the grant award may be considered on a case-by-case basis.	11/7/2025
21.	*UPDATE-Exhibit J just asks yes or no, and schools do not register with the Secretary of State, so are they ok just responding with no?*	*Public schools are considered political subdivisions and are not required to complete this exhibit. If there are nonprofit applicants, they will need to complete this exhibit.*	*06/04/2026*
	SECTION III. Application Overview		
22.	Will a signed letter from the customer also be sufficient for us to obtain a Project ID# for them? What about a phone call?	See RFP Section III. Application Overview. Prior to completing the Assessment, Applicants must first obtain a unique project ID number ("ID") from the Department by emailing the Department at SolarForSchools@state.mn.us to request an ID **and must do so for each school/building**.	01/12/2022
	SECTION IV. Grant Application		
23.	Please advise on what a new construction school should do if they don't have 24 months of energy use data that is required as part of the Assessment?	With a school building that does not have 24 months of electric energy use data, Applicants should provide an estimate of energy use to the best of their ability, such looking at similar schools/sizes and utilizing estimates provided by the developer working on the new construction. The Applicant must demonstrate that the proposed System will provide no more than 120% of the estimated annual energy consumption of the building to meet requirements stipulated in Minn. Stat. 216C.375.	01/12/2022
24.	Do we need actual bills for 24 months or will a summary of the 24 months plus the most current bill suffice?	Applicants do not need to submit 24 individual electric bills but must submit two years of monthly electricity use using the template provided in Attachment 4 of the RFP. Applicants must provide **at least one** actual recent electrical bill.	01/12/2022
25.	Can you expand upon the curriculum requirements for the application? Does it need to be specific to an individual school, or can it be district-wide?	The grant requirements towards curriculum have been designed to encourage schools to utilize resources and plans that meet their instructional needs. Curriculum may be developed at a district-level but is encouraged to be specified to a particular audience. Additional curriculum guidelines and resources are under development and will be provided online at mn.gov/solar4schools. K-12 lesson plans and activities are also available through U.S. Department of Energy.	07/01/2024

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26.	The RFP asks for a copy of the proposed system contract agreement that must list the System's total lifecycle cost; costs pertaining to the end-of-life removal and disposal; fair market provisions; and responsibility for the System's operations and maintenance. However, the Statute specifies that these items must only be required in the application, not the system contract agreement. As a result, the application is in conflict with the Statute.	The information required in the application complies with state law. Minnesota Statutes § 216C.375 requires Commerce to develop administrative procedures governing the application and grant award process. It also mandates that applications contain certain information, including lifecycle costs, and any other information Commerce deems relevant. The required information is relevant and helps the commissioner ensure transparency between the Applicant and Developer. Furthermore, on October 23, 2023, EPA announced a new rulemaking effort to improve recycling and management of end-of-life solar panels and lithium batteries. Solar panels with high enough concentrations of heavy metals may be considered hazardous waste under EPA (RCRA). In evaluating proposals consider life-cycle costs, verify with your developer what the material composition of the site-specific solar panels is and how it will be handled at the end of its lifecycle.	07/01/2024
27.	The RFP asks for provisions about fair market value in the proposed System contract agreement. Can you expand upon this requirement?	If the agreement between the Applicant and the Developer is a third-party ownership or power purchase agreement, a fair market value (FMV) methodology must be included in the contract between the Developer and Applicant. Developers should include a detailed breakdown and explanation of the rationale behind the method by which the FMV of the System would be calculated. The IRS generally defines fair market value (FMV) as "the price at which property would change hands between a buyer and a seller, neither having to buy or sell, and both having reasonable knowledge of all necessary facts." For solar PV systems generally, FMV = [Remaining Production x Electricity Rate] – [Cost of Removal]. Remaining Production refers to an estimate of the System's remaining electricity production in kWh beyond the contract end date. Electricity Rate refers to the Applicant's expected applicable utility or retail electricity rate beyond the contract end date. Cost of Removal refers to estimated labor and other costs to remove the System, disposal costs, and any costs to return the roof or installation site to a satisfactory condition.	04/15/2022
28.	The RFP asks for provisions about lifecycle cost in the proposed System contract agreement. Can you expand upon this requirement?	Lifecycle cost is defined as the expected total cost of ownership during the life of the System, including the total cost to purchase and install the System as well as an estimate of removal and disposal costs. Developers should include a detailed breakdown of the expected lifecycle cost for the System in the contract between the Developer and Applicant, regardless of System ownership method utilized. Developers should base the lifecycle cost off the warranty period of the PV modules and must include cost estimates pertaining to inverter replacement. If the	04/15/2022

