

Subject Energy Omnibus Bill

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Article 1: Appropriations

Appropriates money from the general fund.

Article 2: Renewable Development Account

Appropriates money from the renewable development account.

Article 3: Energy Conservation

Section Description – Article 3: Energy Conservation

- 1 **State supplementary weatherization grants account.**
Establishes the state supplementary weatherization grant account.
- 2 **Grant allocation.**
Expands the uses of state supplementary weatherization grants to include addressing physical deficiencies in a residence that prohibit eligibility for federal weatherization assistance, installing preweatherization measures, and addressing shortages of trained workers.
- 3 **Weatherization training grant program.**
Establishes a program to award grants to nonprofits, labor organizations, and worker training centers to train workers for weatherization careers.
- 4 **Energy benchmarking.**
Requires owners of commercial and institutional buildings over 50,000 square feet to report energy use annually to the Department of Commerce via a U.S. Department of Energy software program.

Section Description – Article 3: Energy Conservation

5 Adoption of code.

Authorizes cities to adopt the most recently published ASHRAE commercial energy code prior to adoption of a more energy efficient code by the commissioner of the Department of Labor and Industry.

Article 4: Commission Proceedings

Section Description – Article 4: Commission Proceedings

1 Investigation.

Authorizes the commission to investigate a complaint made under the dispute resolution process established in section 2.

2 Consumer disputes.

Establishes a consumer dispute process at the Minnesota Public Utilities Commission that allows complaints to be appealed to the commission.

3 Transmission planning in advance of generation retirement.

Requires discussion in a utility's integrated resource plan of plans to upgrade transmission or other grid resources for a generating plant that is to be retired within 15 years.

4 – 12 Securitization.

Establishes a process under which, after an extraordinary event that imposes significant costs on customers, a natural gas utility may, with commission approval, sell low-interest bonds to raise capital to pay those costs, at a savings to ratepayers compared with traditional methods of financing.

13 Commission approval required.

Raises from \$100,000 to \$1,000,000 the price at which a utility may sell or rent facilities without commission approval.

14 Compensation for participants in proceedings.

Revises the conditions under which nonprofit or individual participants in commission proceedings may seek compensation from utilities, including allowing compensation in proceedings other than a general rate case.

15 Department of Commerce to provide technical expertise and other assistance.

Authorizes the Department of Commerce to take actions—with respect to environmental review of electric generating plants, wind energy conversion systems,

Section Description – Article 4: Commission Proceedings

and high voltage transmission lines—based on commission decisions, but prior to issuance of the commission’s written order concerning the issue.

16 Applicable projects.

Increases from five to 30 miles in length the size of a high voltage transmission line authorized to utilize an expedited review process of the proposed route by the commission that does not require analysis of an alternate route.

17 Repealer.

Repeals section 216B.16, subdivision 10, the existing statute governing participant compensation that is replaced by section 14.

Article 5: Energy Storage

Section Description – Article 5: Energy Storage

1 Energy storage capacity; treatment.

Establishes conditions under which, for interconnection purposes, the capacity of a distributed energy facility operating in conjunction with an energy storage system is to be calculated as the capacity of the distributed energy facility alone.

2 Value of on-site energy storage.

Requires the commission to initiate a docket by September 15, 2022, to determine compensation for owners of energy storage systems for the voluntary discharge of energy and capacity during peak demand periods or when requested by a utility.

3 Energy storage systems assessment.

Requires analysis in a public utility’s integrated resource plan of how energy storage systems could help meet the utility’s renewable and solar energy standard goals, and the state’s greenhouse gas emissions reduction goal.

4 Distribution study for distributed generation.

Requires a utility’s distribution study to assess the deployment of energy storage systems that could support the development of distributed generation resources on the system.

5 Storage rewards incentive program.

Requires Xcel Energy to establish a program providing grants to customers who install energy storage systems.

