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363.5 Section 1. **[16B.312] CONSTRUCTION MATERIALS; ENVIRONMENTAL**  
363.6 **ANALYSIS.**

156.26 Section 1. **[16B.312] CONSTRUCTION MATERIALS; ENVIRONMENTAL**  
156.27 **ANALYSIS.**

363.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
363.8 **the meanings given.**

156.28 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
156.29 **the meanings given.**

363.9 (b) "Carbon steel" means steel in which the main alloying element is carbon and whose  
363.10 **properties are chiefly dependent on the percentage of carbon present.**

156.30 (b) "Carbon steel" means steel in which the main alloying element is carbon and whose  
156.31 **properties are chiefly dependent on the percentage of carbon present.**

363.11 (c) "Commissioner" means the commissioner of administration.

156.32 (c) "Commissioner" means the commissioner of administration.

363.12 (d) "Electric arc furnace" means a furnace that produces molten alloy metal and heats  
363.13 **the charge materials with electric arcs from carbon electrodes.**

157.1 (d) "Electric arc furnace" means a furnace that produces molten alloy metal and heats  
157.2 **the charge materials with electric arcs from carbon electrodes.**

363.14 (e) "Eligible material" means:

157.3 (e) "Eligible material" means:

363.15 (1) **carbon steel rebar;**

157.4 (1) **carbon steel rebar;**

- 363.16 (2) structural steel;
- 363.17 (3) concrete; or
- 363.18 (4) asphalt paving mixtures.
- 363.19 (f) "Eligible project" means:
- 363.20 (1) new construction of a state building larger than 50,000 gross square feet of occupied
- 363.21 or conditioned space;
- 363.22 (2) renovation of more than 50,000 gross square feet of occupied or conditioned space
- 363.23 in a state building whose renovation cost exceeds 50 percent of the building's assessed value;
- 363.24 or
- 363.25 (3) new construction or reconstruction of two or more lane-miles of a trunk highway.
- 363.26 (g) "Environmental product declaration" means a supply chain specific type III
- 363.27 environmental product declaration that:
- 364.1 (1) contains a material production life cycle assessment of the environmental impacts
- 364.2 of manufacturing a specific product by a specific firm, including the impacts of extracting
- 364.3 and producing the raw materials and components that compose the product;
- 364.4 (2) is verified by a third party; and
- 364.5 (3) meets the ISO 14025 standard developed and maintained by the International
- 364.6 Organization for Standardization (ISO).
- 364.7 (h) "Global warming potential" has the meaning given in section 216H.10, subdivision
- 364.8 6.
- 364.9 (i) "Greenhouse gas" has the meaning given to "statewide greenhouse gas emissions"
- 364.10 in section 216H.01, subdivision 2.
- 364.11 (j) "Integrated steel production" means the production of iron and subsequently steel
- 364.12 primarily from iron ore or iron ore pellets.
- 364.13 (k) "Material production life cycle" means an analysis that includes the environmental
- 364.14 impacts of all stages of a specific product's production, from mining and processing the
- 364.15 product's raw materials to the process of manufacturing the product.
- 364.16 (l) "Rebar" means a steel reinforcing bar or rod encased in concrete.
- 364.17 (m) "Secondary steel production" means the production of steel from primarily ferrous
- 364.18 scrap and other metallic inputs that are melted and refined in an electric arc furnace.
- 364.19 (n) "State building" means a building owned by the state of Minnesota or a Minnesota
- 364.20 state agency.

- 157.5 (2) structural steel;
- 157.6 (3) concrete; or
- 157.7 (4) asphalt paving mixtures.
- 157.8 (f) "Eligible project" means:
- 157.9 (1) new construction of a state building larger than 50,000 gross square feet of occupied
- 157.10 or conditioned space;
- 157.11 (2) renovation of more than 50,000 gross square feet of occupied or conditioned space
- 157.12 in a state building whose renovation cost exceeds 50 percent of the building's assessed value;
- 157.13 or
- 157.14 (3) new construction or reconstruction of two or more lane-miles of a trunk highway.
- 157.15 (g) "Environmental product declaration" means a supply chain specific type III
- 157.16 environmental product declaration that:
- 157.17 (1) contains a material production lifecycle assessment of the environmental impacts of
- 157.18 manufacturing a specific product by a specific firm, including the impacts of extracting and
- 157.19 producing the raw materials and components that compose the product;
- 157.20 (2) is verified by a third party; and
- 157.21 (3) meets the ISO 14025 standard developed and maintained by the International
- 157.22 Organization for Standardization (ISO).
- 157.23 (h) "Global warming potential" has the meaning given in section 216H.10, subdivision
- 157.24 6.
- 157.25 (i) "Greenhouse gas" has the meaning given to "statewide greenhouse gas emissions"
- 157.26 in section 216H.01, subdivision 2.
- 157.27 (j) "Integrated steel production" means the production of iron and subsequently steel
- 157.28 primarily from iron ore or iron ore pellets.
- 158.1 (k) "Lifecycle" means an analysis that includes the environmental impacts of all stages
- 158.2 of a specific product's production, from mining and processing the product's raw materials
- 158.3 to the process of manufacturing the product.
- 158.4 (l) "Rebar" means a steel reinforcing bar or rod encased in concrete.
- 158.5 (m) "Secondary steel production" means the production of steel from primarily ferrous
- 158.6 scrap and other metallic inputs that are melted and refined in an electric arc furnace.
- 158.7 (n) "State building" means a building owned by the state of Minnesota or a Minnesota
- 158.8 state agency.

364.21 (o) "Structural steel" means steel that is used in structural applications in accordance  
364.22 with industry standard definitions.

364.23 (p) "Supply chain specific" means an environmental product declaration that includes  
364.24 specific data for the production processes of the materials and components composing a  
364.25 product that contribute at least 80 percent of the product's material production life cycle  
364.26 global warming potential, as defined in ISO standard 21930.

364.27 **Subd. 2. Standard; maximum global warming potential.** (a) The commissioner shall,  
364.28 after reviewing the recommendations from the Environmental Standards Procurement Task  
364.29 Force made under subdivision 5, paragraph (c), establish and publish a maximum acceptable  
364.30 global warming potential for each eligible material used in an eligible project, in accordance  
364.31 with the following schedule:

364.32 (1) for concrete used in buildings, no later than January 15, 2026; and

365.1 (2) for carbon steel rebar and structural steel and, after conferring with the commissioner  
365.2 of transportation, for asphalt paving mixtures and concrete pavement, no later than January  
365.3 15, 2028.

365.4 (b) The commissioner shall, after considering nationally or internationally recognized  
365.5 databases of environmental product declarations for an eligible material, establish the  
365.6 maximum acceptable global warming potential for the eligible material.

365.7 (c) The commissioner may set different maximum global warming potentials for different  
365.8 specific products and subproduct categories that are examples of the same eligible material  
365.9 based on distinctions between eligible material production and manufacturing processes,  
365.10 such as integrated versus secondary steel production.

365.11 (d) The commissioner must establish maximum global warming potentials that are  
365.12 consistent with criteria in an environmental product declaration.

365.13 (e) Not later than three years after establishing the maximum global warming potential  
365.14 for an eligible material under paragraph (a) and not longer than every three years thereafter  
365.15 the commissioner, after conferring with the commissioner of transportation with respect to  
365.16 asphalt paving mixtures and concrete pavement, shall review the maximum acceptable  
365.17 global warming potential for each eligible material and for specific eligible material products.  
365.18 The commissioner may adjust any of the values downward to reflect industry improvements  
365.19 if, based on the process described in paragraph (b), the commissioner determines the industry  
365.20 average has declined.

365.21 **Subd. 3. Procurement process.** The Department of Administration and the Department  
365.22 of Transportation shall, after reviewing the recommendations of the Environmental Standards  
365.23 Procurement Task Force made under subdivision 5, paragraph (c), establish processes for  
365.24 incorporating the maximum allowable global warming potential of eligible materials into  
365.25 bidding processes by the effective dates listed in subdivision 2.

158.9 (o) "Structural steel" means steel that is classified by the shape of the steel's  
158.10 cross-sections, such as I, T, and C shapes.

158.11 (p) "Supply chain specific" means an environmental product declaration that includes  
158.12 specific data for the production processes of the materials and components composing a  
158.13 product that contribute at least 80 percent of the product's material production lifecycle  
158.14 global warming potential, as defined in ISO standard 21930.

158.15 **Subd. 2. Standard; maximum global warming potential.** (a) The commissioner shall,  
158.16 after reviewing the recommendations from the Environmental Standards Procurement Task  
158.17 Force made under subdivision 5, paragraph (c), establish and publish a maximum acceptable  
158.18 global warming potential for each eligible material used in an eligible project, in accordance  
158.19 with the following schedule:

158.20 (1) for concrete used in buildings, no later than January 15, 2026; and

158.21 (2) for carbon steel rebar and structural steel and, after conferring with the commissioner  
158.22 of transportation, for asphalt paving mixtures and concrete pavement, no later than January  
158.23 15, 2028.

158.24 (b) The commissioner shall, after considering nationally or internationally recognized  
158.25 databases of environmental product declarations for an eligible material, establish the  
158.26 maximum acceptable global warming potential for the eligible material.

158.27 (c) The commissioner may set different maximum global warming potentials for different  
158.28 specific products and subproduct categories that are examples of the same eligible material  
158.29 based on distinctions between eligible material production and manufacturing processes,  
158.30 such as integrated versus secondary steel production.

158.31 (d) The commissioner must establish maximum global warming potentials that are  
158.32 consistent with criteria in an environmental product declaration.

159.1 (e) Not later than three years after establishing the maximum global warming potential  
159.2 for an eligible material under paragraph (a) and not longer than every three years thereafter  
159.3 the commissioner, after conferring with the commissioner of transportation with respect to  
159.4 asphalt paving mixtures and concrete pavement, shall review the maximum acceptable  
159.5 global warming potential for each eligible material and for specific eligible material products.  
159.6 The commissioner may adjust any of the values downward to reflect industry improvements  
159.7 if, based on the process described in paragraph (b), the commissioner determines the industry  
159.8 average has declined.

159.9 **Subd. 3. Procurement process.** The Department of Administration and the Department  
159.10 of Transportation shall, after reviewing the recommendations of the Environmental Standards  
159.11 Procurement Task Force made under subdivision 5, paragraph (c), establish processes for  
159.12 incorporating the maximum allowable global warming potential of eligible materials into  
159.13 bidding processes by the effective dates listed in subdivision 2. The Department of

365.26 Subd. 4. **Pilot program.** (a) No later than July 1, 2024, the Department of Administration  
365.27 must establish a pilot program that seeks to obtain from vendors an estimate of the material  
365.28 production life cycle greenhouse gas emissions of products selected by the departments  
365.29 from among those procured. The pilot program must encourage, but may not require, a  
365.30 vendor to submit the following data for each selected product that represents at least 90  
365.31 percent of the total cost of the materials or components composing the selected product:

- 365.32 (1) the quantity of the product purchased by the department;
- 365.33 (2) a current environmental product declaration for the product;
- 366.1 (3) the name and location of the product's manufacturer;
- 366.2 (4) a copy of the vendor's Supplier Code of Conduct, if any;
- 366.3 (5) the names and locations of the product's actual production facilities; and
- 366.4 (6) an assessment of employee working conditions at the product's production facilities.

366.5 (b) The Department of Administration must construct or provide access to a publicly  
366.6 accessible database, which shall be posted on the department's website and contain the data  
366.7 reported to the department under this subdivision.