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		Developer uses an alternate lifecycle length, a detailed explanation of the rationale behind the method must be included.	
29.	The RFP asks for System operating and maintenance costs (O&M) in the system contract agreement. What should the Developer include in the contract?	Regardless of System ownership method utilized, the Developer should explicitly address within the contract between the Developer and Applicant the responsibility of the System's O&M, both during and after the contract period. Any relevant associated costs (known or estimated) should be detailed.	04/15/2022
30.	Does the school have to have the funds secured prior to completing the readiness assessment?	No, but the school must be prepared to fulfill that commitment once installation has begun. And is responsible for covering expensive outlined in the grantee budget.	01/29/24
31.	Does the school have to make a final decision on the size of the system during the readiness assessment step?	Schools must make a size determination prior to submitting their Readiness Assessment so the Department can effectively encumber funds. Changes to system sizes must be petitioned for by providing details and justification in the Full Grant Application(s) with more significant changes to grant size(s) less likely to be approved. For system size (and grant) increase requests not approved, Applicants may choose to resubmit in a future funding round. For system size (and grant) decrease requests that are not approved, Applicants must resubmit a Readiness Assessment in a future funding round. System size may be influenced by available roof (or ground) space, available funding, ownership model, project ROI, sustainability goals, electric utility policies, and more. Applicants are encouraged to utilize these Solar Schools FAQs and consult with CERTS to help determine their ideal system size.	07/01/2024
	SECTION V. Application Submission Instructions		
32.	Will this be an online process?	Schools must first email the Department requesting a project ID number. See Section III. Application Overview. The Readiness Assessment and Full Grant Application must be completed online. See Section V. Application Submission Instructions. Once entered into a grant agreement with the Department, project milestones must be met, including online form submissions. See Section VII. Notification and Next Steps, Subsection C. Installation Milestones. A full list of Grantee Duties and Invoicing, Reporting, and Project Administration Instructions will be provided to all Grantees detailing all communications instructions.	01/05/2022
	SECTION VI. Evaluation and Priority		
33.	In a cycle in which requested funding exceeds funds available, what criteria will be used to prioritize applications?	See Section VI. Evaluation and Priority	01/05/2022

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34.	If our school already has solar, are we still eligible?	See Section VI. Evaluation and Priority, Subsection B. Readiness Assessment Priority.	01/05/2022
35.	Do we have to formally go out to bid to receive a grant?	Applicants are required to follow all applicable local and state procurement laws. Please also refer to the Department's Exhibit A or Exhibit B, Sample Solar for Schools Grant Contracts as well as the updated procurement application obligations detailed in RFP Section II. Eligibility. NOTE: While Applicants may also use the MN State Master Contract for Solar Energy System Design and Installation, they must still post an RFP when utilizing the state master contract or any of the contract's prequalified vendors. Using one of the master contract's prequalified vendors without use of the master contract does not meet this program's procurement requirements.	02/02/2026
	SECTION VII. Notifications and Next Steps		
36.	Are there going to be deadlines or milestones that are required to meet in order to keep the grant dollars reserved?	Yes. See Section VII. Notifications and Next Steps Subsection C. Installation Milestones for details and deadlines. See also Section X. Timeline pertaining to overall grant deadlines and discussions of extensions. Due to timeline for following the tax credit, the timeline has been extended to 24 months. See also question (38) below for additional details regarding the tax credit. Grantees have 24 months from the Contract Effective Date to complete all Grantee Duties, including the milestone check-in forms. Full details, including milestone deadlines, can be found in Exhibit A – Grantee Duties of your SFS grant contract, as well as in the online application through your GIW account. Please note, while these forms each individually have deadlines, Grantees should not wait until these dates to submit forms but rather, must submit them as each step is being completed, not all at once when the entire project is complete.	02/02/2026
	SECTION VIII. Questions & Technical Assistance		
37.	Is there a list of qualified installers you can post?	No, neither Commerce nor CERTs can recommend a specific installer or help you choose one. The State of MN Master Contract for Solar contains prequalified and vetted contractors licensed/insured/bonded to perform work under this grant through a competitive RFP process; these developers are vetted with consumer protections guaranteed only through full use of the contract, not simply by selecting them outside of the master contract. The Department	07/01/2024

