

1.1 moves to amend H.F. No. 7 as follows:

1.2 Page 1, before line 12, insert:

1.3 "Section 1. Minnesota Statutes 2022, section 216B.16, subdivision 13, is amended to read:

1.4 Subd. 13. **Economic and community development.** The commission may allow a
1.5 public utility to recover from ratepayers the reasonable expenses incurred (1) for economic
1.6 and community development, and (2) to employ local workers, as defined in section
1.7 216B.2422, subdivision 1, to construct and maintain generation facilities that supply power
1.8 to the public utility's customers.

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

1.10 Sec. 2. Minnesota Statutes 2022, section 216B.1645, subdivision 2, is amended to read:

1.11 Subd. 2. **Cost recovery.** ~~The~~ (a) The following expenses are recoverable from utility
1.12 ratepayers:

1.13 (1) expenses incurred to employ local workers, as defined in section 216B.2422,
1.14 subdivision 1, to construct and maintain generation facilities that supply power to the utility's
1.15 customers; and

1.16 (2) expenses incurred by the utility over the duration of ~~the~~ an approved contract or the
1.17 useful life of ~~the~~ an investment and expenditures made pursuant to section 116C.779 ~~shall~~
1.18 ~~be recoverable from the ratepayers of the utility, to the extent,~~ provided they are not offset
1.19 by utility revenues attributable to the contracts, investments, or expenditures.

1.20 (b) Upon petition by a public utility, the commission shall approve or approve as modified
1.21 a rate schedule providing for the automatic adjustment of charges to recover the expenses
1.22 or costs approved by the commission under subdivision 1, which, in the case of transmission
1.23 expenditures, are limited to the portion of actual transmission costs that are directly allocable

2.1 to the need to transmit power from the renewable sources of energy. The commission may
2.2 not approve recovery of the costs for that portion of the power generated from sources
2.3 governed by this section that the utility sells into the wholesale market.

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

2.5 Page 1, line 21, before the semicolon, insert "facilities in operation as of the effective
2.6 date of this act"

2.7 Page 2, line 7, after "means" insert ":(1)" and strike the comma and insert ";(2)"

2.8 Page 2, line 8, strike the first comma and insert ";(3)" and strike ", or" and insert ";(4)"

2.9 Page 2, line 9, before the period insert "; or (5) a cooperative electric association or
2.10 municipal utility electric service that is not a member of an entity in clauses (2) to (4)"

2.11 Page 2, line 13, delete "50" and insert "40"

2.12 Page 2, line 14, delete "40" and insert "35"

2.13 Page 2, line 15, delete "or"

2.14 Page 2, after line 15, insert:

2.15 "(3) 40 percent or more of residents over the age of five have limited English proficiency;
2.16 or"

2.17 Page 2, line 16, delete "(3)" and insert "(4)"

2.18 Page 2, line 20, strike everything after the period

2.19 Page 2, strike lines 21 to 24

2.20 Page 2, line 31 delete the colon and insert "it is located in a county whose population
2.21 density exceeds 1,500 persons per square mile but is less than 2,500 persons per square
2.22 mile."

2.23 Page 3, delete lines 1 to 3

2.24 Page 4, line 22, delete "and"

2.25 Page 4, line 23, delete the period and insert "; and"

2.26 Page 4, after line 23, insert:

2.27 "(10) additional electric load from beneficial electrification and the greenhouse gas
2.28 emissions savings associated with those loads as compared to serving the load with
2.29 nonelectric energy sources."

3.1 For the purposes of this paragraph, "beneficial electrification" means the substitution of
3.2 electricity for a fossil fuel, provided that the substitution meets at least one of the following
3.3 conditions without adversely affecting either of the other two, as determined by the
3.4 commission:

3.5 (i) saves a consumer money over the long run compared with continued use of the fossil
3.6 fuel;

3.7 (ii) enables a public utility to better manage its electric grid network; or

3.8 (iii) reduces negative environmental impacts of fuel use, including, but not limited to
3.9 statewide greenhouse gas emissions."