366.8 Subd. 5. **Environmental Standards Procurement Task Force.** (a) No later than October  
366.9 1, 2023, the commissioners of administration and transportation must establish an  
366.10 Environmental Standards Procurement Task Force to examine issues surrounding the  
366.11 implementation of a program requiring vendors of certain construction materials purchased  
366.12 by the state to:

366.13 (1) submit environmental product declarations that assess the material production life  
366.14 cycle environmental impacts of the materials to state officials as part of the procurement  
366.15 process; and

366.16 (2) meet standards established by the commissioner of administration that limit  
366.17 greenhouse gas emissions impacts of the materials.

366.18 (b) The task force must examine, at a minimum, the following:

366.19 (1) which construction materials should be subject to the program requirements and  
366.20 which construction materials should be considered to be added, including lumber, mass  
366.21 timber, aluminum, glass, and insulation;

366.22 (2) what factors should be considered in establishing greenhouse gas emissions standards,  
366.23 including distinctions between eligible material production and manufacturing processes,  
366.24 such as integrated versus secondary steel production;

159.14 Administration and the Department of Transportation shall also incorporate a preference  
159.15 for materials mined, made, or assembled in Minnesota into the bidding processes.

159.16 Subd. 4. **Pilot program.** (a) No later than July 1, 2024, the Department of Administration  
159.17 must establish a pilot program that seeks to obtain from vendors an estimate of the material  
159.18 production lifecycle greenhouse gas emissions of products selected by the departments from  
159.19 among those procured. The pilot program must encourage, but may not require, a vendor  
159.20 to submit the following data for each selected product that represents at least 90 percent of  
159.21 the total cost of the materials or components composing the selected product:

- 159.22 (1) the quantity of the product purchased by the department;
- 159.23 (2) a current environmental product declaration for the product;
- 159.24 (3) the name and location of the product's manufacturer;
- 159.25 (4) a copy of the vendor's Supplier Code of Conduct, if any;
- 159.26 (5) the names and locations of the product's actual production facilities; and
- 159.27 (6) an assessment of employee working conditions at the product's production facilities.

159.28 (b) The Department of Administration must construct or provide access to a publicly  
159.29 accessible database, which shall be posted on the department's website and contain the data  
159.30 reported to the department under this subdivision.

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159.33 Environmental Standards Procurement Task Force to examine issues surrounding the  
160.1 implementation of a program requiring vendors of certain construction materials purchased  
160.2 by the state to:

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160.4 environmental impacts of the materials to state officials as part of the procurement process;  
160.5 and

160.6 (2) meet standards established by the commissioner of administration that limit  
160.7 greenhouse gas emissions impacts of the materials.

160.8 (b) The task force must examine, at a minimum, the following:

160.9 (1) which construction materials should be subject to the program requirements and  
160.10 which construction materials should be considered to be added, including lumber, aluminum,  
160.11 glass, and insulation;

160.12 (2) what factors should be considered in establishing greenhouse gas emissions standards,  
160.13 including distinctions between eligible material production and manufacturing processes,  
160.14 such as integrated versus secondary steel production;

366.25 (3) a schedule for the development of standards for specific materials and for  
366.26 incorporating the standards into the purchasing process, including distinctions between  
366.27 eligible material production and manufacturing processes;

366.28 (4) the development and use of financial incentives to reward vendors for developing  
366.29 products whose greenhouse gas emissions are below the standards;

366.30 (5) the provision of grants to defer a vendor's cost to obtain environmental product  
366.31 declarations;

367.1 (6) how to ensure that lowering environmental product declaration values does not  
367.2 negatively impact the durability or longevity of construction materials or built structures;

367.3 (7) how to create and manage a database for environmental product declaration data that  
367.4 is consistent with data governance procedures of the state and is compatible for data sharing  
367.5 with other states and federal agencies;

367.6 (8) how to account for differences among geographical regions with respect to the  
367.7 availability of covered materials, fuel, and other necessary resources, and the quantity of  
367.8 covered materials that the department uses or plans to use;

367.9 (9) coordinating with the federal Buy Clean Task Force established under Executive  
367.10 Order 14057 and representatives of the United States Departments of Commerce, Energy,  
367.11 Housing and Urban Development, and Transportation; Environmental Protection Agency;  
367.12 General Services Administration; White House Office of Management and Budget; and the  
367.13 White House Domestic Climate Policy Council;

367.14 (10) how the issues in clauses (1) to (9) are addressed by existing programs in other  
367.15 states and countries; and

367.16 (11) any other issues the task force deems relevant.

367.17 (c) The task force shall make recommendations to the commissioners of administration  
367.18 and transportation regarding:

367.19 (1) how to implement requirements that maximum global warming impacts for eligible  
367.20 materials be integrated into the bidding process for eligible projects;

367.21 (2) incentive structures that can be included in bidding processes to encourage the use  
367.22 of materials whose global warming potential is below the maximum established under  
367.23 subdivision 2;

367.24 (3) how a successful bidder for a contract notifies the commissioner of the specific  
367.25 environmental product declaration for a material used on a project;

367.26 (4) a process for waiving the requirements to procure materials below the maximum  
367.27 global warming potential resulting from product supply problems, geographic  
367.28 impracticability, or financial hardship;

160.15 (3) a schedule for the development of standards for specific materials and for  
160.16 incorporating the standards into the purchasing process, including distinctions between  
160.17 eligible material production and manufacturing processes;

160.18 (4) the development and use of financial incentives to reward vendors for developing  
160.19 products whose greenhouse gas emissions are below the standards;

160.20 (5) the provision of grants to defer a vendor's cost to obtain environmental product  
160.21 declarations;

160.22 (6) how to ensure that lowering environmental product declaration values does not  
160.23 negatively impact the durability or longevity of construction materials or built structures;

160.26 (8) coordinating with the federal Buy Clean Task Force established under Executive  
160.27 Order 14057 and representatives of the United States Departments of Commerce, Energy,  
160.28 Housing and Urban Development, and Transportation; Environmental Protection Agency;  
160.29 General Services Administration; White House Office of Management and Budget; and the  
160.30 White House Domestic Climate Policy Council; and

160.24 (7) how the issues in clauses (1) to (5) are addressed by existing programs in other states  
160.25 and countries;

160.31 (9) any other issues the task force deems relevant.

161.1 (c) The task force shall make recommendations to the commissioners of administration  
161.2 and transportation regarding:

161.3 (1) how to implement requirements that maximum global warming impacts for eligible  
161.4 materials be integrated into the bidding process for eligible projects;

161.5 (2) incentive structures that can be included in bidding processes to encourage the use  
161.6 of materials whose global warming potential is below the maximum established under  
161.7 subdivision 2;

161.8 (3) how a successful bidder for a contract notifies the commissioner of the specific  
161.9 environmental product declaration for a material used on a project;

161.10 (4) a process for waiving the requirements to procure materials below the maximum  
161.11 global warming potential resulting from product supply problems, geographic  
161.12 impracticability, or financial hardship;

367.29 (5) a system for awarding grants to manufacturers of eligible materials located in  
367.30 Minnesota to offset the cost of obtaining environmental product declarations or otherwise  
367.31 collect environmental product declaration data from manufacturers based in Minnesota;

368.1 (6) whether to use an industry average or a different method to set the maximum allowable  
368.2 global warming potential, or whether that average could be used for some materials but not  
368.3 others; and

368.4 (7) any other items the task force deems necessary in order to implement this section.

368.5 (d) Members of the task force must include but are not limited to representatives of:

368.6 (1) the Departments of Administration and Transportation;

368.7 (2) the Center for Sustainable Building Research at the University of Minnesota;

368.8 (3) the Aggregate and Ready Mix Association of Minnesota;

368.9 (4) the Concrete Paving Association of Minnesota;

368.10 (5) the Minnesota Asphalt Pavement Association;

368.11 (6) the Minnesota Board of Engineering;

368.12 (7) the Minnesota iron mining industry;

368.13 (8) building and transportation construction firms;

368.14 (9) the American Institute of Steel Construction;

368.15 (10) suppliers of eligible materials;

368.16 (11) organized labor in the construction trades;

368.17 (12) organized labor in the manufacturing or industrial sectors;

368.18 (13) environmental advocacy organizations; and

368.19 (14) environmental justice organizations.

368.20 (e) The Department of Administration must provide meeting space and serve as staff to  
368.21 the task force.

161.13 (5) a system for awarding grants to manufacturers of eligible materials located in  
161.14 Minnesota to offset the cost of obtaining environmental product declarations or otherwise  
161.15 collect environmental product declaration data from manufacturers based in Minnesota;

161.16 (6) whether to use an industry average or a different method to set the maximum allowable  
161.17 global warming potential, or whether that average could be used for some materials but not  
161.18 others;

161.19 (7) how to create and manage a database for environmental product declaration data that  
161.20 is consistent with data governance procedures of the departments and is compatible for data  
161.21 sharing with other states and federal agencies;

161.22 (8) how to account for differences among geographical regions with respect to the  
161.23 availability of covered materials, fuel and other necessary resources, and the quantity of  
161.24 covered materials that the department uses or plans to use; and

161.25 (9) any other items task force deems necessary in order to implement this section.

161.26 (d) Members of the task force must include but are not limited to representatives of:

161.27 (1) the Departments of Administration and Transportation;

161.28 (2) the Center for Sustainable Building Research at the University of Minnesota;

161.29 (3) the Aggregate and Ready Mix Association of Minnesota;

161.30 (4) the Concrete Paving Association of Minnesota;

161.31 (5) the Minnesota Asphalt Pavement Association;

162.1 (6) the Minnesota Board of Engineering;

162.2 (7) a representative of the Minnesota iron mining industry;

162.3 (8) building and transportation construction firms;

162.4 (9) suppliers of eligible materials;

162.5 (10) organized labor in the construction trades;

162.6 (11) organized labor in the manufacturing or industrial sectors;

162.7 (12) environmental advocacy organizations; and

162.8 (13) environmental justice organizations.

162.9 (e) The Department of Administration must provide meeting space and serve as staff to  
162.10 the task force.

368.22 (f) The commissioner of administration or the commissioner's designee shall serve as  
368.23 chair of the task force. The task force must meet at least four times annually and may convene  
368.24 additional meetings at the call of the chair.

368.25 (g) The commissioner of administration shall summarize the findings and  
368.26 recommendations of the task force in a report submitted to the chairs and ranking minority  
368.27 members of the senate and house of representatives committees with primary jurisdiction  
368.28 over state government, transportation, and energy no later than December 1, 2025, and  
368.29 annually thereafter for as long as the task force continues its operations.

369.1 (h) The task force is subject to section 15.059, subdivision 6.

369.2 (i) Meetings of the task force are subject to chapter 13D.

369.3 (j) The task force expires on January 1, 2029.

369.4 Subd. 6. **Environmental product declarations; grant program.** A grant program is  
369.5 established in the Department of Administration to award grants to assist manufacturers to  
369.6 obtain environmental product declarations. The commissioner of administration shall develop  
369.7 procedures for processing grant applications and making grant awards. Grant applicants  
369.8 must submit an application to the commissioner on a form prescribed by the commissioner.  
369.9 The commissioner shall act as fiscal agent for the grant program and is responsible for  
369.10 receiving and reviewing grant applications and awarding grants under this subdivision.

