

125.17 **ARTICLE 9**125.18 **RENEWABLE FUELS**

125.19 Section 1. Minnesota Statutes 2014, section 16B.323, is amended to read:

125.20 **16B.323 SOLAR ENERGY IN STATE BUILDINGS.**

125.21 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
125.22 have the meanings given.

125.23 (b) "~~Made in Minnesota~~" means the manufacture in this state of:

125.24 ~~(i) components of a solar thermal system certified by the Solar Rating and
125.25 Certification Corporation; or~~

125.26 ~~(ii) solar photovoltaic modules that:~~

125.27 ~~(1) are manufactured at a manufacturing facility in Minnesota that is registered and
125.28 authorized to manufacture those solar photovoltaic modules by Underwriters Laboratory,
125.29 CSA International, Intertek, or an equivalent independent testing agency;~~

125.30 ~~(2) bear certification marks from Underwriters Laboratory, CSA International,
125.31 Intertek, or an equivalent independent testing agency; and~~

125.32 ~~(3) meet the requirements of section 116C.7791, subdivision 3, paragraph (a),
125.33 clauses (1), (5), and (6).~~

126.1 ~~For the purposes of clause (ii), "manufactured" has the meaning given in section
126.2 116C.7791, subdivision 1, paragraph (b), clauses (1) and (2).~~

126.3 ~~(e) "Major renovation" means a substantial addition to an existing building, or a
126.4 substantial change to the interior configuration or the energy system of an existing building.~~

126.5 ~~(d) (c) "Solar energy system" means solar photovoltaic modules devices alone or
126.6 installed in conjunction with a solar thermal system.~~

126.7 ~~(e) (d) "Solar photovoltaic module device" has the meaning given in section
126.8 116C.7791, subdivision 1, paragraph (e) 216C.06, subdivision 17.~~

126.9 ~~(f) (e) "Solar thermal system" has the meaning given "qualifying solar thermal
126.10 project" in section 216B.2411, subdivision 2, paragraph (e).~~

126.11 ~~(g) (f) "State building" means a building whose construction or renovation is paid
126.12 wholly or in part by the state from the bond proceeds fund.~~

126.13 Subd. 2. **Solar energy system.** (a) As provided in paragraphs (b) and (c), a project
126.14 for the construction or major renovation of a state building, after the completion of a
126.15 cost-benefit analysis, may include installation of "~~Made in Minnesota~~" solar energy
126.16 systems of 40 kilowatts capacity on, adjacent, or in proximity to the state building.

126.17 (b) The capacity of a solar energy system must be less than 40 kilowatts to the extent
126.18 necessary to match the electrical load of the building or to the extent necessary to keep the
126.19 costs for the installation below the five percent maximum set by paragraph (c).

126.20 (c) The cost of the solar energy system must not exceed five percent of the
126.21 appropriations from the bond proceeds fund for the construction or renovation of the state
126.22 building. Purchase and installation of a solar thermal system may account for no more
126.23 than 25 percent of the cost of a solar energy system installation.

126.24 (d) A project subject to this section is ineligible to receive a rebate for the installation
126.25 of a solar energy system under section 116C.7791 or from any utility.

126.26 Sec. 2. Minnesota Statutes 2014, section 116C.779, subdivision 1, is amended to read:

126.27 Subdivision 1. **Renewable development Energy fund account.** (a) The energy
126.28 fund account is established as a separate account in the special revenue fund in the state
126.29 treasury. Appropriations and transfers to the account shall be credited to the account.
126.30 Earnings, such as interest, dividends, and any other earnings arising from assets of the
126.31 account shall be credited to the account. Funds remaining in the account at the end of a
126.32 fiscal year are not canceled to the general fund, but remain in the account until expended.

126.33 (b) On July 1, 2015, the public utility that owns the Prairie Island nuclear generating
126.34 plant shall transfer all funds in the renewable development account previously established
126.35 under this subdivision and managed by the public utility, except funds awarded to grantees
127.1 in previous grant cycles that have not yet been expended and unencumbered funds
127.2 required to be paid in calendar year 2015 under sections 116C.7791, 116C.7792, and
127.3 216C.41, to the energy fund account established in paragraph (a).

127.4 (c) Beginning January 15, 2016, and continuing each January 15 thereafter, the
127.5 public utility that owns the Prairie Island nuclear generating plant must transfer to a
127.6 renewable development the energy fund account \$500,000 each year for each dry cask
127.7 containing spent fuel that is located at the Prairie Island power plant for each year the plant
127.8 is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the
127.9 commission pursuant to paragraph (e) (f). The fund transfer must be made if nuclear waste
127.10 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for
127.11 any part of a year.

127.12 (b) (d) Beginning January 15, 2016, and continuing each January 15 thereafter,
127.13 the public utility that owns the Monticello nuclear generating plant must transfer to
127.14 the renewable development energy fund account \$350,000 each year for each dry cask
127.15 containing spent fuel that is located at the Monticello nuclear power plant for each
127.16 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if
127.17 ordered by the commission pursuant to paragraph (e) (f). The fund transfer must be made
127.18 if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at
127.19 Monticello for any part of a year.

127.20 (e) Each year, of the funds transferred to the energy fund account under paragraphs
127.21 (c) and (d), the public utility shall withhold the amount necessary to pay its obligations
127.22 under sections 116C.7791, 116C.7792, and 216C.41 for that calendar year.

127.23 ~~(e)~~ (f) After discontinuation of operation of the Prairie Island nuclear plant or the
127.24 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
127.25 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
127.26 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
127.27 facility for any year in which the commission finds, by the preponderance of the evidence,
127.28 that the public utility did not make a good faith effort to remove the spent nuclear
127.29 fuel stored at the facility to a permanent or interim storage site out of the state. This
127.30 determination shall be made at least every two years.

127.31 (d) Funds in the account may be expended only for any of the following purposes:

127.32 (1) to increase the market penetration within the state of renewable electric energy
127.33 resources at reasonable costs;

127.34 (2) to promote the start-up, expansion, and attraction of renewable electric energy
127.35 projects and companies within the state;

128.1 (3) to stimulate research and development within the state into renewable electric
128.2 energy technologies; and

128.3 (4) to develop near-commercial and demonstration-scale renewable electric projects
128.4 or near-commercial and demonstration-scale electric infrastructure delivery projects if
128.5 those delivery projects enhance the delivery of renewable electric energy.

128.6 The utility that owns a nuclear generating plant is eligible to apply for renewable
128.7 development account grants.