3.10 Page 5, line 20, delete "(1)"

3.11 Page 5, line 21, strike "renewable energy"

3.12 Page 5, line 22, delete the semicolon and delete "(2)"

3.13 Page 5, line 24, after "that" insert ": (1)"

3.14 Page 5, line 25, before the period, insert "; and (2) require that the commission shall
3.15 allow for partial compliance with subdivision 2g from electricity generated from facilities
3.16 that utilize carbon-free technologies for their electricity generation, but only for the
3.17 percentage that is carbon-free"

3.18 Page 8, line 20, delete "areas of concern for" and before the semicolon, insert "areas"
3.19 and delete "and"

3.20 Page 8, line 21, delete the period and insert "; and"

3.21 Page 8, after line 21, insert:

3.22 "(9) for an electric utility utilizing energy credits to satisfy any portion of its obligations
3.23 under this section, the following information:

3.24 (i) the name and location of energy facilities that generated the energy associated with
3.25 the credits;

3.26 (ii) the dates when the energy associated with the credits was generated;

3.27 (iii) the type of fuel that generated the energy associated with the credits; and

3.28 (iv) whether the energy associated with the credits was purchased by the utility purchasing
3.29 the credits."

4.1 Page 9, line 5, before the period, insert "except that a credit may be used to satisfy both
4.2 the renewable energy standard under subdivision 2a and the carbon-free standard under
4.3 subdivision 2g if it meets the requirements of both subdivisions"

4.4 Page 9, line 25, after "obligation" insert "under subdivision 2a"

4.5 Page 9, line 32, strike "(a)" and insert "(c)"

4.6 Page 10, line 2, after "obligation" insert "under subdivision 2a"

4.7 Page 10, line 28, delete "areas of concern for"

4.8 Page 10, line 29, before the semicolon, insert "areas"

4.9 Page 11, line 1, delete "areas of concern"

4.10 Page 11, line 2, delete "for" and before the semicolon, insert "areas"

4.11 Page 12, after line 1, insert:

4.12 "Sec. 16. Minnesota Statutes 2022, section 216B.2422, subdivision 1, is amended to read:

4.13 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
4.14 subdivision have the meanings given them.

4.15 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more
4.16 of electric power and serving, either directly or indirectly, the needs of 10,000 retail
4.17 customers in Minnesota. Utility does not include federal power agencies.

4.18 (c) "Renewable energy" means electricity generated through use of any of the following
4.19 resources:

4.20 (1) wind;

4.21 (2) solar;

4.22 (3) geothermal;

4.23 (4) hydro;

4.24 (5) trees or other vegetation;

4.25 (6) landfill gas; or

4.26 (7) predominantly organic components of wastewater effluent, sludge, or related
4.27 by-products from publicly owned treatment works, but not including incineration of
4.28 wastewater sludge.

5.1 (d) "Resource plan" means a set of resource options that a utility could use to meet the
5.2 service needs of its customers over a forecast period, including an explanation of the supply
5.3 and demand circumstances under which, and the extent to which, each resource option
5.4 would be used to meet those service needs. These resource options include using,
5.5 refurbishing, and constructing utility plant and equipment, buying power generated by other
5.6 entities, controlling customer loads, and implementing customer energy conservation.

5.7 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating
5.8 resource of 30 megawatts or greater.

5.9 (f) "Energy storage system" means a commercially available technology that:

5.10 (1) uses mechanical, chemical, or thermal processes to:

5.11 (i) store energy, including energy generated from renewable resources and energy that
5.12 would otherwise be wasted, and deliver the stored energy for use at a later time; or

5.13 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner
5.14 that reduces the demand for electricity at the later time;

5.15 (2) is composed of stationary equipment;

5.16 (3) if being used for electric grid benefits, is operationally visible and capable of being
5.17 controlled by the distribution or transmission entity managing it, to enable and optimize the
5.18 safe and reliable operation of the electric system; and

5.19 (4) achieves any of the following:

5.20 (i) reduces peak or electrical demand;

5.21 (ii) defers the need or substitutes for an investment in electric generation, transmission,
5.22 or distribution assets;

5.23 (iii) improves the reliable operation of the electrical transmission or distribution systems,
5.24 while ensuring transmission or distribution needs are not created; or

5.25 (iv) lowers customer costs by storing energy when the cost of generating or purchasing
5.26 it is low and delivering it to customers when the costs are high.