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

322.3 Section 1. Minnesota Statutes 2022, section 16B.325, is amended to read:

322.4 **16B.325 SUSTAINABLE BUILDING GUIDELINES.**

322.5 Subdivision 1. **Development of sustainable building guidelines.** The Department of  
322.6 Administration and the Department of Commerce, with the assistance of other agencies,  
322.7 shall develop sustainable building design guidelines for all new state buildings by January  
322.8 15, 2003, and for all major renovations of state buildings by February 1, 2009. ~~The primary~~  
322.9 ~~objectives of these guidelines are to ensure that all new state buildings, and major renovations~~  
322.10 ~~of state buildings, initially exceed the state energy code, as established in Minnesota Rules,~~  
322.11 ~~chapter 7676, by at least 30 percent.~~

322.12 Subd. 1a. **Definitions.** (a) For the purposes of this section, the following terms have the  
322.13 meanings given.

322.14 (b) "Capital project" or "project" means the acquisition or betterment of buildings or  
322.15 other fixed assets and other improvements of a capital nature.

162.11 (f) The commissioner of administration or the commissioner's designee shall serve as  
162.12 chair of the task force. The task force must meet at least four times annually and may convene  
162.13 additional meetings at the call of the chair.

162.14 (g) The commissioner of administration shall summarize the findings and  
162.15 recommendations of the task force in a report submitted to the chairs and ranking minority  
162.16 members of the senate and house of representatives committees with primary jurisdiction  
162.17 over state government, transportation, and energy no later than December 1, 2025, and  
162.18 annually thereafter for as long as the task force continues its operations.

162.19 (h) The task force is subject to section 15.059, subdivision 6.

162.20 (i) The task force expires on January 1, 2029.

162.21 Subd. 6. **Environmental product declarations; grant program.** A grant program is  
162.22 established in the Department of Administration to award grants to manufacturers to assist  
162.23 in obtaining environmental product declarations or in otherwise collecting environmental  
162.24 product declaration data from manufacturers in Minnesota. The commissioner of  
162.25 administration shall develop procedures for processing grant applications and making grant  
162.26 awards. Grant applicants must submit an application to the commissioner on a form  
162.27 prescribed by the commissioner. The commissioner shall act as fiscal agent for the grant  
162.28 program and is responsible for receiving and reviewing grant applications and awarding  
162.29 grants under this subdivision.

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

163.1 Sec. 2. Minnesota Statutes 2022, section 16B.325, **subdivision 2,** is amended to read:

322.16 (c) "CSBR" means the Center for Sustainable Building Research at the University of  
322.17 Minnesota.

322.18 (d) "Guidelines" means the sustainable building design guidelines developed under this  
322.19 section.

322.20 (e) "Major renovation" means a project that:

322.21 (1) has a renovated area that is at least 10,000 square feet; or

322.22 (2) includes, at a minimum, the replacement of the mechanical, ventilation, or cooling  
322.23 system of a building or a section of a building.

322.24 (f) "New building" means a newly constructed structure and additions to existing buildings  
322.25 that meet both of the following criteria:

322.26 (1) the addition is heated, whether or not the addition's source of energy is from an  
322.27 adjacent building or district heating system; and

322.28 (2) the addition is cooled, whether or not the addition's source of energy is from an  
322.29 adjacent building or district cooling system.

322.30 (g) "State agency" means a state agency that is appropriated money from the bond  
322.31 proceeds fund or general fund for a project that is subject to the guidelines under this section.

323.1 Subd. 2. ~~Lowest possible cost; energy conservation.~~ The guidelines must focus on  
323.2 achieving the lowest possible lifetime cost for new buildings and major renovations, and  
323.3 allow for changes in the guidelines that encourage continual energy conservation  
323.4 improvements in new buildings and major renovations. The guidelines shall define "major  
323.5 renovations" for purposes of this section. The definition may not allow "major renovations"  
323.6 to encompass less than 10,000 square feet or to encompass less than the replacement of the  
323.7 mechanical, ventilation, or cooling system of the building or a section of the building. The  
323.8 design guidelines must establish sustainability guidelines that include air quality and lighting  
323.9 standards and that create and maintain a healthy environment and facilitate productivity  
323.10 improvements; specify ways to reduce material costs; and must consider the long-term  
323.11 operating costs of the building, including the use of renewable energy sources and distributed  
323.12 electric energy generation that uses a renewable source or natural gas or a fuel that is as  
323.13 clean or cleaner than natural gas.

163.2 Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must:

163.3 (1) focus on achieving the lowest possible lifetime cost, considering both construction  
163.4 and operating costs, for new buildings and major renovations; and

163.5 (2) allow for changes in the guidelines revisions that encourage continual energy  
163.6 conservation improvements in new buildings and major renovations. The guidelines shall:

163.7 (3) define "major renovations" for purposes of this section. The definition may not allow  
163.8 "major renovations" to encompass not less than 10,000 square feet or to encompass not less  
163.9 than the replacement of the mechanical, ventilation, or cooling system of the a building or  
163.10 a building section of the building. The design guidelines must:

163.11 (4) establish sustainability guidelines that include air quality and lighting standards and  
163.12 that create and maintain a healthy environment and facilitate productivity improvements;

163.13 (5) establish resiliency guidelines to encourage design that allows buildings to adapt to  
163.14 and accommodate projected climate-related changes that are reflected in both acute events  
163.15 and chronic trends, including but not limited to changes in temperature and precipitation  
163.16 levels;

163.17 (6) specify ways to reduce material costs; and ~~must~~

- 323.14 Subd. 2a. **Guidelines; purpose.** (a) The primary objectives of the guidelines are to:
- 323.15 (1) reduce energy consumption and statewide greenhouse gas emissions, as defined in
- 323.16 section 216H.01, subdivision 2;
- 323.17 (2) improve the quality of the environment;
- 323.18 (3) achieve the lowest possible lifetime cost for new buildings and major renovations;
- 323.19 and
- 323.20 (4) encourage design of resilient buildings to adapt to and accommodate projected
- 323.21 climate-related changes that are reflected in both acute events and chronic trends, including
- 323.22 but not limited to changes in temperature and precipitation levels.
- 323.23 (b) The guidelines must consider the following to meet the objectives in paragraph (a):
- 323.24 (1) the health, well-being, and productivity of building occupants;
- 323.25 (2) material costs and sustainability;
- 323.26 (3) construction and operating costs;
- 323.27 (4) the use of renewable energy sources;
- 323.28 (5) water usage;
- 323.29 (6) diversion of waste from landfills;
- 323.30 (7) air quality and lighting standards;
- 323.31 (8) site design; and
- 324.1 (9) any other factors the commissioner deems relevant.
- 324.2 (c) The guidelines may be revised to encourage continual energy conservation
- 324.3 improvements in new buildings and major renovations.
- 324.4 Subd. 3. **Development of guidelines; applicability.** (a) In developing the guidelines,
- 324.5 the departments shall use an open process, including providing the opportunity for public
- 324.6 comment. The guidelines established under this section are mandatory for all new buildings
- 324.7 receiving funding from the bond proceeds fund after January 1, 2004, and for all major
- 324.8 renovations receiving funding from the bond proceeds fund after January 1, 2009. The
- 324.9 guidelines are also mandatory for all new buildings and major renovations receiving funding
- 324.10 from the general fund after January 1, 2023.
- 324.11 (b) The guidelines do not apply to projects that have:

- 163.18 (7) consider the long-term operating costs of the building, including the use of renewable
- 163.19 energy sources and distributed electric energy generation that uses a renewable source or
- 163.20 natural gas or a fuel that is as clean or cleaner than natural gas.

- 324.12 (1) already completed design at the time money is received from the bond proceeds fund  
324.13 or general fund; and
- 324.14 (2) not received an appropriation from the bond proceeds fund before January 1, 2023.
- 324.15 Subd. 4. **Guideline revisions.** ~~The commissioners of administration and commerce shall~~  
324.16 ~~review the guidelines periodically and as soon as practicable revise the guidelines to~~  
324.17 ~~incorporate performance standards developed under section 216B.241, subdivision 9.~~
- 324.18 Subd. 4a. **Guidelines; annual review.** On or before February 1, 2024, and each year  
324.19 thereafter, the commissioner of administration must review and amend the guidelines to  
324.20 better meet the goals under subdivision 6. The review must be conducted with the  
324.21 commissioner of commerce and in consultation with other stakeholders.
- 324.22 Subd. 5. **Guideline administration and oversight.** (a) The commissioner of  
324.23 administration, in consultation with the commissioner of commerce, shall contract with  
324.24 CSBR to administer the guidelines. At a minimum, CSBR must:
- 324.25 (1) offer training on an annual basis to state agencies, project team members, and other  
324.26 entities involved in designing projects subject to the guidelines on how projects may meet  
324.27 the guideline requirements;
- 324.28 (2) develop procedures for compliance with the guidelines, in accordance with the criteria  
324.29 under subdivision 7;
- 324.30 (3) periodically conduct postconstruction performance evaluations on projects to evaluate  
324.31 the effectiveness of the guidelines in meeting the goals under subdivision 6;
- 324.32 (4) determine whether project designs comply with the guidelines;
- 325.1 (5) administer a tracking system for all projects subject to the guidelines;
- 325.2 (6) develop measurable goals for the guidelines based in accordance with subdivision  
325.3 6;
- 325.4 (7) offer technical assistance to state agencies, project team members, and other entities  
325.5 with responsibility for managing and designing projects subject to the guidelines;
- 325.6 (8) provide a report on or before December 1 annually to the commissioner of  
325.7 administration on the following:
- 325.8 (i) the current status of all projects subject to the guidelines and the projects' compliance  
325.9 with the guidelines; and
- 325.10 (ii) an analysis of the effects of the guidelines on the goals under subdivision 6; and
- 325.11 (9) perform any other duties required by the commissioner of administration to administer  
325.12 the guidelines.

325.13 (b) State agencies, project team members, and other entities that are responsible for  
325.14 managing or designing projects subject to the guidelines must provide any compliance data  
325.15 requested by CSBR that CSBR deems necessary to fulfill the duties described under this  
325.16 subdivision.

325.17 (c) The commissioner of administration is responsible for ensuring that the oversight  
325.18 duties under this subdivision are fulfilled.

325.19 Subd. 6. **Measurable goals.** CSBR, in collaboration with the commissioner of  
325.20 administration and the commissioner of commerce, must develop measurable goals for the  
325.21 guidelines based on the objectives and considerations described in subdivision 2a. The  
325.22 commissioner of administration must provide final approval of the goals under this  
325.23 subdivision.

325.24 Subd. 7. **Procedures.** (a) The commissioner of administration must develop procedures  
325.25 to administer the guidelines. The commissioner of administration may delegate guideline  
325.26 administration responsibilities to state agencies. The procedures under this subdivision must  
325.27 specify the administrative activities for which state agencies are responsible.

325.28 (b) The procedures must include:

325.29 (1) criteria to identify whether a project is subject to the guidelines;

325.30 (2) information on project team member roles and guideline administration requirements  
325.31 for each role;

326.1 (3) a process to notify projects subject to the guidelines of the guideline requirements;

326.2 (4) a guideline-related data submission process coordinated by the commissioner of  
326.3 administration;

326.4 (5) activities and a timeline to monitor project compliance with the guidelines; and

326.5 (6) record-keeping requirements and related retention schedules for materials related to  
326.6 guideline compliance.

326.7 Subd. 8. **Guidelines waivers.** (a) The commissioner of administration, in consultation  
326.8 with the commissioner of commerce and other stakeholders, must develop a process to  
326.9 review and approve waivers to the guidelines.