128.8 (e) Expenditures authorized by this subdivision from the account may be made only
128.9 after approval by order of the Public Utilities Commission upon a petition by the public
128.10 utility. The commission may approve proposed expenditures, may disapprove proposed
128.11 expenditures that it finds to be not in compliance with this subdivision or otherwise
128.12 not in the public interest, and may, if agreed to by the public utility, modify proposed
128.13 expenditures. The commission may approve reasonable and necessary expenditures
128.14 for administering the account in an amount not to exceed five percent of expenditures.
128.15 Commission approval is not required for expenditures required under subdivisions 2
128.16 and 3, section 116C.7791, or other law.

128.17 (f) The account shall be managed by the public utility but the public utility must
128.18 consult about account expenditures with an advisory group that includes, among others,
128.19 representatives of its ratepayers. The commission may require that other interests be
128.20 represented on the advisory group. The advisory group must be consulted with respect to
128.21 the general scope of expenditures in designing a request for proposal and in evaluating
128.22 projects submitted in response to a request for proposals. In addition to consulting with the
128.23 advisory group, the public utility must utilize an independent third-party expert to evaluate
128.24 proposals submitted in response to a request for proposal, including all proposals made by
128.25 the public utility. A request for proposal for research and development under paragraph (d),
128.26 clause (3), may be limited to or include a request to higher education institutions located in
128.27 Minnesota for multiple projects authorized under paragraph (d), clause (3). The request for
128.28 multiple projects may include a provision that exempts the projects from the third-party
128.29 expert review and instead provides for project evaluation and selection by a merit peer
128.30 review grant system. The utility should attempt to reach agreement with the advisory
128.31 group after consulting with it but the utility has full and sole authority to determine which
128.32 expenditures shall be submitted to the commission for commission approval. In the
128.33 process of determining request for proposal scope and subject and in evaluating responses
128.34 to request for proposals, the public utility must strongly consider, where reasonable,
128.35 potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

129.1 (g) Funds in the account may not be directly appropriated by the legislature by a law
129.2 enacted after January 1, 2012, and unless appropriated by a law enacted prior to that date
129.3 may be expended only pursuant to an order of the commission according to this subdivision.

129.4 (h) A request for proposal for renewable energy generation projects must, when
129.5 feasible and reasonable, give preference to projects that are most cost-effective for a
129.6 particular energy source.

129.7 (i) The public utility must annually, by February 15, report to the chairs and ranking
129.8 minority members of the legislative committees with jurisdiction over energy policy on
129.9 projects funded by the account for the prior year and all previous years. The report must,
129.10 to the extent possible and reasonable, itemize the actual and projected financial benefit to
129.11 the public utility's ratepayers of each project.

129.12 (j) A project receiving funds from the account must produce a written final report
129.13 that includes sufficient detail for technical readers and a clearly written summary for
129.14 nontechnical readers. The report must include an evaluation of the project's financial,
129.15 environmental, and other benefits to the state and the public utility's ratepayers.

129.16 (k) Final reports, any mid-project status reports, and renewable development account
129.17 financial reports must be posted online on a public Web site designated by the commission.

129.18 (l) All final reports must acknowledge that the project was made possible in whole
129.19 or part by the Minnesota renewable development fund, noting that the fund is financed
129.20 by the public utility's ratepayers.

129.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

129.22 Sec. 3. Minnesota Statutes 2014, section 116C.7792, is amended to read:

129.23 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

129.24 (a) The utility subject to section 116C.779 shall operate a program to provide solar
129.25 energy production incentives for solar energy systems of no more than a total nameplate
129.26 capacity of 20 kilowatts direct current. ~~The program shall be operated for five consecutive~~
129.27 ~~calendar years commencing in 2014.~~ The utility shall allocate up to \$5,000,000 ~~shall be~~
129.28 ~~allocated for each of the five years~~ year during which applications are accepted ~~from the~~
129.29 ~~renewable development account established in section 116C.779~~ to a separate account for
129.30 the purpose of the solar production incentive program. The solar system must be sized to
129.31 less than 120 percent of the customer's on-site annual energy consumption. The production
129.32 incentive must be paid for ten years commencing with the commissioning of the system.
129.33 The utility must file a plan to operate the program with the commissioner of commerce.
129.34 The utility may not operate the program until it is approved by the commissioner.

130.1 (b) The utility shall not make incentive payments under this section for any

130.2 application received after the effective date of this act.

130.3 Sec. 4. Minnesota Statutes 2014, section 216B.164, subdivision 3, is amended to read:

130.4 Subd. 3. **Purchases; small facilities.** (a) This paragraph applies to cooperative
130.5 electric associations and municipal utilities. For a qualifying facility having less than
130.6 40-kilowatt capacity, the customer shall be billed for the net energy supplied by the utility
130.7 according to the applicable rate schedule for sales to that class of customer. A cooperative
130.8 electric association or municipal utility may charge an additional fee to recover the
130.9 remaining fixed costs required to serve the customer. In the case of net input into the utility
130.10 system by a qualifying facility having less than 40-kilowatt capacity, compensation to the
130.11 customer shall be at a per kilowatt-hour rate determined under paragraph (c) ~~or~~ (d), or (f).

130.12 (b) This paragraph applies to public utilities. For a qualifying facility having less
130.13 than 1,000-kilowatt capacity, the customer shall be billed for the net energy supplied by
130.14 the utility according to the applicable rate schedule for sales to that class of customer. In
130.15 the case of net input into the utility system by a qualifying facility having: (1) more than
130.16 40-kilowatt but less than 1,000-kilowatt capacity, compensation to the customer shall be
130.17 at a per kilowatt-hour rate determined under paragraph (c); or (2) less than 40-kilowatt
130.18 capacity, compensation to the customer shall be at a per-kilowatt rate determined under
130.19 paragraph (c) or paragraph (d).

130.20 (c) In setting rates, the commission shall consider the fixed distribution costs to the
130.21 utility not otherwise accounted for in the basic monthly charge and shall ensure that the
130.22 costs charged to the qualifying facility are not discriminatory in relation to the costs
130.23 charged to other customers of the utility. The commission shall set the rates for net
130.24 input into the utility system based on avoided costs as defined in the Code of Federal
130.25 Regulations, title 18, section 292.101, paragraph (b)(6), the factors listed in Code of
130.26 Federal Regulations, title 18, section 292.304, and all other relevant factors.

130.27 (d) This paragraph applies to qualifying facilities having less than 40-kilowatt
130.28 capacity that have elected a rate of compensation for net input into the utility system before
130.29 the effective date of this act. Notwithstanding any provision in this chapter to the contrary,
130.30 a qualifying facility having less than 40-kilowatt capacity may elect that the compensation
130.31 for net input by the qualifying facility into the utility system shall be at the average retail
130.32 utility energy rate. "Average retail utility energy rate" is defined as the average of the retail
130.33 energy rates, exclusive of special rates based on income, age, or energy conservation,
130.34 according to the applicable rate schedule of the utility for sales to that class of customer.