5.27 (g) "Local job impacts" means the impacts of a certificate of need, a power purchase
5.28 agreement, or commission approval of a new or refurbished energy facility on the availability
5.29 of construction employment opportunities to local workers.

5.30 (h) "Local workers" means workers who:

5.31 (1) are employed to construct and maintain energy infrastructure; and

6.1 (2) are Minnesota residents, are residents of the utility's service territory, or permanently
6.2 reside within 150 miles of a proposed new or refurbished energy facility.

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

6.4 Sec. 17. Minnesota Statutes 2022, section 216B.2422, is amended by adding a subdivision
6.5 to read:

6.6 Subd. 4a. **Preference for local job creation.** As part of a resource plan filing, a utility
6.7 must report on associated local job impacts and the steps the utility and the utility's energy
6.8 suppliers and contractors are taking to maximize the availability of construction employment
6.9 opportunities for local workers. The commission must consider local job impacts and give
6.10 preference to proposals that maximize the creation of construction employment opportunities
6.11 for local workers, consistent with the public interest, when evaluating any utility proposal
6.12 that involves the selection or construction of facilities used to generate or deliver energy to
6.13 serve the utility's customers, including but not limited to an integrated resource plan, a
6.14 certificate of need, a power purchase agreement, or commission approval of a new or
6.15 refurbished electric generation facility. The commission must, to the maximum extent
6.16 possible, prioritize the hiring of workers from communities hosting retiring electric generation
6.17 facilities, including workers previously employed at the retiring facilities.

6.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and
6.19 applies to an integrated resource plan filed with the commission on or after that date.

6.20 Sec. 18. Minnesota Statutes 2022, section 216B.2422, is amended by adding a subdivision
6.21 to read:

6.22 Subd. 4b. **Preference for domestic content.** The commission may give preference in
6.23 resource selection to projects utilizing energy technologies produced domestically by entities
6.24 who received an advanced manufacturing tax credit for those technologies under section
6.25 45X of the Internal Revenue Code as allowed under the federal Inflation Reduction Act of
6.26 2022, Public Law 117-169.

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

6.28 Sec. 19. Minnesota Statutes 2022, section 216B.2422, subdivision 5, is amended to read:

6.29 Subd. 5. **Bidding; exemption from certificate of need proceeding.** (a) A utility may
6.30 select resources to meet its projected energy demand through a bidding process approved
6.31 or established by the commission. A utility shall use the environmental cost estimates

7.1 determined under subdivision 3 ~~in~~ and consider local job impacts when evaluating bids
7.2 submitted in a process established under this subdivision.

7.3 (b) Notwithstanding any other provision of this section, if an electric power generating
7.4 plant, as described in section 216B.2421, subdivision 2, clause (1), is selected in a bidding
7.5 process approved or established by the commission, a certificate of need proceeding under
7.6 section 216B.243 is not required.

7.7 (c) A certificate of need proceeding is also not required for an electric power generating
7.8 plant that has been selected in a bidding process approved or established by the commission,
7.9 or such other selection process approved by the commission, to satisfy, in whole or in part,
7.10 the wind power mandate of section 216B.2423 or the biomass mandate of section 216B.2424.

7.11 **EFFECTIVE DATE.** This section is effective the day following final enactment and
7.12 applies to an integrated resource plan filed with the commission on or after that date.