Article 6: Renewable Energy

Section Description – Article 6: Renewable Energy

- 1 Alternative energy sources.**
Specifies that if the incorporation of all cost-effective energy efficiency measures in the design, materials, and operation of a state building is insufficient to meet the required Sustainable Building 2030 energy standards, cost-effective renewable energy, or solar thermal energy systems also must be deployed for that purpose.
- 2 Onsite energy generated from renewable sources.**
Limits the capacity of renewable energy sources in a state building to 120 percent of the building's average annual electricity demand.
- 3 Solar energy production incentive program.**
Increases Xcel Energy's 10-year production incentives for customer-installed small solar energy generating systems by \$5 million in both 2023 and 2024, and extends the program to 2025 at a level of \$10 million.
- 4 Solar energy; contingency account.**
Establishes a contingency account to pay the installer of a solar energy generating system on the site of the former Ford plant in St. Paul if the Minnesota Pollution Control Agency orders remediation of contaminated land underneath the system that requires the solar array to be temporarily removed and later reinstalled.
- 5 Community solar garden.**
Increases the maximum capacity of a solar garden from one to three megawatts. Exempts a solar garden that is located 100 feet or more from the nearest residential property from the requirement that subscribers and the generating facility be located in the same county or a contiguous county. Provides various consumer protection provisions for solar garden subscribers. Allows a community access solar garden project—one in which at least 50 percent of capacity is subscribed by residential customers—to receive the retail rate for electricity generated by the solar garden.
- 6 Exemptions.**
Exempts a solar or wind project from the requirement to obtain a certificate of need from the Minnesota Public Utilities Commission if the commission ordered the utility to develop those generation sources in response to the utility's most recent integrated resource plan.
- 7 Definitions.**
Expands eligibility for the Solar for Schools program to include a Tribal contract school.

Section Description – Article 6: Renewable Energy

- 8 **Solar grant program; public buildings.**
Establishes a program in the Department of Commerce to award grants to local units of government or municipal electric utilities that install solar energy generating systems on public buildings.
- 9 **Solar energy generating system.**
For the purpose of issuing a site permit, expands the definition of solar energy generating system to include transmission lines below 100kV capacity that interconnect the system with a high-voltage transmission line.
- 10 **Environmental review.**
Prohibits the commissioner of commerce from evaluating an alternative site in addition to the one proposed by an applicant seeking to build an electric generating plant 50 MW or greater in capacity.
- 11 **Limits on certain residential solar energy systems prohibited.**
Specifies conditions that a homeowners association may require regarding the installation of a solar energy generating system by a unit owner.
- 12 **Photovoltaic demand credit rider.**
Requires a public utility that has not already done so to submit a proposal to the commission for a demand credit rider to reimburse demand-metered customers with solar energy generating systems of 40kW or more capacity for any overbilling that may have occurred.
- 13 **Repealer.**
Repeals statutes regarding the deployment of solar energy generating systems on state buildings.

Article 7: Electric Vehicles

Section Description – Article 7: Electric Vehicles

- 1 **Vehicle purchases.**
Establishes a hierarchy of preferences for the types of motor vehicles purchased by the Department of Administration for the state fleet, naming electric vehicles as most preferred.

Section Description – Article 7: Electric Vehicles

- 2 **Goals and actions.**
Requires vehicle purchases by other state agencies to utilize the purchasing hierarchy established in section 1.
- 3 **No commercial establishment within right-of-way; exceptions.**
Authorizes the installation of electric vehicle charging stations at safety rest areas.
- 4 **Dealer training; electric vehicles.**
Requires licensed vehicle dealers selling electric vehicles under an agreement or franchise with a manufacturer to have at least one employee who has completed a training course developed by a motor vehicle dealership association in Minnesota that addresses certain issues regarding electric vehicles.
- 5 **Electric vehicle deployment program.**
Requires a public utility to submit for commission approval by June 1, 2023, a transportation electrification plan designed to promote the deployment of electric vehicles and electric vehicle infrastructure. Specifies contents of the plan.
- 6 **Electric school bus deployment program.**
Authorizes a public utility to file a proposal for commission approval to provide rebates to school districts for the incremental cost of electric school buses over fossil-fuel powered school buses.
- 7 **Grant program; manufacturers' certification of auto dealers to sell electric vehicles.**
Establishes a program in the Department of Commerce to award grants up to \$40,000 to auto dealers to defray the costs of employee training programs required by electric vehicle manufacturers in order to certify auto dealers to sell electric vehicles.
- 8 – 12 **State Building Code; electric vehicles; parking facilities.**
Amends the state building code to require a minimum number of spaces in on-site commercial and multifamily parking facilities to enable electric vehicle charging.
- 13 **Electric vehicle charging stations; installations in state and regional parks.**
Requires the commissioner of natural resources to develop and fund the installation of electric vehicle charging stations in state parks.
- 14 **Electric vehicle charging stations; installations at county government centers.**
Requires the commissioner of commerce to develop and fund the installation of electric vehicle charging stations at county government centers.