131.1 (e) If the qualifying facility or net metered facility is interconnected with a
131.2 nongenerating utility which has a sole source contract with a municipal power agency or a
131.3 generation and transmission utility, the nongenerating utility may elect to treat its purchase
131.4 of any net input under this subdivision as being made on behalf of its supplier and shall
131.5 be reimbursed by its supplier for any additional costs incurred in making the purchase.
131.6 Qualifying facilities or net metered facilities having less than 1,000-kilowatt capacity if
131.7 interconnected to a public utility, or less than 40-kilowatt capacity if interconnected to a
131.8 cooperative electric association or municipal utility may, at the customer's option, elect to
131.9 be governed by the provisions of subdivision 4.

131.10 (f) A customer with a qualifying facility or net metered facility having a capacity
131.11 below 40 kilowatts that is interconnected to a cooperative electric association or a
131.12 municipal utility may elect to be compensated for the customer's net input into the utility
131.13 system in the form of a kilowatt-hour credit on the customer's energy bill carried forward
131.14 and applied to subsequent energy bills. Any kilowatt-hour credits carried forward by the
131.15 customer cancel at the end of the calendar year with no additional compensation.

131.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

131.17 Sec. 5. Minnesota Statutes 2014, section 216B.1641, is amended to read:

131.18 **216B.1641 COMMUNITY SOLAR GARDEN.**

131.19 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a
131.20 plan with the commission to operate a community solar garden program which shall begin
131.21 operations within 90 days after commission approval of the plan. Other public utilities
131.22 may file an application at their election. The community solar garden program must be
131.23 designed to offset the energy use of not less than five subscribers in each community
131.24 solar garden facility of which no single subscriber has more than a 40 percent interest.
131.25 The owner of the community solar garden may be a public utility or any other entity or
131.26 organization that contracts to sell the output from the community solar garden to the
131.27 utility under section 216B.164. There shall be no limitation on the number or cumulative
131.28 generating capacity of community solar garden facilities other than the limitations imposed
131.29 under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

131.30 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
131.31 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for
131.32 the electricity generated in proportion to the size of their subscription. The solar garden
131.33 must have a nameplate capacity of no more than one megawatt. Each subscription shall be
131.34 sized to represent at least 200 watts of the community solar garden's generating capacity
132.1 and to supply, when combined with other distributed generation resources serving the
132.2 premises, no more than 120 percent of the average annual consumption of electricity by
132.3 each subscriber at the premises to which the subscription is attributed.

132.4 (c) The solar generation facility must be located in the service territory of the public
132.5 utility filing the plan. Subscribers must be retail customers of the public utility located in
132.6 the same county or a county contiguous to where the facility is located.

132.7 (d) The public utility must purchase from the community solar garden all energy
132.8 generated by the solar garden. The purchase shall be at the rate calculated under section
132.9 ~~216B.164, subdivision 10, or, until that rate for the public utility has been approved by~~
132.10 ~~the commission,~~ the applicable retail rate. A solar garden is eligible for any incentive
132.11 programs offered under either section 116C.7792 or section 216C.415. A subscriber's
132.12 portion of the purchase shall be provided by a credit on the subscriber's bill.

132.13 (e) The commission may approve, disapprove, or modify a community solar garden
132.14 program. Any plan approved by the commission must:

132.15 (1) reasonably allow for the creation, financing, and accessibility of community
132.16 solar gardens;

132.17 (2) establish uniform standards, fees, and processes for the interconnection
132.18 of community solar garden facilities that allow the utility to recover reasonable
132.19 interconnection costs for each community solar garden;

132.20 (3) not apply different requirements to utility and nonutility community solar garden
132.21 facilities;

132.22 (4) be consistent with the public interest;

- 132.23 (5) identify the information that must be provided to potential subscribers to ensure
132.24 fair disclosure of future costs and benefits of subscriptions;
- 132.25 (6) include a program implementation schedule;
- 132.26 (7) identify all proposed rules, fees, and charges; and
- 132.27 (8) identify the means by which the program will be promoted.
- 132.28 (f) Notwithstanding any other law, neither the manager of nor the subscribers to a
132.29 community solar garden facility shall be considered a utility solely as a result of their
132.30 participation in the community solar garden facility.
- 132.31 (g) Within 180 days of commission approval of a plan under this section, a utility
132.32 shall begin crediting subscriber accounts for each community solar garden facility in
132.33 its service territory, and shall file with the commissioner of commerce a description of
132.34 its crediting system.
- 132.35 (h) For the purposes of this section, the following terms have the meanings given:
- 133.1 (1) "subscriber" means a retail customer of a utility who owns one or more
133.2 subscriptions of a community solar garden facility interconnected with that utility; and
- 133.3 (2) "subscription" means a contract between a subscriber and the owner of a solar
133.4 garden.
- 133.5 Sec. 6. Minnesota Statutes 2014, section 216B.1691, is amended to read:
- 133.6 **216B.1691 RENEWABLE ADVANCED ENERGY OBJECTIVES**
- 133.7 **STANDARDS.**
- 133.8 Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy
133.9 technology" means an energy technology that:
- 133.10 (1) generates electricity from the following renewable energy sources:
- 133.11 ~~(1)~~ (i) solar;
- 133.12 ~~(2)~~ (ii) wind;
- 133.13 ~~(3)~~ (iii) hydroelectric with a capacity of less than 100 megawatts;
- 133.14 (4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated
133.15 from the resources listed in this paragraph; or
- 133.16 (iv) hydroelectric with a capacity of 100 megawatts or greater that was first placed
133.17 into service after January 1, 2015; or

133.18 ~~(5)~~ (v) biomass, which includes, without limitation, landfill gas; an anaerobic
133.19 digester system; the predominantly organic components of wastewater effluent, sludge, or
133.20 related by-products from publicly owned treatment works, but not including incineration
133.21 of wastewater sludge to produce electricity; and an energy recovery facility used to
133.22 capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed
133.23 municipal solid waste as a primary fuel; or

133.24 (2) stores electricity previously generated from a renewable resource listed in clause
133.25 (1) that can be released for use at a later time.

133.26 (b) "Electric utility" means a public utility providing electric service, a generation
133.27 and transmission cooperative electric association, a municipal power agency, or a power
133.28 district.

133.29 (c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year
133.30 by an electric utility to retail customers of the electric utility or to a distribution utility
133.31 for distribution to the retail customers of the distribution utility. "Total retail electric
133.32 sales" does not include the sale of hydroelectricity supplied by a federal power marketing
133.33 administration or other federal agency, regardless of whether the sales are directly to a
133.34 distribution utility or are made to a generation and transmission utility and pooled for
133.35 further allocation to a distribution utility.