326.10 (b) A waiver under this subdivision is only permitted due to technological limitations  
326.11 or when the project's intended use conflicts with the guidelines.

326.12 (c) A waiver request for a project owned by a state agency must be reviewed and approved  
326.13 by the commissioner of administration. If the waiver request is for a project owned by the  
326.14 Department of Administration, the waiver request must be approved by the commissioner  
326.15 of management and budget.

326.16 Subd. 9. **Report.** The commissioner of administration must report to the legislature by  
326.17 February 1 of each year. The report must include:

326.18 (1) information on the current status of all projects subject to the guidelines and the  
326.19 projects' compliance with the guidelines;

326.20 (2) an analysis of the effects of the guidelines on the measurable goals under subdivision  
326.21 6; and

326.22 (3) any other information the commissioner of administration deems relevant.

326.23 **EFFECTIVE DATE.** This section is effective July 1, 2023.

302.22 Section 1. Minnesota Statutes 2022, section 16B.58, is amended by adding a subdivision  
302.23 to read:

302.24 Subd. 9. **Electric vehicle charging.** A person that charges a privately owned electric  
302.25 vehicle at a charging station located within the Capitol Area, as defined in section 15B.02,  
302.26 must pay an electric service fee established by the commissioner.

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

302.28 Sec. 2. Minnesota Statutes 2022, section 16C.135, subdivision 3, is amended to read:

302.29 Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when  
302.30 purchasing a motor vehicle for the enterprise fleet or for use by an agency, the commissioner  
302.31 or the agency shall purchase a motor vehicle that is capable of being powered by cleaner  
303.1 fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid  
303.2 fuel, if the total life-cycle cost of ownership is less than or comparable to that of other  
303.3 vehicles and if the vehicle is capable the motor vehicle according to the following vehicle  
303.4 preference order:

303.5 (1) an electric vehicle;

303.6 (2) a hybrid electric vehicle;

303.7 (3) a vehicle capable of being powered by cleaner fuels; and

303.8 (4) a vehicle powered by gasoline or diesel fuel.

303.9 (b) The commissioner may only reject a vehicle that is higher on the vehicle preference  
303.10 order if:

303.11 (1) the vehicle type is incapable of carrying out the purpose for which it is purchased;  
303.12 or

303.13 (2) the total life-cycle cost of ownership of a preferred vehicle type is more than ten  
303.14 percent higher than the next vehicle type on the vehicle preference order.

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

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

163.22 Sec. 3. Minnesota Statutes 2022, section 16B.58, is amended by adding a subdivision to  
163.23 read:

163.24 Subd. 9. **Electric vehicle charging.** A person that charges a privately owned electric  
163.25 vehicle at a charging station located within the Capitol area, as defined in section 15B.02,  
163.26 must pay an electric service fee established by the commissioner.

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

163.28 Sec. 4. Minnesota Statutes 2022, section 16C.135, subdivision 3, is amended to read:

163.29 Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when  
163.30 purchasing a motor vehicle for the enterprise fleet or for use by an agency, the commissioner  
164.1 or the agency shall purchase a motor vehicle that is capable of being powered by cleaner  
164.2 fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid  
164.3 fuel, if the total life-cycle cost of ownership is less than or comparable to that of other  
164.4 vehicles and if the vehicle is capable the motor vehicle according to the following vehicle  
164.5 preference order:

164.6 (1) an electric vehicle;

164.7 (2) a hybrid electric vehicle;

164.8 (3) a vehicle capable of being powered by cleaner fuels; and

164.9 (4) a vehicle powered by gasoline or diesel fuel.

164.10 (b) The commissioner may only reject a vehicle that is higher on the vehicle preference  
164.11 order if:

164.12 (1) the vehicle type is incapable of carrying out the purpose for which it is purchased;  
164.13 or

164.14 (2) the total life-cycle cost of ownership of a preferred vehicle type is more than ten  
164.15 percent higher than the next vehicle type on the vehicle preference order.

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

303.16 Sec. 3. Minnesota Statutes 2022, section 16C.137, subdivision 1, is amended to read:

303.17 Subdivision 1. **Goals and actions.** Each state department must, whenever legally,  
303.18 technically, and economically feasible, subject to the specific needs of the department and  
303.19 responsible management of agency finances:

303.20 (1) ensure that all new on-road vehicles ~~purchased~~, excluding emergency and law  
303.21 enforcement vehicles, are purchased in conformity with the vehicle preference order  
303.22 established in section 16C.135, subdivision 3;

303.23 (i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;

303.24 (ii) ~~have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles~~  
303.25 ~~per gallon for highway usage, including but not limited to hybrid electric cars and~~  
303.26 ~~hydrogen-powered vehicles; or~~

303.27 (iii) ~~are powered solely by electricity;~~

303.28 (2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and  
303.29 hydrogen from agricultural products; and

304.1 (3) increase its use of web-based Internet applications and other electronic information  
304.2 technologies to enhance the access to and delivery of government information and services  
304.3 to the public, and reduce the reliance on the department's fleet for the delivery of such  
304.4 information and services.

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

413.3 Section 1. Minnesota Statutes 2022, section 116C.779, subdivision 1, is amended to read:

413.4 Subdivision 1. **Renewable development account.** (a) The renewable development  
413.5 account is established as a separate account in the special revenue fund in the state treasury.  
413.6 Appropriations and transfers to the account shall be credited to the account. Earnings, such  
413.7 as interest, dividends, and any other earnings arising from assets of the account, shall be  
413.8 credited to the account. Funds remaining in the account at the end of a fiscal year are not  
413.9 canceled to the general fund but remain in the account until expended. The account shall  
413.10 be administered by the commissioner of management and budget as provided under this  
413.11 section.

413.12 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating  
413.13 plant must transfer all funds in the renewable development account previously established  
413.14 under this subdivision and managed by the public utility to the renewable development  
413.15 account established in paragraph (a). Funds awarded to grantees in previous grant cycles  
413.16 that have not yet been expended and unencumbered funds required to be paid in calendar  
413.17 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject  
413.18 to transfer under this paragraph.

164.17 Sec. 5. Minnesota Statutes 2022, section 16C.137, subdivision 1, is amended to read:

164.18 Subdivision 1. **Goals and actions.** Each state department must, whenever legally,  
164.19 technically, and economically feasible, subject to the specific needs of the department and  
164.20 responsible management of agency finances:

164.21 (1) ensure that all new on-road vehicles ~~purchased~~, excluding emergency and law  
164.22 enforcement vehicles, are purchased in conformity with the vehicle preference order  
164.23 established in section 16C.135, subdivision 3;

164.24 (i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;

164.25 (ii) ~~have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles~~  
164.26 ~~per gallon for highway usage, including but not limited to hybrid electric cars and~~  
164.27 ~~hydrogen-powered vehicles; or~~

164.28 (iii) ~~are powered solely by electricity;~~

164.29 (2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and  
164.30 hydrogen from agricultural products; and

165.1 (3) increase its use of web-based Internet applications and other electronic information  
165.2 technologies to enhance the access to and delivery of government information and services  
165.3 to the public, and reduce the reliance on the department's fleet for the delivery of such  
165.4 information and services.

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

165.6 Sec. 6. Minnesota Statutes 2022, section 116C.779, subdivision 1, is amended to read:

165.7 Subdivision 1. **Renewable development account.** (a) The renewable development  
165.8 account is established as a separate account in the special revenue fund in the state treasury.  
165.9 Appropriations and transfers to the account shall be credited to the account. Earnings, such  
165.10 as interest, dividends, and any other earnings arising from assets of the account, shall be  
165.11 credited to the account. Funds remaining in the account at the end of a fiscal year are not  
165.12 canceled to the general fund but remain in the account until expended. The account shall  
165.13 be administered by the commissioner of management and budget as provided under this  
165.14 section.

165.15 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating  
165.16 plant must transfer all funds in the renewable development account previously established  
165.17 under this subdivision and managed by the public utility to the renewable development  
165.18 account established in paragraph (a). Funds awarded to grantees in previous grant cycles  
165.19 that have not yet been expended and unencumbered funds required to be paid in calendar  
165.20 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject  
165.21 to transfer under this paragraph.

413.19 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
413.20 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating  
413.21 plant must transfer to the renewable development account \$500,000 each year for each dry  
413.22 cask containing spent fuel that is located at the Prairie Island power plant for each year the  
413.23 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by  
413.24 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste  
413.25 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any  
413.26 part of a year. Each year, the amount the public utility must transfer to the renewable  
413.27 development account under this paragraph must be reduced by the amount of any per-cask  
413.28 payment made by the public utility to the Prairie Island Indian Community under section  
413.29 216B.1645, subdivision 4.

413.30 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
413.31 each January 15 thereafter, the public utility that owns the Monticello nuclear generating  
413.32 plant must transfer to the renewable development account \$350,000 each year for each dry  
413.33 cask containing spent fuel that is located at the Monticello nuclear power plant for each  
413.34 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered  
414.1 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear  
414.2 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for  
414.3 any part of a year.

414.4 (e) Each year, the public utility shall withhold from the funds transferred to the renewable  
414.5 development account under paragraphs (c) and (d) the amount necessary to pay its obligations  
414.6 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

414.7 (f) If the commission approves a new or amended power purchase agreement, the  
414.8 termination of a power purchase agreement, or the purchase and closure of a facility under  
414.9 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,  
414.10 the public utility subject to this section shall enter into a contract with the city in which the  
414.11 poultry litter plant is located to provide grants to the city for the purposes of economic  
414.12 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each  
414.13 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid  
414.14 by the public utility from funds withheld from the transfer to the renewable development  
414.15 account, as provided in paragraphs (b) and (e).

414.16 (g) If the commission approves a new or amended power purchase agreement, or the  
414.17 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
414.18 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
414.19 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
414.20 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
414.21 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
414.22 30 days after the commission approves the new or amended power purchase agreement, or  
414.23 the termination of the power purchase agreement, and on each June 1 thereafter through  
414.24 2021, to assist the transition required by the new, amended, or terminated power purchase

165.22 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
165.23 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating  
165.24 plant must transfer to the renewable development account \$500,000 each year for each dry  
165.25 cask containing spent fuel that is located at the Prairie Island power plant for each year the  
165.26 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by  
165.27 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste  
165.28 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any  
165.29 part of a year.

165.30 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
165.31 each January 15 thereafter, the public utility that owns the Monticello nuclear generating  
165.32 plant must transfer to the renewable development account \$350,000 each year for each dry  
165.33 cask containing spent fuel that is located at the Monticello nuclear power plant for each  
165.34 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered  
166.1 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear  
166.2 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for  
166.3 any part of a year.

166.4 (e) Each year, the public utility shall withhold from the funds transferred to the renewable  
166.5 development account under paragraphs (c) and (d) the amount necessary to pay its obligations  
166.6 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

166.7 (f) If the commission approves a new or amended power purchase agreement, the  
166.8 termination of a power purchase agreement, or the purchase and closure of a facility under  
166.9 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,  
166.10 the public utility subject to this section shall enter into a contract with the city in which the  
166.11 poultry litter plant is located to provide grants to the city for the purposes of economic  
166.12 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each  
166.13 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid  
166.14 by the public utility from funds withheld from the transfer to the renewable development  
166.15 account, as provided in paragraphs (b) and (e).

166.16 (g) If the commission approves a new or amended power purchase agreement, or the  
166.17 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
166.18 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
166.19 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
166.20 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
166.21 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
166.22 30 days after the commission approves the new or amended power purchase agreement, or  
166.23 the termination of the power purchase agreement, and on each June 1 thereafter through  
166.24 2021, to assist the transition required by the new, amended, or terminated power purchase

414.25 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
414.26 to the renewable development account as provided in paragraphs (b) and (e).

