

1.1 A bill for an act
1.2 relating to energy; requiring public utilities to deploy energy storage systems;
1.3 amending Minnesota Statutes 2020, section 216B.2422, by adding a subdivision;
1.4 proposing coding for new law in Minnesota Statutes, chapter 216B.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 7a. **Energy storage systems; installation.** The commission shall, as part of its
1.9 order with respect to a utility's integrated resource plan filed under this section, require a
1.10 utility to install one or more energy storage systems, provided that the commission finds
1.11 such investments to be reasonable and prudent and in the public interest. In determining the
1.12 aggregate capacity of the energy storage systems ordered under this subdivision, the
1.13 commission must take into consideration the utility's assessment of energy storage systems
1.14 contained in its integrated resource plan, as required under subdivision 7.

1.15 **EFFECTIVE DATE.** This section is effective the day following final enactment and
1.16 applies to any order issued by the commission in an integrated resource plan proceeding
1.17 after July 1, 2021.

1.18 Sec. 2. **[216B.2427] ENERGY STORAGE SYSTEM; APPLICATION.**

1.19 Subdivision 1. **Definition.** For the purposes of this section, "energy storage system" has
1.20 the meaning given in section 216B.2422, subdivision 1, paragraph (f).

1.21 Subd. 2. **Application requirement.** No later than one year following the commission's
1.22 order to a utility in an integrated resource plan proceeding under section 216B.2422, the

2.1 utility must submit an application to the commission for review and approval to install one
2.2 or more energy storage systems whose aggregate capacity meets or exceeds that ordered
2.3 by the commission in the utility's most recent integrated resource plan proceeding, in accord
2.4 with section 216B.2422, subdivision 7a.

2.5 Subd. 3. **Application contents.** (a) Each application submitted under this section shall
2.6 contain the following information:

2.7 (1) technical specifications of the energy storage system, including, but not limited to:

2.8 (i) the maximum amount of electric output that the energy storage system can provide;

2.9 (ii) the length of time the energy storage system can sustain its maximum output;

2.10 (iii) the location of the project, and a description of the analysis conducted to determine
2.11 the location;

2.12 (iv) what needs of the utility's electric system the proposed energy storage system will
2.13 address;

2.14 (v) a description of the types of services the energy storage system is expected to provide;
2.15 and

2.16 (vi) a description of the technology required to construct, operate, and maintain the
2.17 energy storage system, including any data or communication system necessary to operate
2.18 the energy storage system;

2.19 (2) the estimated cost of the project, including:

2.20 (i) capital costs;

2.21 (ii) the estimated cost per unit of energy delivered by the energy storage system; and

2.22 (iii) an evaluation of the cost-effectiveness of the energy storage system;

2.23 (3) the estimated benefits of the energy storage system to the utility's electric system,
2.24 including, but not limited to:

2.25 (i) deferred investments in generation, transmission, or distribution capacity;

2.26 (ii) reduced need for electricity during times of peak demand;

2.27 (iii) improved reliability of the utility's transmission or distribution system; and

2.28 (iv) improved integration of the utility's renewable energy resources;

3.1 (4) how the addition of an energy storage system complements proposed actions of the
3.2 utility described in its most recent integrated resource plan submitted under section
3.3 216B.2422, to meet expected demand with the least cost combination of resources; and

3.4 (5) any additional information required by the commission.

3.5 (b) A utility must include in its application an evaluation of the potential to store energy
3.6 in the utility's electric system and must identify geographic areas in the utility's service area
3.7 where the deployment of energy storage systems has the greatest potential to achieve the
3.8 economic benefits identified in paragraph (a), clause (3).

3.9 Subd. 4. **Commission review.** The commission shall review each proposal submitted
3.10 under this section and may approve, reject, or modify the proposal. The commission shall
3.11 approve a proposal it determines is in the public interest and reasonably balances the value
3.12 derived from the deployment of an energy storage system for ratepayers and the utility's
3.13 operations with the costs of procuring, constructing, operating, and maintaining the energy
3.14 storage system.

3.15 Subd. 5. **Cost recovery.** A public utility may recover from ratepayers all costs prudently
3.16 incurred by the public utility in deploying an energy storage system approved by the
3.17 commission under this section, net of any revenues generated by the operation of the energy
3.18 storage system.

3.19 Subd. 6. **Commission authority; orders.** The commission may issue orders necessary
3.20 to implement and administer this section.

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