134.1 ~~Subd. 2. **Eligible energy objectives.** Each electric utility shall make a good~~
134.2 ~~faith effort to generate or procure sufficient electricity generated by an eligible energy~~
134.3 ~~technology to provide its retail consumers, or the retail customers of a distribution utility~~
134.4 ~~to which the electric utility provides wholesale electric service, so that commencing~~
134.5 ~~in 2005, at least one percent of the electric utility's total retail electric sales to retail~~
134.6 ~~customers in Minnesota is generated by eligible energy technologies and seven percent of~~
134.7 ~~the electric utility's total retail electric sales to retail customers in Minnesota by 2010 is~~
134.8 ~~generated by eligible energy technologies.~~

134.9 Subd. 2a. **Eligible Advanced energy technology standard; schedule.** (a) Except
134.10 as provided in paragraph (b), each electric utility shall generate or procure sufficient
134.11 electricity generated by an eligible energy technology to provide its retail customers in
134.12 Minnesota, or the retail customers of a distribution utility to which the electric utility
134.13 provides wholesale electric service, so that at least the following standard percentages of
134.14 the electric utility's total retail electric sales to retail customers in Minnesota are generated
134.15 by eligible energy technologies by the end of the year indicated:

134.16(1) 2012 12 percent

134.17(2) 2016 17 percent

134.18(3) 2020 20 percent

134.19(4) 2025 25 percent.

134.20 (b) An electric utility that owned a nuclear generating facility as of January 1, 2007,
 134.21 must meet the requirements of this paragraph rather than paragraph (a). An electric utility
 134.22 subject to this paragraph must generate or procure sufficient electricity generated by
 134.23 an eligible energy technology to provide its retail customers in Minnesota or the retail
 134.24 customer of a distribution utility to which the electric utility provides wholesale electric
 134.25 service so that at least the following percentages of the electric utility's total retail electric
 134.26 sales to retail customers in Minnesota are generated by eligible energy technologies by the
 134.27 end of the year indicated:

134.28(1) 2010 15 percent

134.29(2) 2012 18 percent

134.30(3) 2016 25 percent

134.31(4) 2020 30 percent.

134.32 ~~Of the 30 percent in 2020, at least 25 percent must be generated by solar energy~~
 134.33 ~~or wind energy conversion systems and the remaining five percent by other eligible~~
 134.34 ~~energy technology. Of the 25 percent that must be generated by wind or solar, no more~~
 134.35 ~~than one percent may be solar generated and the remaining 24 percent or greater must~~
 134.36 ~~be wind generated.~~

135.1 Subd. 2b. **Modification or delay of standard.** (a) The commission shall modify or
135.2 delay the implementation of a standard obligation, in whole or in part, if the commission
135.3 determines it is in the public interest to do so. The commission, when requested to modify
135.4 or delay implementation of a standard, must consider:

135.5 (1) the impact of implementing the standard on its customers' utility costs, including
135.6 the economic and competitive pressure on the utility's customers;

135.7 (2) the effects of implementing the standard on the reliability of the electric system;

135.8 (3) technical advances or technical concerns;

135.9 (4) delays in acquiring sites or routes due to rejection or delays of necessary siting or
135.10 other permitting approvals;

135.11 (5) delays, cancellations, or nondelivery of necessary equipment for construction or
135.12 commercial operation of an eligible energy technology facility;

135.13 (6) transmission constraints preventing delivery of service; and

135.14 (7) other statutory obligations imposed on the commission or a utility.

135.15 The commission may modify or delay implementation of a standard obligation
135.16 under clauses (1) to (3) only if it finds implementation would cause significant rate impact,
135.17 requires significant measures to address reliability, or raises significant technical issues.
135.18 The commission may modify or delay implementation of a standard obligation under
135.19 clauses (4) to (6) only if it finds that the circumstances described in those clauses were due
135.20 to circumstances beyond an electric utility's control and make compliance not feasible.

135.21 (b) When considering whether to delay or modify implementation of a standard
135.22 obligation, the commission must give due consideration to a preference for electric
135.23 generation through use of eligible energy technology and to the achievement of the
135.24 standards set by this section.

135.25 (c) An electric utility requesting a modification or delay in the implementation of a
135.26 standard must file a plan to comply with its standard obligation in the same proceeding
135.27 that it is requesting the delay.

135.28 (d) If a utility reports under subdivision 2e that its retail rates have increased by two
135.29 percent or more over the previous year as a result of activities necessary to comply with
135.30 this section, the commission shall delay by three years the required achievement of the
135.31 utility's next scheduled standard under subdivision 2a.

135.32 Subd. 2c. **Use of integrated resource planning process.** The commission may
135.33 exercise its authority under subdivision 2b to modify or delay implementation of a standard
135.34 obligation as part of an integrated resource planning proceeding under section 216B.2422.
135.35 The commission's authority must be exercised according to subdivision 2b. The order to
135.36 delay or modify shall not be considered advisory with respect to any electric utility. This
136.1 subdivision is in addition to and does not limit the commission's authority to modify or
136.2 delay implementation of a standard obligation in other proceedings before the commission.

136.3 Subd. 2d. **Commission order.** The commission shall issue necessary orders detailing
136.4 the criteria and standards by which it will measure an electric utility's efforts to meet the
136.5 renewable energy objectives of subdivision 2 to determine whether the utility is making
136.6 the required good faith effort. In this order, the commission shall include criteria and
136.7 standards that protect against undesirable impacts on the reliability of the utility's system
136.8 and economic impacts on the utility's ratepayers and that consider technical feasibility.

136.9 Subd. 2e. **Rate impact of standard compliance; report.** Each electric utility must
136.10 submit to the commission and the legislative committees with primary jurisdiction over
136.11 energy policy a report containing an estimation of the rate impact of activities of the
136.12 electric utility necessary to comply with this section. In consultation with the Department
136.13 of Commerce, the commission shall determine a uniform reporting system to ensure that
136.14 individual utility reports are consistent and comparable, and shall, by order, require each
136.15 electric utility subject to this section to use that reporting system. The rate impact estimate
136.16 must be for wholesale rates and, if the electric utility makes retail sales, the estimate
136.17 shall also be for the impact on the electric utility's retail rates. Those activities include,
136.18 without limitation, energy purchases, generation facility acquisition and construction,
136.19 and transmission improvements. ~~An initial report must be submitted within 150 days of~~
136.20 ~~May 28, 2011. After the initial report, A report under this subdivision must be updated~~
136.21 ~~and submitted as part of each integrated resource plan or plan modification filed by the~~
136.22 ~~electric utility under section 216B.2422. A utility may file more frequent reports under~~
136.23 ~~this subdivision. The reporting obligation of an electric utility under this subdivision~~
136.24 ~~expires December 31, 2025, for an electric utility subject to subdivision 2a, paragraph (a),~~
136.25 ~~and December 31, 2020, for an electric utility subject to subdivision 2a, paragraph (b).~~

136.26 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions
136.27 2a and 2b, each public utility shall generate or procure sufficient electricity generated
136.28 by solar energy to serve its retail electricity customers in Minnesota so that by the end
136.29 of 2020, at least 1.5 percent of the utility's total retail electric sales to retail customers in
136.30 Minnesota is generated by solar energy. ~~At least ten percent of the 1.5 percent goal must~~
136.31 ~~be met by solar energy generated by or procured from solar photovoltaic devices with a~~
136.32 ~~nameplate capacity of 20 kilowatts or less.~~

136.33 (b) The solar energy standard established in this subdivision is subject to all the
136.34 provisions of this section governing a utility's standard obligation under subdivision 2a.