414.27 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)  
414.28 and (g) is limited to the amount deposited into the renewable development account, and its  
414.29 predecessor, the renewable development account, established under this section, that was  
414.30 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section  
414.31 10.

414.32 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello  
414.33 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued  
414.34 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued  
415.1 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year  
415.2 in which the commission finds, by the preponderance of the evidence, that the public utility  
415.3 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a  
415.4 permanent or interim storage site out of the state. This determination shall be made at least  
415.5 every two years.

415.6 (j) Funds in the account may be expended only for any of the following purposes:

415.7 (1) to stimulate research and development of renewable electric energy technologies;

415.8 (2) to encourage grid modernization, including, but not limited to, projects that implement  
415.9 electricity storage, load control, and smart meter technology; and

415.10 (3) to stimulate other innovative energy projects that reduce demand and increase system  
415.11 efficiency and flexibility.

415.12 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service  
415.13 from the utility that owns a nuclear-powered electric generating plant in this state or the  
415.14 Prairie Island Indian community or its members.

415.15 The utility that owns a nuclear generating plant is eligible to apply for grants under this  
415.16 subdivision.

415.17 (k) For the purposes of paragraph (j), the following terms have the meanings given:

415.18 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph  
415.19 (c), clauses (1), (2), (4), and (5); and

415.20 (2) "grid modernization" means:

415.21 (i) enhancing the reliability of the electrical grid;

415.22 (ii) improving the security of the electrical grid against cyberthreats and physical threats;  
415.23 and

415.24 (iii) increasing energy conservation opportunities by facilitating communication between  
415.25 the utility and its customers through the use of two-way meters, control technologies, energy

166.25 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
166.26 to the renewable development account as provided in paragraphs (b) and (e).

166.27 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)  
166.28 and (g) is limited to the amount deposited into the renewable development account, and its  
166.29 predecessor, the renewable development account, established under this section, that was  
166.30 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section  
166.31 10.

166.32 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello  
166.33 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued  
166.34 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued  
167.1 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year  
167.2 in which the commission finds, by the preponderance of the evidence, that the public utility  
167.3 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a  
167.4 permanent or interim storage site out of the state. This determination shall be made at least  
167.5 every two years.

167.6 (j) Funds in the account may be expended only for any of the following purposes:

167.7 (1) to stimulate research and development of renewable electric energy technologies;

167.8 (2) to encourage grid modernization, including, but not limited to, projects that implement  
167.9 electricity storage, load control, and smart meter technology; and

167.10 (3) to stimulate other innovative energy projects that reduce demand and increase system  
167.11 efficiency and flexibility.

167.12 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service  
167.13 from the utility that owns a nuclear-powered electric generating plant in this state or the  
167.14 Prairie Island Indian community or its members.

167.15 The utility that owns a nuclear generating plant is eligible to apply for grants under this  
167.16 subdivision.

167.17 (k) For the purposes of paragraph (j), the following terms have the meanings given:

167.18 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph  
167.19 (c), clauses (1), (2), (4), and (5); and

167.20 (2) "grid modernization" means:

167.21 (i) enhancing the reliability of the electrical grid;

167.22 (ii) improving the security of the electrical grid against cyberthreats and physical threats;  
167.23 and

167.24 (iii) increasing energy conservation opportunities by facilitating communication between  
167.25 the utility and its customers through the use of two-way meters, control technologies, energy

415.26 storage and microgrids, technologies to enable demand response, and other innovative  
415.27 technologies.

415.28 (l) A renewable development account advisory group that includes, among others,  
415.29 representatives of the public utility and its ratepayers, and includes at least one representative  
415.30 of the Prairie Island Indian community appointed by that community's tribal council, shall  
415.31 develop recommendations on account expenditures. The advisory group must design a  
415.32 request for proposal and evaluate projects submitted in response to a request for proposals.  
416.1 The advisory group must utilize an independent third-party expert to evaluate proposals  
416.2 submitted in response to a request for proposal, including all proposals made by the public  
416.3 utility. A request for proposal for research and development under paragraph (j), clause (1),  
416.4 may be limited to or include a request to higher education institutions located in Minnesota  
416.5 for multiple projects authorized under paragraph (j), clause (1). The request for multiple  
416.6 projects may include a provision that exempts the projects from the third-party expert review  
416.7 and instead provides for project evaluation and selection by a merit peer review grant system.  
416.8 In the process of determining request for proposal scope and subject and in evaluating  
416.9 responses to request for proposals, the advisory group must strongly consider, where  
416.10 reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

416.11 (m) The advisory group shall submit funding recommendations to the public utility,  
416.12 which has full and sole authority to determine which expenditures shall be submitted by  
416.13 the advisory group to the legislature. The commission may approve proposed expenditures,  
416.14 may disapprove proposed expenditures that it finds not to be in compliance with this  
416.15 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,  
416.16 modify proposed expenditures. The commission shall, by order, submit its funding  
416.17 recommendations to the legislature as provided under paragraph (n).

416.18 (n) The commission shall present its recommended appropriations from the account to  
416.19 the senate and house of representatives committees with jurisdiction over energy policy and  
416.20 finance annually by February 15. Expenditures from the account must be appropriated by  
416.21 law. In enacting appropriations from the account, the legislature:

416.22 (1) may approve or disapprove, but may not modify, the amount of an appropriation for  
416.23 a project recommended by the commission; and

416.24 (2) may not appropriate money for a project the commission has not recommended  
416.25 funding.

167.26 storage and microgrids, technologies to enable demand response, and other innovative  
167.27 technologies.

167.28 (l) A renewable development account advisory group that includes, among others,  
167.29 representatives of the public utility and its ratepayers, and includes at least one representative  
167.30 of the Prairie Island Indian community appointed by that community's tribal council, shall  
167.31 develop recommendations on account expenditures. The advisory group must design a  
167.32 request for proposal and evaluate projects submitted in response to a request for proposals.  
168.1 The advisory group must utilize an independent third-party expert to evaluate proposals  
168.2 submitted in response to a request for proposal, including all proposals made by the public  
168.3 utility. A request for proposal for research and development under paragraph (j), clause (1),  
168.4 may be limited to or include a request to higher education institutions located in Minnesota  
168.5 for multiple projects authorized under paragraph (j), clause (1). The request for multiple  
168.6 projects may include a provision that exempts the projects from the third-party expert review  
168.7 and instead provides for project evaluation and selection by a merit peer review grant system.  
168.8 In the process of determining request for proposal scope and subject and in evaluating  
168.9 responses to request for proposals, the advisory group must strongly consider, where  
168.10 reasonable,

168.11 (1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers;  
168.12 and

168.13 (2) the proposer's commitment to increasing the diversity of the proposer's workforce  
168.14 and vendors.

168.15 (m) The advisory group shall submit funding recommendations to the public utility,  
168.16 which has full and sole authority to determine which expenditures shall be submitted by  
168.17 the advisory group to the legislature. The commission may approve proposed expenditures,  
168.18 may disapprove proposed expenditures that it finds not to be in compliance with this  
168.19 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,  
168.20 modify proposed expenditures. The commission shall, by order, submit its funding  
168.21 recommendations to the legislature as provided under paragraph (n).

168.22 (n) The commission shall present its recommended appropriations from the account to  
168.23 the senate and house of representatives committees with jurisdiction over energy policy and  
168.24 finance annually by February 15. Expenditures from the account must be appropriated by  
168.25 law. In enacting appropriations from the account, the legislature:

168.26 (1) may approve or disapprove, but may not modify, the amount of an appropriation for  
168.27 a project recommended by the commission; and

168.28 (2) may not appropriate money for a project the commission has not recommended  
168.29 funding.

416.26 (o) A request for proposal for renewable energy generation projects must, when feasible  
416.27 and reasonable, give preference to projects that are most cost-effective for a particular energy  
416.28 source.

416.29 (p) The advisory group must annually, by February 15, report to the chairs and ranking  
416.30 minority members of the legislative committees with jurisdiction over energy policy on  
416.31 projects funded by the account for the prior year and all previous years. The report must,  
416.32 to the extent possible and reasonable, itemize the actual and projected financial benefit to  
416.33 the public utility's ratepayers of each project.

417.1 (q) By February 1, 2018, and each February 1 thereafter, the commissioner of  
417.2 management and budget shall submit a written report regarding the availability of funds in  
417.3 and obligations of the account to the chairs and ranking minority members of the senate  
417.4 and house committees with jurisdiction over energy policy and finance, the public utility,  
417.5 and the advisory group.

417.6 (r) A project receiving funds from the account must produce a written final report that  
417.7 includes sufficient detail for technical readers and a clearly written summary for nontechnical  
417.8 readers. The report must include an evaluation of the project's financial, environmental, and  
417.9 other benefits to the state and the public utility's ratepayers.

417.10 (s) Final reports, any mid-project status reports, and renewable development account  
417.11 financial reports must be posted online on a public website designated by the commissioner  
417.12 of commerce.

417.13 (t) All final reports must acknowledge that the project was made possible in whole or  
417.14 part by the Minnesota renewable development account, noting that the account is financed  
417.15 by the public utility's ratepayers.

417.16 (u) Of the amount in the renewable development account, priority must be given to  
417.17 making the payments required under section 216C.417.

417.18 (v) Construction projects receiving funds from this account are subject to the requirement  
417.19 to pay the prevailing wage rate, as defined in section 177.42 and the requirements and  
417.20 enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

417.21 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
417.22 applies to construction contracts entered into on or after that date.

385.23 Section 1. Minnesota Statutes 2022, section 116C.7792, is amended to read:

385.24 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

385.25 (a) The utility subject to section 116C.779 shall operate a program to provide solar  
385.26 energy production incentives for solar energy systems of no more than a total aggregate  
385.27 nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar

168.30 (o) A request for proposal for renewable energy generation projects must, when feasible  
168.31 and reasonable, give preference to projects that are most cost-effective for a particular energy  
168.32 source.

169.1 (p) The advisory group must annually, by February 15, report to the chairs and ranking  
169.2 minority members of the legislative committees with jurisdiction over energy policy on  
169.3 projects funded by the account for the prior year and all previous years. The report must,  
169.4 to the extent possible and reasonable, itemize the actual and projected financial benefit to  
169.5 the public utility's ratepayers of each project.

169.6 (q) By February 1, 2018, and each February 1 thereafter, the commissioner of  
169.7 management and budget shall submit a written report regarding the availability of funds in  
169.8 and obligations of the account to the chairs and ranking minority members of the senate  
169.9 and house committees with jurisdiction over energy policy and finance, the public utility,  
169.10 and the advisory group.

169.11 (r) A project receiving funds from the account must produce a written final report that  
169.12 includes sufficient detail for technical readers and a clearly written summary for nontechnical  
169.13 readers. The report must include an evaluation of the project's financial, environmental, and  
169.14 other benefits to the state and the public utility's ratepayers. A project receiving funds from  
169.15 the account must submit a report that meets the requirements of section 216C.51, subdivisions  
169.16 3 and 4, each year the project funded by the account is in progress.

169.17 (s) Final reports, any mid-project status reports, and renewable development account  
169.18 financial reports must be posted online on a public website designated by the commissioner  
169.19 of commerce.

169.20 (t) All final reports must acknowledge that the project was made possible in whole or  
169.21 part by the Minnesota renewable development account, noting that the account is financed  
169.22 by the public utility's ratepayers.