Article 8: Economic Development

Section Description – Article 8: Economic Development

- 1 **Renewable development account.**
Requires construction projects funded from the account to pay workers no less than prevailing wage.
- 2 **Grant awards; limitations.**
Allows submission of community energy transition grants to DEED on an ongoing basis.
- 3 **Economic and community development.**
Allows recovery by a utility of the cost of employing local workers to construct and maintain generation facilities.
- 4 **Cost recovery.**
Specifies that costs of employing local workers to construct and maintain generation facilities are recoverable if the commission deems them to be reasonable.
- 5 **Local benefits.**
Specifies that commission decisions regarding the Renewable Energy Standard must maximize local economic impacts.
- 6 **Definitions.**
Defines “local workers” and “local job impacts.”
- 7 **Preference for local job creation.**
Requires a utility to report in its integrated resource plan on actions it has taken to maximize construction opportunities for local workers.
- 8 **Bidding; exemption from certificate of need processing.**
Requires a utility seeking additional generating resources under a bidding process to consider local job impacts when evaluating bids.
- 9 – 11 **Commercial Property Assessed Clean Energy projects.**
Expands PACE-eligible projects to include those that promote water conservation or that make permanent improvements to farmland that increase profitability and reduce environmental impacts.
- 12 **Minnesota Innovation Finance Authority.**
Establishes a nonprofit organization to use innovative financing tools to assist energy conservation, renewable energy, and regenerative agriculture projects.

Section Description – Article 8: Economic Development

- 13 **Energy Alley Startup Fund.**
Establishes a program in the Department of Commerce to provide grants and loans to Minnesota businesses to develop decarbonization technologies.
- 14 **Grants for renewable integration and demonstration.**
Establishes a program in the Department of Commerce to provide grants to support grid modernization and grid integration of renewable energy technologies.
- 15 **Consideration in designating sites and routes.**
Adds factors the commission must consider in evaluating sites and routes for electric generating plants and high-voltage transmission lines, including impacts on environmental quality, energy reliability, socioeconomic factors, and local employment.
- 16 **Final decision.**
Prohibits the issuance of a site permit for construction of an electric generating plant of 50 MW or greater capacity unless the project applicant certifies that construction workers will be paid at least the prevailing wage rate.
- 17 **Site permit.**
Prohibits the issuance of site permits for wind energy conversion systems of 25 MW or greater capacity unless the project applicant certifies that construction workers will be paid at least the prevailing wage rate.

Article 9: Greenhouse Gas Emission

Section Description – Article 9: Greenhouse Gas Emission

- 1 **Environmental costs.**
Specifies that the commission, in evaluating future resource options, must employ the social cost of carbon estimates, range of discount rates, and time horizon developed by the federal interagency working group released in February 2021, as updated.
- 2 **Environmental standards procurement task force.**
Directs the commissioner of the Departments of Administration and Transportation to appoint and convene a task force by June 30, 2022, to examine and make recommendations regarding: (1) requiring vendors of certain construction materials used in state construction projects to submit environmental product declarations that assess the lifecycle environmental impacts of those products; and (2) the

Section Description – Article 9: Greenhouse Gas Emission

establishment by the commissioner of administration of maximum greenhouse gas emissions for certain products.

3 Local climate action grant program.

Establishes a program in the Pollution Control Agency to award grants to political subdivisions to develop plans to reduce greenhouse gas emissions and to mitigate climate change impacts.

Article 10: Miscellaneous

Section Description – Article 10: Miscellaneous

1 Renewable development account.

Requires reports on workforce diversity from projects funded from the account.

2 Minnesota State Competitiveness fund.

Establishes a program in the Department of Commerce to increase the state's ability to compete successfully for federal energy funds, including providing funds to match federal awards.

3 Residential electric panel upgrade grants; pilot program.

Establishes a program in the Department of Commerce to award grants to upgrade electrical panels in single-family and multifamily homes to advance electrification.

4 Utility diversity reporting.

Requires annual reports from utilities on their efforts to increase workplace diversity.

5 Site permit.

Technical; corrects terminology.

6 Decommissioning and demolition plan for coal-fired plant.

Requires Xcel Energy to file a plan and schedule with the commission before 2026 to decommission its Oak Park Heights generating plant. The plan must also be filed with the city, and must address remediating any contamination at the site.

7 Tribal advocacy council on energy; Department of Commerce support.

Requires the Department of Commerce to provide technical support to assist in the establishment and operation of a council of Minnesota's Indian Tribes to advocate on energy issues.

Section Description – Article 10: Miscellaneous

8 Repealer.

Repeals a 2017 session law allowing Xcel Energy to construct a natural gas plant on the site of its Sherburne County facility without obtaining a certificate of need or site permit from the Public Utilities Commission.



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