

S.F. No. 2542 – Energy, Utilities, Environment, and Climate Policy Omnibus Bill (1st Engrossment)

Author: Senator Nick A. Frentz

Prepared by: Ben Stanley, Senate Counsel (651/296-4793)

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Section 1 [Customer Access to Electricity Usage Data] requires a utility to provide a customer with the customer’s electricity usage data upon request where needed to facilitate interconnection of a qualifying facility.

Section 2 [Definition of Low Income for Energy Conservation Assistance] broadens the definition of low-income households for purposes of utilities’ obligation to provide energy conservation programs to low-income households and makes it more focused on particular areas of the state instead of the state as whole.

Section 3 [Approval of Projects to Modernize Transmission and Distribution System] allows the Public Utilities Commission (PUC) to approve high-voltage transmission lines and other investments that a utility considers necessary to modernize the transmission and distribution system when the PUC finds that the proposed project is in the public interest.

Section 4 [LWECS Certification of Need Exemption] exempts from certificate of need requirements large wind energy conversion systems if a site permit application under chapter 216E (Electric Power Facility Permits) or 216F (Wind Energy Conversion Systems) is initially submitted by an independent power producer.

Section 5 [Extraordinary Event Bonds – Definitions] defines various terms used in connection with the statutes created in sections 5 through 13, which authorize natural gas utilities to sell extraordinary event bonds under certain circumstances.

Section 6 [Extraordinary Event Bonds – Financing Order] authorizes the PUC to issue a financing order that authorizes a utility that provides natural gas service to Minnesota customers to recover extraordinary event costs through the issuance of extraordinary event bonds. A utility’s application for a financing order must include certain enumerated information. The PUC is required

to hold a public hearing before issuing a financing order and may only issue a financing order if it makes certain findings.

Section 7 [Extraordinary Event Bonds – Post-Issuance Review of Financing Terms] requires a utility to submit financing costs to the PUC for review within 120 days of the issuance of extraordinary event bonds. The PUC is required to review whether the financing costs were the lowest that could reasonably have been achieved given the terms of the financing order and prevailing market conditions. The PUC is allowed to remedy any issues, subject to certain limitations.

Section 8 [Extraordinary Event Bonds – Use of Outside Experts] authorizes the PUC to contract with outside consultants and to hire additional temporary staff as needed. These expenses of the PUC are to be treated as financing costs to be paid by the extraordinary event revenue.

Section 9 [Extraordinary Event Bonds - Extraordinary Event Charge; Billing Treatment] requires a utility that obtains a financing order to include certain information about the extraordinary event charge on each customer’s monthly bill and to annually report certain related information to the PUC. Provides that all current and future customers receiving service from the utility must pay the extraordinary event charges.

Section 10 [Extraordinary Event Bonds – Extraordinary Event Property] sets forth the property rights and terms for sales of extraordinary event property. Provides that a perfected security interest exists in extraordinary event property once a financing order has been issued, a security agreement is executed and delivered, and value is received for the extraordinary event bonds.

Section 11 [Extraordinary Event Bonds – As Investment] authorizes banks, trust companies, and other entities to invest in extraordinary event bonds. Provides that extraordinary event bonds are not a debt of the state or a pledge of the full faith and credit of the state.

Section 12 [Extraordinary Event Bonds – Assignee Not Subject to PUC Regulation] clarifies that a party that is not already subject to regulation by the PUC does not become regulated by the PUC solely as a result of investing in extraordinary event bonds or by related activities.

Section 13 [Extraordinary Event Bonds – Effect on Other Laws] provides that the statutes enacted in sections 5 through 13 control wherever they conflict with other statutes on questions relating to the attachment, assignment, perfection, or priority of any security interest in or transfer of extraordinary event property. This section also clarifies that financing orders may be amended for refinancing or refunding purposes.

Section 14 [Modification of Threshold Requiring PUC Approval] modifies the dollar amount threshold that triggers the requirement for a public utility to obtain PUC approval before selling, acquiring, leasing, or renting any plant as an operating unit or system. The current threshold is \$100,000 and this section would raise that to \$1,000,000.

Sections 15 & 16 [PACE Loan Program Definitions] makes modifications to PACE Loan Program definitions and adds definitions of “agronomic assessment,” “farmland,” “land and water improvement,” and “resiliency.”

Section 17 [PACE Loan Program Modifications] modifies the commercial PACE loan program to allow the financing of land and water improvements on farmland under the program.

Section 18 [Gas and Hazardous Liquid Definitions] adds definitions of “gas” and “hazardous liquid” to the pipeline chapter (216G).

Sections 19 [Restrictions on Single-Family Solar Installations Prohibited] prohibits a private entity from refusing to permit the owner of a single-family dwelling to install, maintain, or use a roof-mounted solar energy system.

Sections 20 & 21 [Technical changes] makes technical changes to reflect the changes made in section 19.

Section 22 [Extension of Sunset] extends by five years the sunset of a law that allows a gas utility to recover gas utility infrastructure costs. The original law was set to expire in 2015, and is currently set to expire in 2023, without this extension.

Section 23 [Report on Decommissioning of Allen S. King Coal Plant] requires the public utility that owns the Allen S. King coal plant to provide a plan and a detailed timeline to decommission and demolish the electric generation facility and remediate pollution at the electric generation facility site.