169.23 (u) Of the amount in the renewable development account, priority must be given to  
169.24 making the payments required under section 216C.417.

169.25 (v) Construction projects receiving funds from this account are subject to the requirement  
169.26 to pay the prevailing wage rate, as defined in section 177.42 and the requirements and  
169.27 enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

169.28 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
169.29 applies to construction contracts entered into on or after that date.

170.1 Sec. 7. Minnesota Statutes 2022, section 116C.7792, is amended to read:

170.2 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

170.3 (a) The utility subject to section 116C.779 shall operate a program to provide solar  
170.4 energy production incentives for solar energy systems of no more than a total aggregate  
170.5 nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar

385.28 energy system installed before June 1, 2018, is eligible to receive a production incentive  
385.29 under this section for any additional solar energy systems constructed at the same customer  
385.30 location, provided that the aggregate capacity of all systems at the customer location does  
385.31 not exceed 40 kilowatts.

386.1 (b) The program is funded by money withheld from transfer to the renewable development  
386.2 account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must  
386.3 be placed in a separate account for the purpose of the solar energy production incentive  
386.4 program operated by the utility and not for any other program or purpose.

386.5 (c) Funds allocated to the solar energy production incentive program in 2019 and 2020  
386.6 remain available to the solar energy production incentive program.

386.7 (d) The following amounts are allocated to the solar energy production incentive program:  
386.8 (1) \$10,000,000 in 2021;  
386.9 (2) \$10,000,000 in 2022;  
386.10 (3) ~~\$5,000,000~~ in 2023; ~~and~~  
386.11 (4) ~~\$5,000,000~~ \$10,000,000 in 2024; ~~and~~  
386.12 (5) \$5,000,000 in 2025.

386.13 (e) Notwithstanding the Department of Commerce's November 14, 2018, decision in  
386.14 Docket No. E002/M-13-1015 regarding operation of the utility's solar energy production  
386.15 incentive program, of the amounts allocated under paragraph (d), clauses (3), (4), and (5),  
386.16 \$5,000,000 in each year must be reserved for solar energy systems whose installation meets  
386.17 the eligibility standards for the low-income program established in the November 14, 2018,  
386.18 decision or successor decisions of the department. All other program operations of the solar  
386.19 energy production incentive program are governed by the provisions of the November 14,  
386.20 2018, decision or successor decisions of the department.

386.21 ~~(f)~~ (f) Funds allocated to the solar energy production incentive program that have not  
386.22 been committed to a specific project at the end of a program year remain available to the  
386.23 solar energy production incentive program.

386.24 ~~(g)~~ (g) Any unspent amount remaining on January 1, ~~2025~~ 2028, must be transferred to  
386.25 the renewable development account.

386.26 ~~(h)~~ (h) A solar energy system receiving a production incentive under this section must  
386.27 be sized to less than 120 percent of the customer's on-site annual energy consumption when  
386.28 combined with other distributed generation resources and subscriptions provided under  
386.29 section 216B.1641 associated with the premise. The production incentive must be paid for  
386.30 ten years commencing with the commissioning of the system.

386.31 ~~(i)~~ (i) The utility must file a plan to operate the program with the commissioner of  
386.32 commerce. The utility may not operate the program until it is approved by the commissioner.

170.6 energy system installed before June 1, 2018, is eligible to receive a production incentive  
170.7 under this section for any additional solar energy systems constructed at the same customer  
170.8 location, provided that the aggregate capacity of all systems at the customer location does  
170.9 not exceed 40 kilowatts.

170.10 (b) The program is funded by money withheld from transfer to the renewable development  
170.11 account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must  
170.12 be placed in a separate account for the purpose of the solar energy production incentive  
170.13 program operated by the utility and not for any other program or purpose.

170.14 (c) Funds allocated to the solar energy production incentive program in 2019 and 2020  
170.15 remain available to the solar energy production incentive program.

170.16 (d) The following amounts are allocated to the solar energy production incentive program:  
170.17 (1) \$10,000,000 in 2021;  
170.18 (2) \$10,000,000 in 2022;  
170.19 (3) ~~\$5,000,000~~ \$10,000,000 in 2023; ~~and~~  
170.20 (4) ~~\$5,000,000~~ \$15,000,000 in 2024.

170.21 (e) Of the amounts allocated under paragraph (d), clauses (3) and (4), half in each year  
170.22 must be reserved for solar energy systems owned and constructed by persons with limited  
170.23 financial resources.

170.24 ~~(f)~~ (f) Funds allocated to the solar energy production incentive program that have not  
170.25 been committed to a specific project at the end of a program year remain available to the  
170.26 solar energy production incentive program.

170.27 ~~(g)~~ (g) Any unspent amount remaining on January 1, ~~2025~~ 2028, must be transferred to  
170.28 the renewable development account.

170.29 ~~(h)~~ (h) A solar energy system receiving a production incentive under this section must  
170.30 be sized to less than 120 percent of the customer's on-site annual energy consumption when  
170.31 combined with other distributed generation resources and subscriptions provided under  
171.1 section 216B.1641 associated with the premise. The production incentive must be paid for  
171.2 ten years commencing with the commissioning of the system.

171.3 ~~(i)~~ (i) The utility must file a plan to operate the program with the commissioner of  
171.4 commerce. The utility may not operate the program until it is approved by the commissioner.

387.1 A change to the program to include projects up to a nameplate capacity of 40 kilowatts or  
387.2 less does not require the utility to file a plan with the commissioner. Any plan approved by  
387.3 the commissioner of commerce must not provide an increased incentive scale over prior  
387.4 years unless the commissioner demonstrates that changes in the market for solar energy  
387.5 facilities require an increase.

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

387.7 Sec. 2. **[116C.7793] SOLAR ENERGY; CONTINGENCY ACCOUNT.**

387.8 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
387.9 the meanings given.

387.10 (b) "Agency" means the Minnesota Pollution Control Agency.

387.11 (c) "Area C" means the site located west of Mississippi River Boulevard in St. Paul that  
387.12 served as an industrial waste dump for the former Ford Twin Cities Assembly Plant.

387.13 (d) "Corrective action determination" means a decision by the agency regarding actions  
387.14 to be taken to remediate contaminated soil and groundwater at Area C.

387.15 (e) "Owner" means the owner of a solar energy generating system planned to be deployed  
387.16 at Area C.

387.17 (f) "Solar energy generating system" has the meaning given in section 216E.01,  
387.18 subdivision 9a.

387.19 Subd. 2. **Account established.** The Area C contingency account is established as a  
387.20 separate account in the special revenue fund in the state treasury. Transfers and appropriations  
387.21 to the account, and any earnings or dividends accruing to assets in the account, must be  
387.22 credited to the account. The commissioner shall serve as fiscal agent and shall manage the  
387.23 account.

387.24 Subd. 3. **Distribution of funds; conditions.** Money from the account is appropriated  
387.25 to the commissioner and may be distributed to the owner of a solar energy generating system  
387.26 planned to be deployed at Area C under the following conditions:

387.27 (1) the agency issues a corrective action determination after the owner has begun to  
387.28 design or construct the project, and implementation of the corrective action results in a need  
387.29 for (i) the project to be redesigned, or (ii) construction to be interrupted or altered; or

171.5 A change to the program to include projects up to a nameplate capacity of 40 kilowatts or  
171.6 less does not require the utility to file a plan with the commissioner. Any plan approved by  
171.7 the commissioner of commerce must not provide an increased incentive scale over prior  
171.8 years unless the commissioner demonstrates that changes in the market for solar energy  
171.9 facilities require an increase.

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

171.11 Sec. 8. **[116C.7793] SOLAR ENERGY; CONTINGENCY ACCOUNT.**

171.12 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
171.13 the meanings given.

171.14 (b) "Agency" means the Minnesota Pollution Control Agency.

171.16 (d) "Area C" means the site located west of Mississippi River Boulevard in St. Paul that  
171.17 served as an industrial waste dump for the former Ford Twin Cities Assembly Plant.

171.15 (c) "Commissioner" means the commissioner of commerce.

171.18 (e) "Corrective action determination" means a decision by the agency regarding actions  
171.19 to be taken to remediate contaminated soil and groundwater at Area C.

171.20 (f) "Owner" means the owner of the solar energy generating system planned to be  
171.21 deployed at Area C.

171.22 (g) "Solar energy generating system" has the meaning given in section 216E.01,  
171.23 subdivision 9a.

171.24 Subd. 2. **Account established.** (a) The Area C contingency account is established as a  
171.25 separate account in the special revenue fund in the state treasury. Transfers and appropriations  
171.26 to the account, and any earnings or dividends accruing to assets in the account, must be  
171.27 credited to the account. The commissioner shall serve as fiscal agent and shall manage the  
171.28 account.

171.29 (b) Money in the account is appropriated to the commissioner to make payments to an  
171.30 owner under this section.

172.1 Subd. 3. **Distribution of funds; conditions.** Money from the account may be distributed  
172.2 by the commissioner to the owner of a solar energy generating system planned to be deployed  
172.3 at Area C under the following conditions:

172.4 (1) the agency issues a corrective action determination after the owner has begun to  
172.5 design or construct the project, and the nature of the corrective action determination requires  
172.6 (i) the project to be redesigned, or (ii) construction to be interrupted or altered; or

387.30 (2) the agency issues a corrective action determination whose work plan results in  
387.31 temporary cessation or partial or complete removal of the solar energy generating system  
387.32 after it has become operational.

388.1 Subd. 4. **Distribution of funds; process.** (a) The owner may file a request for distribution  
388.2 of funds from the commissioner if either of the conditions in subdivision 3 occur. The filing  
388.3 must (1) describe the nature of the impact of the work plan that results in economic losses  
388.4 to the owner, and (2) include a reasonable estimate of the amount of those losses.

388.5 (b) The owner must provide the commissioner with information the commissioner  
388.6 determines to be necessary to assist in the review of the filing required under this subdivision.

388.7 (c) The commissioner shall review the owner's filing within 60 days of submission and  
388.8 shall approve a request the commissioner determines is reasonable.

388.9 Subd. 5. **Expenditures.** Money distributed by the commissioner to the owner under this  
388.10 section may be used by the owner only to pay for:

388.11 (1) removal, storage, and transportation costs incurred for removal of the solar energy  
388.12 generating system or any associated infrastructure, and any costs to reinstall equipment;

388.13 (2) costs of redesign or new equipment or infrastructure made necessary by the activities  
388.14 of the agency's work plan;

388.15 (3) lost revenues resulting from the inability of the solar energy generating system to  
388.16 generate sufficient electricity to fulfill the terms of the power purchase agreement between  
388.17 the owner and the purchaser of electricity generated by the solar energy generating system;

388.18 (4) other damages incurred under the power purchase agreement resulting from the  
388.19 cessation of operations made necessary by the activities of the agency's work plan; and

388.20 (5) the cost of energy required to replace the energy that was to be generated by the solar  
388.21 energy generating system and purchased under the power purchase agreement.

388.22 Subd. 6. **Report.** Beginning July 1, 2026, and every three years thereafter, the agency  
388.23 must submit a written report to the chairs and ranking minority members of the senate and  
388.24 house of representatives committees with jurisdiction over environment and energy assessing  
388.25 the likelihood of the agency approving a corrective action determination to remediate Area  
388.26 C.

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

172.7 (2) the agency issues a corrective action determination whose work plan requires  
172.8 temporary cessation or partial or complete removal of the solar energy generating system  
172.9 after it has become operational.