136.35 (c) ~~It is an energy goal of the state of Minnesota that, by 2030, ten percent of the~~
136.36 ~~retail electric sales in Minnesota be generated by solar energy.~~

- 137.1 ~~(d) For the purposes of calculating the total retail electric sales of a public utility~~
137.2 ~~under this subdivision, there shall be excluded retail electric sales to customers that are:~~
- 137.3 ~~(1) an iron mining extraction and processing facility, including a scram mining~~
137.4 ~~facility as defined in Minnesota Rules, part 6130.0100, subpart 16; or~~
- 137.5 ~~(2) a paper mill, wood products manufacturer, sawmill, or oriented strand board~~
137.6 ~~manufacturer.~~
- 137.7 ~~Those customers may not have included in the rates charged to them by the public~~
137.8 ~~utility any costs of satisfying the solar standard specified by this subdivision.~~
- 137.9 ~~(e) (c) A public utility may not use energy used to satisfy the solar energy standard~~
137.10 ~~under this subdivision to satisfy its standard obligation under subdivision 2a. A public~~
137.11 ~~utility may not use energy used to satisfy the standard obligation under subdivision 2a to~~
137.12 ~~satisfy the solar standard under this subdivision.~~
- 137.13 ~~(f) (d) Notwithstanding any law to the contrary, a solar renewable energy credit~~
137.14 ~~associated with a solar photovoltaic device installed and generating electricity in~~
137.15 ~~Minnesota after August 1, 2013, but before 2020 may be used to meet the solar energy~~
137.16 ~~standard established under this subdivision.~~
- 137.17 ~~(g) (e) Beginning July 1, 2014, and each July 1 through 2020, each public utility~~
137.18 ~~shall file a report with the commission reporting its progress in achieving the solar energy~~
137.19 ~~standard established under this subdivision.~~
- 137.20 ~~(f) The requirement established in paragraph (a) may be met through the use of solar~~
137.21 ~~energy or any other more affordable eligible energy technology.~~
- 137.22 **Subd. 3. Utility plans filed with commission.** (a) Each electric utility shall
137.23 report on its plans, activities, and progress with regard to the ~~objectives and~~ standards
137.24 of this section in its filings under section 216B.2422 or in a separate report submitted
137.25 to the commission every two years, whichever is more frequent, demonstrating to the
137.26 commission the utility's effort to comply with this section. In its resource plan or a
137.27 separate report, each electric utility shall provide a description of:
- 137.28 (1) the status of the utility's renewable energy mix relative to the ~~objective and~~
137.29 standards;
- 137.30 (2) efforts taken to meet the objective and standards;
- 137.31 (3) any obstacles encountered or anticipated in meeting the ~~objective or~~ standards; and
- 137.32 (4) potential solutions to the obstacles.

137.33 (b) The commissioner shall compile the information provided to the commission
137.34 under paragraph (a), and report to the chairs of the house of representatives and senate
137.35 committees with jurisdiction over energy and environment policy issues as to the progress
137.36 of utilities in the state, including the progress of each individual electric utility, in increasing
138.1 the amount of renewable energy provided to retail customers, with any recommendations
138.2 for regulatory or legislative action, by January 15 of each odd-numbered year.

138.3 Subd. 4. **Renewable energy credits.** (a) To facilitate compliance with this section,
138.4 the commission, by rule or order, shall establish by January 1, 2008, a program for tradable
138.5 renewable energy credits for electricity generated by an eligible energy technology. The
138.6 credits must represent energy produced by an eligible energy technology, as defined in
138.7 subdivision 1. Each kilowatt-hour of renewable energy credits must be treated the same as
138.8 a kilowatt-hour of eligible energy technology generated or procured by an electric utility if
138.9 it is produced by an eligible energy technology. The program must permit a credit to be
138.10 used only once. The program must treat all eligible energy ~~technology~~ technologies equally
138.11 and shall not give more or less credit to energy based on the state where the energy ~~was~~ is
138.12 generated or the technology with which the energy ~~was~~ is generated. The commission
138.13 must determine the period in which the credits may be used for purposes of the program.

138.14 (b) In lieu of generating or procuring energy directly to satisfy the eligible advanced
138.15 energy ~~technology objective~~ or standard of this section, an electric utility may utilize
138.16 renewable energy credits allowed under the program to satisfy the ~~objective~~ or standard.

138.17 (c) The commission shall facilitate the trading of renewable energy credits between
138.18 states.

138.19 (d) The commission shall require all electric utilities to participate in a
138.20 commission-approved credit-tracking system or systems. Once a credit-tracking system is
138.21 in operation, the commission shall issue an order establishing protocols for trading credits.

138.22 (e) An electric utility subject to subdivision 2a, paragraph (b), may not sell renewable
138.23 energy credits to an electric utility subject to subdivision 2a, paragraph (a), until 2021.

138.24 Subd. 5. **Technology based on fuel combustion.** (a) Electricity produced by fuel
138.25 combustion through fuel blending or co-firing under paragraph (b) may only count toward
138.26 a utility's ~~objectives~~ or standards if the generation facility:

138.27 (1) was constructed in compliance with new source performance standards
138.28 promulgated under the federal Clean Air Act, United States Code, title 42, section 7401 et
138.29 seq., for a generation facility of that type; or

138.30 (2) employs the maximum achievable or best available control technology available
138.31 for a generation facility of that type.

138.32 (b) An eligible energy technology may blend or co-fire a fuel listed in subdivision 1,
138.33 paragraph (a), clause (5), with other fuels in the generation facility, but only the percentage
138.34 of electricity that is attributable to a fuel listed in that clause can be counted toward an
138.35 electric utility's renewable energy objectives.