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		also strongly encourages applicants to consult with CERTS in regards of procurement best practices and selecting your solar developer.	
38.	Will there be any support or training of teachers as part of this program? It is very hard to implement new material without support. Can funds from grants be used to do this?	CERT's can provide an array of curriculum material, some of it is free and some is for a fee. They can also connect schools to resources, including other schools and teachers, to help you develop or find existing curriculum. The program funds cannot be used to train staff. Additional curriculum guidelines and resources are under development and will be provided online at mn.gov/solar4schools. K-12 lesson plans and activities are also available through U.S. Department of Energy.	07/01/2024
39.	We heard that schools are now eligible to receive a tax credit for installing solar. Where can we find more information?	Through the Inflation Reduction Act, schools became eligible to receive a federal solar tax credit of up to 30+ percent of the cost for systems installed starting January 1, 2023, through direct pay. Due to the sunsetting of the tax credit and the added foreign entities of concern (FEOC) and prohibited foreign entities (PFE) restrictions necessary to continue to meet eligibility for any projects beginning construction January 1, 2026, or later, the Department has made continued tax credit resources available through Deloitte. To get started, email them at StateofMNIRATaxComplianceSupport@deloitte.com. See also RFP Section III. Grant Awards for information how the tax credit value will combine with grant awards. Due to time limitations of the solar tax credit, Full Grant Applications that have identified intent and budgeted for the solar tax credit will be reviewed on a first-come-first-serve basis in the order in which they were received. All other applications will receive notification no later than one month after the Full Application deadline.	02/02/2026
	SECTION IX. Exhibits and Attachments		
40.	If we are approved for the grant would we have to pay for the installation and then the grant would pay us or is it a direct pay to the installer?	The State requires payment on a reimbursement basis. Applicants will pay the Developer and send the Department either a receipt or copy of the invoice marked paid, and the Department will submit for reimbursements. See Clause 4 in the Sample Grant Agreement.	01/24/2022

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41.	Upon submission of complete grant and project details, is it possible grant dollars might be allocated to Applicant at the time of full contract execution (avoiding potential Statute 16A violation) instead of at project completion?	As the Grantee, you may negotiate terms and conditions to the grant contract agreement, as presented in the sample grant contract agreement, subject to the discretion of the State. As a subcontractor, your Developer will be bound to the terms and conditions in your grant contract agreement.	07/01/2022
42.	"Grantee" is the school, regardless of financing (cash funded, PPA, etc.), even though the Developer completes the Full Grant Application, correct?	Yes, the grant contract is only between the State and the school in all financing situations. Should the State request clarifications to the application after initial submittal, the school, as Grantee, is free to meet those requests by modifying any portion of the Full Grant Application, including changes to General Information, System Information, or Developer Information.	08/01/2022
43.	Does the retainage noted (95%) relate specifically to the State's grant, and not to any % retainage that may be outlined within the Master Contract for design/build?	Yes, this is correct.	08/01/2022
	SECTION X. Timeline		
44.	If we request a project ID and end up not submitting an application this round, do we need to submit for another ID later on?	No. All project IDs will carry over with an Applicant and can be requested at any time.	01/24/2022
45.	Will extensions be granted for delays that are beyond the control of the school or the installer, like supply chain issues?	Yes, extensions may be granted. See Section X. Timeline for details.	01/05/2022
46.	If a school has a project ID but doesn't submit a Readiness Assessment, is deemed not ready, fails to complete or submit a Full Grant Application, will they be eligible to apply in future rounds?	Yes. Project IDs remain with a school once assigned, across RFP funding rounds. All schools that fail to complete applications or are denied, are encouraged to improve their applications, and reapply in future funding rounds.	01/05/2022