

Subject Energy

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Overview

H.F. 2986, as amended by the H2986DE6 amendment, requires public utilities to develop and implement a virtual power plant program that aggregates electricity generated by customer-based carbon-free technologies and reductions in demand they propose to make in order to reduce electricity prices or address supply shortages.

Summary

Section	Description
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| 1 | <p>[216B.2422] Resource planning; renewable energy.</p> <p>Subd. 2. Resource plan filing and approval. Requires a public utility to include in its integrated resource plan an estimate of the reduction in system peak attributable to implementing a virtual power plant program and the cost of the program.</p> |
| 2 | <p>[216B.2429] Virtual power plant program.</p> <p>Subd. 1. Definitions. Defines terms.</p> <p>Subd. 2. Required filing; objectives. Requires a public utility to file a virtual power plant program with the Public Utilities Commission by January 1, 2027. Lists goals a program must be designed to achieve.</p> <p>Subd. 3. Virtual power plant program; structure. Describes the program's outlines: an independent third-party issues an RFP to aggregators describing a public utility's need for a certain amount of electricity at specific times and for specified durations; aggregators submit bids containing proposed offers; and the public utility must select the least cost combination of bids.</p> <p>Subd. 4. Virtual power plant program; content. Specifies required elements of a public utility's virtual power plant program.</p> |

Section **Description**

Subd. 5. Other operational factors. Specifies required plan provisions regarding enrollment of participants. Requires the commission to ensure that a public utility acting as an aggregator has no competitive advantage over other aggregators. Requires the Department of Commerce to develop consumer protections and standards.

Subd. 6. Commission duties. Specifies that the commission may approve, reject, or modify a proposed plan, and must ensure that energy resources selected through the bidding process are least cost, and that public utilities share data with aggregators to enable the program to operate efficiently.

Subd. 7. System peak reduction targets. Requires a public utility's virtual power plant program to reduce its 2025 system peak by 5 percent by the end of 2028 and by 10 percent by the end of 2032.

Subd. 8. Modification or delay. Authorizes the commission to modify or delay implementation of a plan that it determines is not in the public interest.

Subd. 9. Cost recovery. Authorizes a public utility to recover prudently incurred investments and expenditures made under an approved plan, as determined by the commission.

Subd. 10. Report. Requires public utilities to file an annual report with the commission, beginning January 31, 2028, on the operation of their virtual power plant program.



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