139.1 Subd. 7. **Compliance.** The commission must regularly investigate whether an
139.2 electric utility is in compliance with its ~~good faith objective under subdivision 2 and~~
139.3 standard obligation under subdivision 2a. If the commission finds noncompliance, it may
139.4 order the electric utility to construct facilities, purchase energy generated by eligible
139.5 energy technology, purchase renewable energy credits, or engage in other activities
139.6 to achieve compliance. If an electric utility fails to comply with an order under this
139.7 subdivision, the commission may impose a financial penalty on the electric utility in an
139.8 amount not to exceed the estimated cost of the electric utility to achieve compliance. The
139.9 penalty may not exceed the lesser of the cost of constructing facilities or purchasing
139.10 credits. The commission must deposit financial penalties imposed under this subdivision
139.11 in the energy and conservation account established in the special revenue fund under
139.12 section 216B.241, subdivision 2a. This subdivision is in addition to and does not limit any
139.13 other authority of the commission to enforce this section.

139.14 Subd. 8. **Relation to other law.** This section does not limit the authority of the
139.15 commission under any other law, including, without limitation, sections 216B.242 and
139.16 216B.243.

139.17 Subd. 9. **Local benefits.** The commission shall take all reasonable actions within
139.18 its statutory authority to ensure this section is implemented to maximize benefits to
139.19 Minnesota citizens, balancing factors such as local ownership of or participation in
139.20 energy production, development and ownership of eligible energy technology facilities by
139.21 independent power producers, Minnesota utility ownership of eligible energy technology
139.22 facilities, the costs of energy generation to satisfy the renewable advanced energy
139.23 standard, and the reliability of electric service to Minnesotans.

139.24 Subd. 10. **Utility acquisition of resources.** A competitive resource acquisition
139.25 process established by the commission prior to June 1, 2007, shall not apply to a utility
139.26 for the construction, ownership, and operation of generation facilities used to satisfy the
139.27 requirements of this section unless, upon a finding that it is in the public interest, the
139.28 commission issues an order on or after June 1, 2007, that requires compliance by a utility
139.29 with a competitive resource acquisition process. A utility that owns a nuclear generation
139.30 facility and intends to construct, own, or operate facilities under this section shall file with
139.31 the commission on or before March 1, 2008, a renewable energy plan setting forth the
139.32 manner in which the utility proposes to meet the requirements of this section, ~~including~~
139.33 ~~a proposed schedule for purchasing renewable energy from C-BED and non-C-BED~~
139.34 ~~projects.~~ The utility shall update the plan as necessary in its filing under section
139.35 216B.2422. The commission shall approve the plan unless it determines, after public
139.36 hearing and comment, that the plan is not in the public interest. ~~As part of its determination~~
140.1 ~~of public interest, the commission shall consider the plan's allocation of projects among~~

140.2 ~~C-BED, non-C-BED, and utility-owned projects, balancing the state's interest in:~~

140.3 ~~(1) promoting the policy of economic development in rural areas through the~~

140.4 ~~development of renewable energy projects, as expressed in subdivision 9;~~

140.5 ~~(2) maintaining the reliability of the state's electric power grid; and~~

140.6 ~~(3) minimizing cost impacts on ratepayers.~~

140.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

140.8 Sec. 7. Minnesota Statutes 2014, section 216B.243, subdivision 8, is amended to read:

140.9 Subd. 8. **Exemptions.** (a) This section does not apply to:

140.10 (1) cogeneration or small power production facilities as defined in the Federal Power

140.11 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and

140.12 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less

140.13 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or

140.14 any case where the commission has determined after being advised by the attorney general

140.15 that its application has been preempted by federal law;

140.16 (2) a high-voltage transmission line proposed primarily to distribute electricity to

140.17 serve the demand of a single customer at a single location, unless the applicant opts to

140.18 request that the commission determine need under this section or section 216B.2425;

140.19 (3) the upgrade to a higher voltage of an existing transmission line that serves the

140.20 demand of a single customer that primarily uses existing rights-of-way, unless the applicant

140.21 opts to request that the commission determine need under this section or section 216B.2425;

140.22 (4) a high-voltage transmission line of one mile or less required to connect a new or

140.23 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

140.24 (5) conversion of the fuel source of an existing electric generating plant to using

140.25 natural gas;

140.26 (6) the modification of an existing electric generating plant to increase efficiency,

140.27 as long as the capacity of the plant is not increased more than ten percent or more than

140.28 100 megawatts, whichever is greater; ~~or~~

140.29 (7) a wind energy conversion system or solar electric generation facility if the system

140.30 or facility is owned and operated by an independent power producer and the electric output

140.31 of the system or facility is not sold to an entity that provides retail service in Minnesota

140.32 or wholesale electric service to another entity in Minnesota other than an entity that is a

140.33 federally recognized regional transmission organization or independent system operator; or

141.1 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision
141.2 2, or a solar energy generating large energy facility, as defined in section 216B.2421,
141.3 subdivision 2, engaging in a repowering project that:

141.4 (i) will not result in the facility exceeding the nameplate capacity under its most
141.5 recent interconnection agreement; or

141.6 (ii) will result in the facility exceeding the nameplate capacity under its most recent
141.7 interconnection agreement, provided that the Midcontinent Independent System Operator
141.8 has provided a signed generator interconnection agreement that reflects the expected
141.9 net power increase.

141.10 (b) For the purpose of this subdivision, "repowering project" means:

141.11 (1) modifying a large wind energy conversion system or a solar energy generating
141.12 large energy facility to increase its efficiency without increasing its nameplate capacity;

141.13 (2) replacing turbines in a large wind energy conversion system without increasing
141.14 the nameplate capacity of the system; or

141.15 (3) increasing the nameplate capacity of a large wind energy conversion system.

141.16 Sec. 8. **[216C.417] PROGRAM ADMINISTRATION; "MADE IN MINNESOTA"**
141.17 **SOLAR ENERGY PRODUCTION INCENTIVES.**

141.18 Subdivision 1. **General provisions.** Payment of a "Made in Minnesota" solar energy
141.19 production incentive to an owner whose application was approved by the commissioner
141.20 of commerce under Minnesota Statutes 2014, section 216C.415, prior to the effective
141.21 date of this act shall be administered under the provisions of Minnesota Statutes 2014,
141.22 sections 216C.411, 216C.413, 216C.414, subdivisions 1 to 3 and 5 to 6, and 216C.415.
141.23 No incentive payments may be made under this section to an owner whose application
141.24 was approved by the commissioner after the effective date of this act.

141.25 Subd. 2. **Appropriation.** (a) Unspent and unobligated money remaining in the
141.26 account established under Minnesota Statutes 2014, section 216C.412, as of July 1, 2015,
141.27 must be transferred to the energy fund account established under section 116C.779,
141.28 subdivision 1.