7.13 Sec. 20. Minnesota Statutes 2022, section 216B.2422, is amended by adding a subdivision
7.14 to read:

7.15 Subd. 8. **Carbon dioxide emissions reduction.** (a) The commission may issue an order
7.16 to reduce carbon dioxide emissions from coal-fired electric generating units located in
7.17 Minnesota that do not have applicable capacity obligations with a regional transmission
7.18 organization and are wholly owned by a public utility required to file a resource plan under
7.19 this section. The order may:

7.20 (1) require the public utility to develop and implement a plan to operate such units only
7.21 during the months of June, July, August, December, January, and February, other than for
7.22 emergency or reliability purposes; or

7.23 (2) establish an annual limit on the carbon dioxide emissions from such units.

7.24 (b) Nothing in this subdivision affects a public utility's obligation to comply with the
7.25 provisions of section 216B.1691.

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

7.27 Page 14, line 24, delete the new language

7.28 Page 14, line 30, before the period, insert ", excluding any alternate site for a solar energy
7.29 generating system that was not proposed by an applicant"

7.30 Page 15, after line 8, insert:

8.1 "Sec. 26. Minnesota Statutes 2022, section 216E.03, subdivision 7, is amended to read:

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

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

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

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

8.18 (3) evaluation of the effects of new electric power generation and transmission
8.19 technologies and systems related to power plants designed to minimize adverse environmental
8.20 effects;

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

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

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

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

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

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

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

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

9.7 (12) when appropriate, consideration of problems raised by other state and federal
 9.8 agencies and local entities;

9.9 (13) evaluation of the benefits of the proposed facility with respect to the protection and
 9.10 enhancement of environmental quality and the reliability of state and regional energy
 9.11 supplies;

9.12 (14) evaluation of the proposed facility's impact on socioeconomic factors; and

9.13 (15) evaluation of the proposed facility's employment and economic impacts in the
 9.14 vicinity of the facility site and throughout the state, including the quantity and quality of
 9.15 construction and permanent jobs and their compensation levels. The commission must
 9.16 consider a facility's local employment and economic impacts, and may reject or place
 9.17 conditions on a site or route permit based on these factors.

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

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

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

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

9.27 Page 15, line 24, delete "may" and insert "must" and after "issuance" insert ", including
 9.28 issuance of a modified permit for a repowering project, as defined in section 216B.243,
 9.29 subdivision 8, paragraph (b),"

9.30 Page 15, line 26, delete the comma and insert ": (1)"

9.31 Page 15, line 27, before the period, insert "; and (2) be subject to the requirements and
 9.32 enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45"

- 10.1 Page 15, line 27, delete everything after the period
- 10.2 Page 15, delete lines 28 to 34
- 10.3 Page 16, delete lines 1 and 2
- 10.4 Page 17, line 25, delete "may" and insert "must" and after "issuance" insert ", including
10.5 issuance of a modified permit for a repowering project, as defined in section 216B.243,
10.6 subdivision 8, paragraph (b),"
- 10.7 Page 17, line 28, delete the comma and insert ":(1)" and before the period, insert "; and
10.8 (2) be subject to the requirements and enforcement provisions of sections 177.27, 177.30,
10.9 177.32, 177.41 to 177.435, and 177.45"
- 10.10 Page 17, line 28, delete everything after the period
- 10.11 Page 17, delete lines 29 to 31
- 10.12 Page 18, delete lines 1 to 6
- 10.13 Page 18, after line 7, insert:
- 10.14 "Sec. 31. MINNESOTA PUBLIC UTILITIES COMMISSION PROCEEDINGS;
10.15 REVISED AFFILIATE INTEREST AGREEMENTS.
- 10.16 Nothing in this act shall affect consideration by the Minnesota Public Utilities
10.17 Commission of revised affiliated interest agreements that were previously approved for an
10.18 energy facility in docket number E015/AI-17-568. This section shall not be interpreted to
10.19 affect a public interest determination on this energy facility in any subsequent resource
10.20 planning docket or a prudence determination in any subsequent rate case. Nothing in this
10.21 section affects a public utility's obligation to comply with the provisions of Minnesota
10.22 Statutes, section 216B.1691.
- 10.23 **EFFECTIVE DATE.** This section is effective the day following final enactment."
- 10.24 Renumber the sections in sequence and correct the internal references
- 10.25 Amend the title accordingly