172.10 Subd. 4. **Distribution of funds; process.** (a) The owner may file a request for distribution  
172.11 of funds from the commissioner if either of the conditions in subdivision 3 occur. The filing  
172.12 must (1) describe the nature of the impact of the agency's work plan that results in economic  
172.13 losses to the owner, and (2) include a reasonable estimate of the amount of those losses.

172.14 (b) The owner must provide the commissioner with information the commissioner  
172.15 determines to be necessary to assist in the review of the filing required under this subdivision.

172.16 (c) The commissioner shall review the owner's filing within 60 days of submission and  
172.17 shall approve a request the commissioner determines is reasonable.

172.18 Subd. 5. **Expenditures.** Money distributed by the commissioner to the owner under this  
172.19 section may be used by the owner only to pay for:

172.20 (1) removal, storage, and transportation costs incurred for removal of the solar energy  
172.21 generating system or any associated infrastructure, and any costs to reinstall equipment;

172.22 (2) costs of redesign or new equipment or infrastructure made necessary by the activities  
172.23 of the agency's work plan;

172.24 (3) lost revenues resulting from the inability of the solar energy generating system to  
172.25 generate sufficient electricity to fulfill the terms of the power purchase agreement between  
172.26 the owner and the purchaser of electricity generated by the solar energy generating system;

172.27 (4) other damages incurred under the power purchase agreement resulting from the  
172.28 cessation of operations made necessary by the activities of the agency's work plan; and

172.29 (5) the cost of energy required to replace the energy that was to be generated by the solar  
172.30 energy generating system and purchased under the power purchase agreement.

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

173.1 Sec. 9. **[123B.661] AIR VENTILATION PROGRAM ACT.**

173.2 Sections 123B.661 to 123B.663 may be cited as the "Air Ventilation Program Act."

417.23 Sec. 2. **[123B.662] DEFINITIONS.**

417.24 Subdivision 1. **General.** For purposes of this section and section 123B.663, the terms  
417.25 in this section have the meanings given unless the language or context clearly indicates that  
417.26 a different meaning is intended.

417.27 Subd. 2. **ANSI.** "ANSI" means American National Standards Institute.

417.28 Subd. 3. **ASHRAE.** "ASHRAE" means American Society of Heating Refrigeration Air  
417.29 Conditioning Engineers.

417.30 Subd. 4. **Certified TAB technician.** "Certified TAB technician" means a technician  
417.31 certified to perform testing, adjusting, and balancing of HVAC systems by the Associated  
418.1 Air Balance Council, National Environmental Balancing Bureau, or the Testing, Adjusting  
418.2 and Balancing Bureau.

418.3 Subd. 5. **HVAC.** "HVAC" means heating, ventilation, and air conditioning.

418.4 Subd. 6. **Licensed professional engineer.** "Licensed professional engineer" means a  
418.5 professional engineer licensed under sections 326.02 to 326.15 who holds an active license,  
418.6 is in good standing, and is not subject to any disciplinary or other actions with the Board  
418.7 of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and  
418.8 Interior Design.

418.9 Subd. 7. **MERV.** "MERV" means minimum efficiency reporting value established by  
418.10 ASHRAE Standard 52.2-2017 - Method of Testing General Ventilation Air-Cleaning Devices  
418.11 for Removal Efficiency by Particle Size.

418.12 Subd. 8. **Program.** "Program" means the air ventilation program.

418.13 Subd. 9. **Program administrator.** "Program administrator" means the commissioner  
418.14 of commerce or the commissioner's representative.

418.15 Subd. 10. **Qualified adjusting personnel.** "Qualified adjusting personnel" means one  
418.16 of the following:

418.17 (1) a certified TAB technician; or

418.18 (2) a skilled and trained workforce under the supervision of a certified TAB technician.

418.19 Subd. 11. **Qualified testing personnel.** "Qualified testing personnel" means one of the  
418.20 following:

418.21 (1) a certified TAB technician; or

418.22 (2) a skilled and trained workforce under the supervision of a certified TAB technician.

173.3 Sec. 10. **[123B.662] DEFINITIONS.**

173.4 Subdivision 1. **General.** For purposes of sections 123B.661 to 123B.663, the terms in  
173.5 this section have the meanings given unless the language or context clearly indicates that  
173.6 a different meaning is intended.

173.7 Subd. 2. **ANSI.** "ANSI" means American National Standards Institute.

173.8 Subd. 3. **ASHRAE.** "ASHRAE" means American Society of Heating Refrigeration Air  
173.9 Conditioning Engineers.

173.10 Subd. 4. **Certified TAB technician.** "Certified TAB technician" means a technician  
173.11 certified to perform testing, adjusting, and balancing of HVAC systems by the Associated  
173.12 Air Balance Council, National Environmental Balancing Bureau, or the Testing, Adjusting  
173.13 and Balancing Bureau.

173.14 Subd. 5. **HVAC.** "HVAC" means heating, ventilation, and air conditioning.

173.15 Subd. 6. **Licensed professional engineer.** "Licensed professional engineer" means a  
173.16 professional engineer licensed under sections 326.02 to 326.15 who holds an active license,  
173.17 is in good standing, and is not subject to any disciplinary or other actions with the Board  
173.18 of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and  
173.19 Interior Design.

173.20 Subd. 7. **MERV.** "MERV" means minimum efficiency reporting value established by  
173.21 ASHRAE Standard 52.2-2017 - Method of Testing General Ventilation Air-Cleaning Devices  
173.22 for Removal Efficiency by Particle Size.

173.23 Subd. 8. **Program.** "Program" means the air ventilation program.

173.24 Subd. 9. **Program administrator.** "Program administrator" means the commissioner  
173.25 of commerce or the commissioner's representative.

173.26 Subd. 10. **Qualified adjusting personnel.** "Qualified adjusting personnel" means one  
173.27 of the following:

173.28 (1) a certified TAB technician; or

173.29 (2) a skilled and trained workforce under the supervision of a certified TAB technician.

173.30 Subd. 11. **Qualified testing personnel.** "Qualified testing personnel" means one of the  
173.31 following:

174.1 (1) a certified TAB technician; or

174.2 (2) a skilled and trained workforce under the supervision of a certified TAB technician.

418.23 Subd. 12. **Registered apprenticeship program.** "Registered apprenticeship program"  
418.24 means an apprenticeship program that is registered under chapter 178 or Code of Federal  
418.25 Regulations, title 29, part 29.

418.26 Subd. 13. **Skilled and trained workforce.** "Skilled and trained workforce" means a  
418.27 workforce in which at least 80 percent of the construction workers are either graduates of  
418.28 a registered apprenticeship program for the applicable occupation or are registered as  
418.29 apprentices in a registered apprenticeship program for the applicable occupation.

418.30 Subd. 14. **TAB.** "TAB" means testing, adjusting, and balancing of an HVAC system.  
418.31 EFFECTIVE DATE. This section is effective the day following final enactment.

419.1 Sec. 3. **[123B.663] AIR VENTILATION PILOT PROGRAM GRANTS AND**  
419.2 **GUIDELINES.**

419.3 Subdivision 1. **Grant program.** The Department of Commerce shall establish and  
419.4 administer the air ventilation program to award grants to school boards to reimburse the  
419.5 school boards for the following activities:

419.6 (1) completion of a heating, ventilation, and air conditioning assessment report;  
419.7 (2) subsequent testing, adjusting balancing work performed as a result of assessment;  
419.8 and

419.9 (3) ventilation equipment upgrades, replacements, or other measures recommended by  
419.10 the assessment to improve health, safety, and HVAC system efficiency.

419.11 Subd. 2. **Grant awards.** (a) The program administrator shall award a grant if the school  
419.12 board meets the following requirements:

419.13 (1) completes a heating, ventilation, and air conditioning assessment report by qualified  
419.14 testing personnel or qualified adjusting personnel. The report must be verified by a licensed  
419.15 professional engineer and include costs of adjustments or repairs necessary to meet minimum  
419.16 ventilation and filtration requirements and determine whether any cost-effective energy  
419.17 efficiency upgrades or replacements are warranted or recommended;

419.18 (2) all work required after conducting the assessment must be performed by a skilled  
419.19 and trained workforce;

419.20 (3) upon completion of the work for which a school board is seeking reimbursement,  
419.21 the school board must conduct an HVAC verification report that includes the name and  
419.22 address of the school facility and individual or contractor preparing and certifying the report  
419.23 and a description of the assessment, maintenance, adjustment, repair, upgrade, and  
419.24 replacement activities and outcomes; and

419.25 (4) verification that the school board has complied with all requirements. Verification  
419.26 must include documentation that either MERV 13 filters have been installed or verification  
419.27 that the maximum MERV-rated filter that the system is able to effectively handle has been

174.3 Subd. 12. **Registered apprenticeship program.** "Registered apprenticeship program"  
174.4 means an apprenticeship program that is registered under chapter 178 or Code of Federal  
174.5 Regulations, title 29, part 29.

174.6 Subd. 13. **Skilled and trained workforce.** "Skilled and trained workforce" means a  
174.7 workforce in which at least 80 percent of the construction workers are either graduates of  
174.8 a registered apprenticeship program for the applicable occupation or are registered as  
174.9 apprentices in a registered apprenticeship program for the applicable occupation.

174.10 Subd. 14. **TAB.** "TAB" means testing, adjusting, and balancing of an HVAC system.  
174.11 EFFECTIVE DATE. This section is effective the day following final enactment.

174.12 Sec. 11. **[123B.663] AIR VENTILATION PILOT PROGRAM GRANTS AND**  
174.13 **GUIDELINES.**

174.14 Subdivision 1. **Grant program.** The Department of Commerce shall establish and  
174.15 administer the air ventilation program to award grants to school boards to reimburse the  
174.16 school boards for the following activities:

174.17 (1) completion of a heating, ventilation, and air conditioning assessment report;  
174.18 (2) subsequent testing, adjusting balancing work performed as a result of assessment;  
174.19 and

174.20 (3) ventilation equipment upgrades, replacements, or other measures recommended by  
174.21 the assessment to improve health, safety, and HVAC system efficiency.

174.22 Subd. 2. **Grant awards.** (a) The program administrator shall award a grant if the school  
174.23 board meets the following requirements:

174.24 (1) completes a heating, ventilation, and air conditioning assessment report by qualified  
174.25 testing personnel or qualified adjusting personnel. The report must be verified by a licensed  
174.26 professional engineer and include costs of adjustments or repairs necessary to meet minimum  
174.27 ventilation and filtration requirements and determine whether any cost-effective energy  
174.28 efficiency upgrades or replacements are warranted or recommended;

174.29 (2) all work required after conducting the assessment must be performed by a skilled  
174.30 and trained workforce;

175.1 (3) upon completion of the work for which a school board is seeking reimbursement,  
175.2 the school board must conduct an HVAC verification report that includes the name and  
175.3 address of the school facility and individual or contractor preparing and certifying the report  
175.4 and a description of the assessment, maintenance, adjustment, repair, upgrade, and  
175.5 replacement activities and outcomes; and

175.6 (4) verification that the school board has complied with all requirements. Verification  
175.7 must include documentation that either MERV 13 filters have been installed or verification  
175.8 that the maximum MERV-rated filter that the system is able to effectively handle has been

419.28 installed; documentation of the MERV rating; the verified ventilation rates for occupied  
419.29 areas of the school and whether those rates meet the requirements set forth in ANSI/ASHRAE  
419.30 Standard 62.1-2019, with an accompanying explanation for any ventilation rates that do not  
419.31 meet applicable requirements documenting why the current system is unable to meet  
419.32 requirements; the verified exhaust for occupied areas and whether those rates meet the  
419.33 requirements set forth in the system design intent; documentation of system deficiencies;  
420.1 recommendations for additional maintenance, replacement, or upgrades to improve energy  
420.2 efficiency, safety, or performance; documentation of initial operating verifications,  
420.3 adjustments, and final operating verifications; documentation of any adjustments or repairs  
420.4 performed; verification of installation of carbon dioxide monitors, including the make and  
420.5 model of monitors; and verification that all work has been performed by qualified personnel,  
420.6 including the contractor's name, certified TAB technician name and certification number,  
420.7 and verification that all construction work has been performed by a skilled and trained  
420.8 workforce.

