

1.1 moves to amend H.F. No. 2798 as follows:

1.2 Page 3, after line 31, insert:

1.3 "Sec. 3. Minnesota Statutes 2009 Supplement, section 216B.1645, subdivision 2a,
1.4 is amended to read:

1.5 Subd. 2a. **Cost recovery for utility's renewable facilities.** (a) A utility may petition
1.6 the commission to approve a rate schedule that provides for the automatic adjustment of
1.7 charges to recover prudently incurred investments, expenses, or costs associated with
1.8 facilities constructed, owned, or operated by a utility to satisfy the requirements of section
1.9 216B.1691, provided those facilities were previously approved by the commission under
1.10 section 216B.2422 or 216B.243, or were determined by the commission to be reasonable
1.11 and prudent under section 216B.243, subdivision 9. For facilities not subject to review
1.12 by the commission under section 216B.2422 or 216B.243, a utility shall petition the
1.13 commission for eligibility for cost recovery under this section prior to requesting cost
1.14 recovery for the facility. The commission may approve, or approve as modified, a rate
1.15 schedule that:

1.16 (1) allows a utility to recover directly from customers on a timely basis the costs of
1.17 qualifying renewable energy projects, including:

- 1.18 (i) return on investment;
- 1.19 (ii) depreciation;
- 1.20 (iii) ongoing operation and maintenance costs;
- 1.21 (iv) taxes; and
- 1.22 (v) costs of transmission and other ancillary expenses directly allocable to

1.23 transmitting electricity generated from a project meeting the specifications of this
1.24 paragraph;

1.25 ~~(2) provides a current return on construction work in progress, provided that recovery~~
1.26 ~~of these costs from Minnesota ratepayers is not sought through any other mechanism;~~

2.1 ~~(3)~~ allows recovery of other expenses incurred that are directly related to a
2.2 renewable energy project, including expenses for energy storage, provided that the
2.3 utility demonstrates to the commission's satisfaction that the expenses improve project
2.4 economics, ensure project implementation, advance research and understanding of how
2.5 storage devices may improve renewable energy projects, or facilitate coordination with
2.6 the development of transmission necessary to transport energy produced by the project
2.7 to market;

2.8 (4) allocates recoverable costs appropriately between wholesale and retail customers;

2.9 (5) terminates recovery when costs have been fully recovered or have otherwise
2.10 been reflected in a utility's rates.

2.11 (b) A petition filed under this subdivision must include:

2.12 (1) a description of the facilities for which costs are to be recovered;

2.13 (2) an implementation schedule for the facilities;

2.14 (3) the utility's costs for the facilities;

2.15 (4) a description of the utility's efforts to ensure that costs of the facilities are
2.16 reasonable and were prudently incurred; and

2.17 (5) a description of the benefits of the project in promoting the development of
2.18 renewable energy in a manner consistent with this chapter. "

2.19 Amend the title accordingly