141.29 (b) There is annually appropriated from the energy fund account established in
141.30 section 116C.779 to the commissioner of commerce money sufficient to make the
141.31 incentive payments required under Minnesota Statutes 2014, section 216C.415, and to
141.32 administer that section.

141.33 Subd. 3. **Eligibility window; payment duration.** (a) Payments may be made
141.34 under this subdivision only for solar photovoltaic module installations that meet the
142.1 requirements of subdivision 1 and that first begin generating electricity between January 1,
142.2 2014, and December 31, 2015.

- 142.3 (b) The payment eligibility window of the incentive begins and runs consecutively
142.4 from the date the solar photovoltaic modules first begins generating electricity.
- 142.5 (c) An owner of solar photovoltaic modules may receive payments under this
142.6 section for a particular module for a period of ten years, provided that sufficient funds are
142.7 available in the account.
- 142.8 (d) No payment may be made under this section for electricity generated after
142.9 December 31, 2025.
- 142.10 **Sec. 9. [216C.419] ENERGY FUND ACCOUNT SOLAR INCENTIVE**
142.11 **PAYMENT.**
- 142.12 **Subdivision 1. Eligibility.** A qualifying facility that is a solar energy system, as
142.13 defined in section 216C.06, subdivision 17, with a capacity no greater than ten kilowatts,
142.14 that first elects compensation under section 216B.164 after the effective date of this act is
142.15 eligible to receive an incentive payment under this section.
- 142.16 **Subd. 2. Amount.** The per kilowatt-hour amount of the energy fund account
142.17 incentive payment shall be determined by the commissioner.
- 142.18 **Subd. 3. Incentive payment.** (a) An incentive payment is equal to the
142.19 per kilowatt-hour amount calculated in subdivision 3 multiplied by the number of
142.20 kilowatt-hours purchased from the qualifying facility by the utility to which it is
142.21 interconnected.
- 142.22 (b) An incentive payment may be made under this section to an owner of a particular
142.23 solar energy system or wind energy conversion system for a period of ten years.
- 142.24 (c) A qualifying facility seeking an incentive payment under this section must file an
142.25 application with the commissioner, on a form determined by the commissioner, and must
142.26 satisfy any other requirements the commissioner deems are necessary. Payment of the
142.27 incentive may only be made upon certification by the commissioner of commerce that the
142.28 qualifying facility is eligible to receive payment under this section.
- 142.29 (d) The commissioner shall develop administrative procedures governing the
142.30 application process and the awarding of incentive payments as necessary to implement
142.31 this section.
- 142.32 **Sec. 10. [216E.022] SETBACK FOR SOLAR ENERGY GENERATING**
142.33 **SYSTEMS.**
- 143.1 Solar panels that are part of a solar energy generating system that has been issued a
143.2 site permit under this chapter must be set back at least 400 feet from any dwelling unless:
- 143.3 (1) a local ordinance or regulation requires a greater setback; or

143.4 (2) the property owner of the adjacent property and the owner of the solar energy
143.5 generating system have reached a mutual agreement in writing allowing for a smaller
143.6 setback, provided that the agreement is not less restrictive than allowed under any
143.7 applicable ordinance or regulation unless a valid variance to the setback requirement
143.8 imposed by the ordinance or regulation has been granted.

143.9 **EFFECTIVE DATE.** This section is effective the day following final enactment,
143.10 and applies to solar energy generating systems for which site permit applications under
143.11 this chapter have been filed after January 1, 2015.

143.12 Sec. 11. **[216E.023] SURETY BONDS; LARGE SOLAR ENERGY**
143.13 **GENERATING FACILITIES.**

143.14 (a) A large energy facility, as defined in section 216B.2421, that is powered by a
143.15 solar energy generating system must maintain a current, valid corporate surety bond issued
143.16 by a surety company admitted to do business in Minnesota in an amount sufficient to pay
143.17 the entire cost of (1) disassembling and removing the solar energy generating system, and
143.18 (2) land reclamation, in the event the large energy facility discontinues operations.

143.19 (b) The commission may not approve an application for a certificate of need under
143.20 section 216B.243 or a site permit under this chapter unless the applicant demonstrates it
143.21 meets the requirements of paragraph (a).

143.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

143.23 Sec. 12. Minnesota Statutes 2014, section 216E.03, subdivision 5, is amended to read:

143.24 Subd. 5. **Environmental review.** (a) The commissioner of the Department of
143.25 Commerce shall prepare for the commission an environmental impact statement on each
143.26 proposed large electric generating plant or high-voltage transmission line for which a
143.27 complete application has been submitted. The commissioner shall not consider whether
143.28 or not the project is needed. No other state environmental review documents shall be
143.29 required. The commissioner shall study and evaluate any site or route proposed by an
143.30 applicant and any other site or route the commission deems necessary that was proposed in
143.31 a manner consistent with rules concerning the form, content, and timeliness of proposals
143.32 for alternate sites or routes.

144.1 (b) If the proposed large electric power generating plant is to be constructed on
144.2 agricultural land, the environmental impact statement must include an analysis of the
144.3 impact of construction on any agricultural drainage system under the surface of the
144.4 construction site, including the impact on other agricultural land that is part of the same
144.5 drainage system.

144.6 (c) For the purpose of this subdivision, "agricultural drainage system" means a
144.7 publicly or privately owned drainage system that is installed or modified to improve the
144.8 productivity of agricultural land. Agricultural drainage system includes all tile, pipe, or
144.9 tubing of any material beneath the surface, and any associated inlets and outlets.

144.10 (d) If the proposed large electric generating plant is a solar energy generating
144.11 system, the environmental impact statement must include the results of an analysis of
144.12 reflected solar irradiance from the solar panels and its impact at specific observation
144.13 points, including but not limited to nearby airports, air traffic, highways, and residences.
144.14 The analysis must measure the incidence and duration of solar glare at these observation
144.15 points during various seasons of the year and times of day, and discuss how such impacts
144.16 can be mitigated by relocating solar panels or changing the angles at which they are set.

144.17 Sec. 13. Minnesota Statutes 2014, section 216E.03, subdivision 7, is amended to read:

144.18 Subd. 7. **Considerations in designating sites and routes.** (a) The commission's
144.19 site and route permit determinations must be guided by the state's goals to conserve
144.20 resources, minimize environmental impacts, minimize human settlement and other land
144.21 use conflicts, and ensure the state's electric energy security through efficient, cost-effective
144.22 power supply and electric transmission infrastructure.

