



Bill Overview

SF 4/HF 7 Clean Energy Deployment Provisions

About the Bill

In addition to raising the renewable energy standard and creating a carbon-free standard, SF 4/HF 7 contains several provisions to streamline the clean energy permitting process.

◆ Clean Energy Deployment Provisions

- ◆ Reform and streamline the clean energy siting and permitting process;
- ◆ Better reflect Minnesota's changing energy landscape;
- ◆ Maintain robust public participation and regulatory oversight;
- ◆ Acknowledge the importance of using local labor in construction and maintenance;
- ◆ Maximize the local economic benefits that accompany utility-scale wind and solar projects.

Investor Owned Utilities (IOUs) and Independent Power Producers (IPPs)

Minnesota's regulatory framework was designed for the exclusive oversight of IOUs, not for the massive influx of renewable energy projects and the advent of IPPs. State laws, regulatory processes and tight interconnection capacity can have a significant impact on the cost and timing to develop projects. Dissimilar to IOUs, IPPs do not have ratepayers and must rely exclusively on voluntary easements for every aspect of their projects. Reforming the permitting process makes it easier for IPPs to satisfy the needs of utilities and other customers, who continue to push for more renewable energy projects on the grid.

Key Points

- ◆ **Eliminate the Certificate of Need (CN) Requirement for IPP wind and solar projects.**
 - ◆ The intent of the CN statute is to prevent utilities from overbuilding and charging ratepayers. The CN requirements are not necessary for IPPs because if an IPP cannot procure a buyer, the project never gets built.
 - ◆ CN requirements entail a long process, up to 16-months, to approve a permit; requiring IPPs to take these steps is unnecessary and makes Minnesota much less competitive with surrounding states.
- ◆ **Generation-tie (gen-tie) line alternative review extension; IPPs rely on voluntary easements.**
 - ◆ Current law requires any gen-tie line over five miles to have two proposed routes. The bill would increase this limit, permitting IPPs to propose only one route for gen-tie lines under 30 miles in length.
 - ◆ IPPs do not seek agreements for alternate routes after securing voluntary preferred routes. Requiring IPPs to propose two routes under current law creates confusion and concern with non-participating landowners on the alternate route that will never get built.

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Key Points (cont.)

- ◆ **Combine small gen-tie lines with the site permit for solar facilities.**
 - ◆ Small gen-tie lines fall below the threshold for PUC oversight and are instead permitted at the local level. Oftentimes, local governments are uncomfortable with permitting these lines because they lack the technical understanding to do so.
 - ◆ Combining small lines with site permits will give the PUC jurisdiction of them, simplifying the permitting process and aligning with original gen-tie line statutory intent and function.
- ◆ **Recognize the importance of local labor and community economic benefits.**
 - ◆ Echoing the recent Inflation Reduction Act passed at the Federal level, this bill authorizes the PUC to consider local labor and local economic benefits in various proceedings including large energy facility permits, integrated resource plans, utility cost recovery, and the bidding and procurement process.
 - ◆ This language emphasizes the value of including local workers and fostering local economies through the development, construction and maintenance of utility-scale renewable energy projects.
- ◆ **Allow the PUC to consider environmental and socioeconomic factors in permitting.**
 - ◆ Taken directly from the CN statute, this provision allows the PUC to consider broad environmental and socioeconomic factors when evaluating wind and solar permit applications.

Department of Commerce Provisions

- ◆ **Dept of Commerce may begin environmental review following PUC hearing and vote.**
 - ◆ Allows the Department of Commerce to initiate the environmental review process for a project immediately following a hearing and vote by the commission.
 - ◆ Currently, the Dept of Commerce must wait for a written order to begin environmental review, an unnecessary barrier to complete the permitting process.
- ◆ **Clarification on alternative solar sites for environmental review.**
 - ◆ When initiating the environmental review process for a solar project, this would clarify that the PUC need not propose alternative sites for review. Because solar energy systems are permitted under the alternative review process, a second location need not be proposed.
 - ◆ This provision, requested by EERA, eliminates a lengthy procedural step that has no material benefit because there are no reasonable alternatives that could be introduced.

Minnesota Renewable Energy Snapshot

Data from American Clean Power Association



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