144.23 (b) To facilitate the study, research, evaluation, and designation of sites and routes,
144.24 the commission shall be guided by, but not limited to, the following considerations:

144.25 (1) evaluation of research and investigations relating to the effects on land, water
144.26 and air resources of large electric power generating plants and high-voltage transmission
144.27 lines and the effects of water and air discharges and electric and magnetic fields resulting
144.28 from such facilities on public health and welfare, vegetation, animals, materials and
144.29 aesthetic values, including baseline studies, predictive modeling, and evaluation of new or
144.30 improved methods for minimizing adverse impacts of water and air discharges and other
144.31 matters pertaining to the effects of power plants on the water and air environment;

144.32 (2) environmental evaluation of sites and routes proposed for future development and
144.33 expansion and their relationship to the land, water, air and human resources of the state;

145.1 (3) evaluation of the effects of new electric power generation and transmission
145.2 technologies and systems related to power plants designed to minimize adverse
145.3 environmental effects;

145.4 (4) evaluation of the potential for beneficial uses of waste energy from proposed
145.5 large electric power generating plants;

145.6 (5) analysis of the direct and indirect economic impact of proposed sites and routes
145.7 including, but not limited to, productive agricultural land lost or impaired;

145.8 (6) evaluation of adverse direct and indirect environmental effects that cannot be
145.9 avoided should the proposed site and route be accepted;

145.10 (7) evaluation of alternatives to the applicant's proposed site or route proposed
145.11 pursuant to subdivisions 1 and 2;

145.12 (8) evaluation of potential routes that would use or parallel existing railroad and
145.13 highway rights-of-way;

145.14 (9) evaluation of governmental survey lines and other natural division lines of
145.15 agricultural land so as to minimize interference with agricultural operations;

145.16 (10) evaluation of the future needs for additional high-voltage transmission lines
145.17 in the same general area as any proposed route, and the advisability of ordering the
145.18 construction of structures capable of expansion in transmission capacity through multiple
145.19 circuiting or design modifications;

145.20 (11) evaluation of irreversible and irretrievable commitments of resources should the
145.21 proposed site or route be approved; ~~and~~

145.22 (12) ~~when appropriate, consideration~~ evaluation of problems raised by other state
145.23 and federal agencies and local entities; ~~and~~

145.24 (13) evaluation of the impact on local land use, including the extent to which the
145.25 proposed site conflicts with county or local comprehensive plans, or official controls
145.26 governing future development.

145.27 (c) If the commission's rules are substantially similar to existing regulations of a
145.28 federal agency to which the utility in the state is subject, the federal regulations must
145.29 be applied by the commission.

145.30 (d) No site or route shall be designated which violates state agency rules.

145.31 (e) The commission must make specific findings that it has considered locating a
145.32 route for a high-voltage transmission line on an existing high-voltage transmission route
145.33 and the use of parallel existing highway right-of-way and, to the extent those are not used
145.34 for the route, the commission must state the reasons.

145.35 Sec. 14. Minnesota Statutes 2014, section 216E.04, subdivision 5, is amended to read:

146.1 Subd. 5. **Environmental review.** (a) For the projects identified in subdivision 2
146.2 and following these procedures, the commissioner of the Department of Commerce shall
146.3 prepare for the commission an environmental assessment. The environmental assessment
146.4 shall contain information on the human and environmental impacts of the proposed project
146.5 and other sites or routes identified by the commission and shall address mitigating measures
146.6 for all of the sites or routes considered. If the proposed project is a large electric power
146.7 generating plant to be constructed on agricultural land, the environmental assessment must
146.8 include an analysis of the construction's impact on any agricultural drainage system under
146.9 the surface of the construction site, including the impact on other agricultural land that is
146.10 part of the same drainage system. The environmental assessment shall be the only state
146.11 environmental review document required to be prepared on the project.

146.12 (b) For the purpose of this subdivision, "agricultural drainage system" means a
146.13 publicly or privately owned drainage system that is installed or modified to improve the
146.14 productivity of agricultural land. Agricultural drainage system includes all tile, pipe, or
146.15 tubing of any material beneath the surface, and any associated inlets and outlets.

146.16 (c) If the proposed large electric generating plant is a solar energy generating system,
146.17 the environmental assessment must include the results of an analysis of reflected solar
146.18 irradiance from the solar panels and its impact at specific observation points, including
146.19 but not limited to nearby airports, air traffic, highways, and residences. The analysis
146.20 must measure the incidence and duration of solar glare at these observation points during
146.21 various seasons of the year and times of day, and discuss how such impacts can be
146.22 mitigated by relocating solar panels or changing the angles at which they are set.

146.23 Sec. 15. **[216E.19] REQUIREMENT FOR LOCAL APPROVAL.**

146.24 Notwithstanding the provisions of this chapter, the commission may not issue a
146.25 site permit for a solar energy generating system until all required local permits have
146.26 been granted and a resolution approving construction of the project is adopted by the
146.27 local governing body in which the proposed project site is located, provided that the
146.28 local governing body:

146.29 (1) has intervened as a formal party to the public hearing conducted under section
146.30 216E.03, subdivision 6, or 216E.04, subdivision 6; and

146.31 (2) has participated fully in the public hearing and has made its concerns regarding
146.32 the project part of the record established at the public hearing.

146.33 **EFFECTIVE DATE.** This section is effective the day following final enactment,
146.34 and applies to solar energy generating systems for which site permit applications under
146.35 this chapter have been filed after January 1, 2015.

147.1 Sec. 16. Laws 2008, chapter 296, article 1, section 25, the effective date, as amended
147.2 by Laws 2010, chapter 333, article 1, section 33, and Laws 2012, chapter 244, article 1,
147.3 section 76, is amended to read:

147.4 **EFFECTIVE DATE.** This section is effective June 1, ~~2017~~ 2016.

147.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

147.6 Sec. 17. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**
147.7 **THERMAL REBATES.**

147.8 (a) No rebate may be paid under Minnesota Statutes 2014, section 216C.416, to an
147.9 owner of a solar thermal system whose application was approved by the commissioner
147.10 after the effective date of this act.

147.11 (b) Unspent money remaining in the account established under Minnesota Statutes
147.12 2014, section 216C.416, as of July 2, 2015, must be transferred to the energy fund account
147.13 established under section 116C.779, subdivision 1.

147.14 Sec. 18. **REPEALER.**

147.15 (a) Minnesota Statutes 2014, sections 216B.8109; 216B.811; 216B.812; 216B.813;
147.16 and 216B.815, are repealed.

147.17 (b) Minnesota Statutes 2014, section 216B.164, subdivision 10, is repealed.

147.18 (c) Minnesota Statutes 2014, section 116C.779, subdivision 3, is repealed.

147.19 (d) Minnesota Statutes 2014, sections 174.187; 216C.411; 216C.412; 216C.413;
147.20 216C.414; 216C.415; and 216C.416, are repealed.

147.21 (e) Laws 2013, chapter 85, article 6, section 11, is repealed.

147.22 (f) Minnesota Statutes 2014, sections 216B.1612; and 216C.39, are repealed.