420.9 (b) Grants shall be prioritized to give direct support to schools and school children in  
420.10 communities with high rates of poverty, as determined by receipt of federal Title I funding.

420.11 (c) Grants shall be awarded to reimburse schools for 50 percent of costs incurred for  
420.12 work performed under paragraph (a), clauses (1) to (3), with a maximum grant award of  
420.13 \$50,000.

420.14 (d) The school board shall maintain a copy of the HVAC verification report and make  
420.15 it available to students, parents, school personnel, and to any member of the public or the  
420.16 program administrator upon request.

420.17 Subd. 3. **Program guidelines and rules.** (a) The program administrator shall:

420.18 (1) adopt guidelines for the air ventilation program no later than March 1, 2024;

420.19 (2) establish the timing of grant funding; and

420.20 (3) ensure the air ventilation program is operating and may receive applications for  
420.21 grants no later than November 1, 2023, and begin to approve applications no later than  
420.22 January 1, 2024, subject to the availability of funds.

420.23 (b) The technical and reporting requirements of the air ventilation program may be  
420.24 amended by the program administrator as necessary to reflect current COVID-19 guidance  
420.25 or other applicable guidance, to achieve the intent of the air ventilation program, and to  
420.26 ensure consistency with other related requirements and codes.

420.27 (c) The program administrator may use no more than five percent of the program funds  
420.28 for administering the program, including providing technical support to program participants.

420.29 (d) The program administrator may establish rules for the air ventilation program.

175.9 installed; documentation of the MERV rating; the verified ventilation rates for occupied  
175.10 areas of the school and whether those rates meet the requirements set forth in ANSI/ASHRAE  
175.11 Standard 62.1-2019, with an accompanying explanation for any ventilation rates that do not  
175.12 meet applicable requirements documenting why the current system is unable to meet  
175.13 requirements; the verified exhaust for occupied areas and whether those rates meet the  
175.14 requirements set forth in the system design intent; documentation of system deficiencies;  
175.15 recommendations for additional maintenance, replacement, or upgrades to improve energy  
175.16 efficiency, safety, or performance; documentation of initial operating verifications,  
175.17 adjustments, and final operating verifications; documentation of any adjustments or repairs  
175.18 performed; verification of installation of carbon dioxide monitors, including the make and  
175.19 model of monitors; and verification that all work has been performed by qualified personnel,  
175.20 including the contractor's name, certified TAB technician name and certification number,  
175.21 and verification that all construction work has been performed by a skilled and trained  
175.22 workforce.

175.23 (b) Grants shall be prioritized to give direct support to schools and school children in  
175.24 communities with high rates of poverty, as determined by receipt of federal Title I funding.

175.25 (c) Grants shall be awarded to reimburse schools for 50 percent of costs incurred for  
175.26 work performed under paragraph (a), clauses (1) to (3), with a maximum grant award of  
175.27 \$50,000.

175.28 (d) The school board shall maintain a copy of the HVAC verification report and make  
175.29 it available to students, parents, school personnel, and to any member of the public or the  
175.30 program administrator upon request.

175.31 Subd. 3. **Program guidelines and rules.** (a) The program administrator shall:

175.32 (1) adopt guidelines for the air ventilation program no later than March 1, 2024;

175.33 (2) establish the timing of grant funding; and

176.1 (3) ensure the air ventilation program is operating and may receive applications for  
176.2 grants no later than November 1, 2023, and begin to approve applications no later than  
176.3 January 1, 2024, subject to the availability of funds.

176.4 (b) The technical and reporting requirements of the air ventilation program may be  
176.5 amended by the program administrator as necessary to reflect current COVID-19 guidance  
176.6 or other applicable guidance, to achieve the intent of the air ventilation program, and to  
176.7 ensure consistency with other related requirements and codes.

176.8 (c) The program administrator may use no more than five percent of the program funds  
176.9 for administering the program, including providing technical support to program participants.

304.6 Sec. 4. Minnesota Statutes 2022, section 168.27, is amended by adding a subdivision to  
304.7 read:

304.8 Subd. 2a. **Dealer training; electric vehicles.** (a) A new motor vehicle dealer licensed  
304.9 under this chapter that operates under an agreement or franchise from a manufacturer and  
304.10 sells electric vehicles must maintain at least one employee who is certified as having  
304.11 completed a training course offered by a Minnesota motor vehicle dealership association  
304.12 that addresses at least the following elements:

- 304.13 (1) fundamentals of electric vehicles;  
304.14 (2) electric vehicle charging options and costs;  
304.15 (3) publicly available electric vehicle incentives;  
304.16 (4) projected maintenance and fueling costs for electric vehicles;  
304.17 (5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric  
304.18 vehicles;  
304.19 (6) the impacts of Minnesota's cold climate on electric vehicle operation; and  
304.20 (7) best practices to sell electric vehicles.

304.21 (b) For the purposes of this section, "electric vehicle" has the meaning given in section  
304.22 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

304.23 **EFFECTIVE DATE.** This section is effective January 1, 2024.

420.30 Sec. 4. Minnesota Statutes 2022, section 216B.096, subdivision 11, is amended to read:

420.31 Subd. 11. **Reporting.** Annually on ~~November 1~~ October 15, a utility must electronically  
420.32 file with the commission a report, in a format specified by the commission, specifying the  
421.1 number of utility heating service customers whose service is disconnected or remains  
421.2 disconnected for nonpayment as of ~~September 15 and October 1~~ and October 15. If customers  
421.3 remain disconnected on ~~October 15~~ 1, a utility must file a report each week between  
421.4 ~~November 1~~ October 15 and the end of the cold weather period specifying:

421.5 (1) the number of utility heating service customers that are or remain disconnected from  
421.6 service for nonpayment; and

421.7 (2) the number of utility heating service customers that are reconnected to service each  
421.8 week. The utility may discontinue weekly reporting if the number of utility heating service  
421.9 customers that are or remain disconnected reaches zero before the end of the cold weather  
421.10 period.

421.11 The data reported under this subdivision are presumed to be accurate upon submission  
421.12 and must be made available through the commission's electronic filing system.

176.10 Sec. 12. Minnesota Statutes 2022, section 168.27, is amended by adding a subdivision to  
176.11 read:

176.12 Subd. 2a. **Dealer training; electric vehicles.** (a) A new motor vehicle dealer licensed  
176.13 under this chapter that operates under an agreement or franchise from a manufacturer and  
176.14 sells electric vehicles must maintain at least one employee who is certified as having  
176.15 completed a training course offered by a Minnesota motor vehicle dealership association  
176.16 that addresses at least the following elements:

- 176.17 (1) fundamentals of electric vehicles;  
176.18 (2) electric vehicle charging options and costs;  
176.19 (3) publicly available electric vehicle incentives;  
176.20 (4) projected maintenance and fueling costs for electric vehicles;  
176.21 (5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric  
176.22 vehicles;  
176.23 (6) the impacts of Minnesota's cold climate on electric vehicle operation; and  
176.24 (7) best practices to sell electric vehicles.

176.25 (b) For the purposes of this section, "electric vehicle" has the meaning given in section  
176.26 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

176.27 **EFFECTIVE DATE.** This section is effective January 1, 2024.

363.1 Sec. 4. **REPEALER.**

363.2 Minnesota Statutes 2022, section 216B.16, subdivision 10, is repealed.

176.28 Sec. 13. Minnesota Statutes 2022, section 216B.16, subdivision 10, is amended to read:

176.29 Subd. 10. **Intervenor compensation.** (a) A nonprofit organization or an individual  
176.30 granted formal intervenor status by the commission is eligible to receive compensation.

177.1 (b) The commission may order a utility to compensate all or part of an eligible intervenor's  
177.2 reasonable costs of participation in a general rate case that comes before the commission  
177.3 when the commission finds that the intervenor has materially assisted the commission's  
177.4 deliberation and when a lack of compensation would present financial hardship to the  
177.5 intervenor. Compensation may not exceed \$50,000 for a single intervenor in any proceeding.  
177.6 For the purpose of this subdivision, "materially assisted" means that the intervenor's  
177.7 participation and presentation was useful and seriously considered, or otherwise substantially  
177.8 contributed to the commission's deliberations in the proceeding.

177.9 (c) In determining whether an intervenor has materially assisted the commission's  
177.10 deliberation, the commission must consider, among other factors, whether:

177.11 (1) the intervenor represented an interest that would not otherwise have been adequately  
177.12 represented;

177.13 (2) the evidence or arguments presented or the positions taken by the intervenor were  
177.14 an important factor in producing a fair decision;

177.15 (3) the intervenor's position promoted a public purpose or policy;

177.16 (4) the evidence presented, arguments made, issues raised, or positions taken by the  
177.17 intervenor would not have been a part of the record without the intervenor's participation;  
177.18 and

177.19 (5) the administrative law judge or the commission adopted, in whole or in part, a position  
177.20 advocated by the intervenor.

177.21 (d) In determining whether the absence of compensation would present financial hardship  
177.22 to the intervenor, the commission must consider:

177.23 (1) whether the costs presented in the intervenor's claim reflect reasonable fees for  
177.24 attorneys and expert witnesses and other reasonable costs; and

177.25 (2) the ratio between the costs of intervention and the intervenor's unrestricted funds.

177.26 (e) An intervenor seeking compensation must file a request and an affidavit of service  
177.27 with the commission, and serve a copy of the request on each party to the proceeding. The  
177.28 request must be filed 30 days after the later of (1) the expiration of the period within which  
177.29 a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed  
177.30 or (2) the date the commission issues an order following rehearing, amendment, vacation,  
177.31 reconsideration, or reargument.

- 177.32 (f) The compensation request must include:
- 178.1 (1) the name and address of the intervenor or representative of the nonprofit organization
- 178.2 the intervenor is representing;
- 178.3 (2) proof of the organization's nonprofit, tax-exempt status;
- 178.4 (3) the name and docket number of the proceeding for which compensation is requested;
- 178.5 (4) a list of actual annual revenues and expenses of the organization the intervenor is
- 178.6 representing for the preceding year and projected revenues, revenue sources, and expenses
- 178.7 for the current year;
- 178.8 (5) the organization's balance sheet for the preceding year and a current monthly balance
- 178.9 sheet;
- 178.10 (6) an itemization of intervenor costs and the total compensation request; and
- 178.11 (7) a narrative explaining why additional organizational funds cannot be devoted to the
- 178.12 intervention.
- 178.13 (g) Within 30 days after service of the request for compensation, a party may file a
- 178.14 response, together with an affidavit of service, with the commission. A copy of the response
- 178.15 must be served on the intervenor and all other parties to the proceeding.
- 178.16 (h) Within 15 days after the response is filed, the intervenor may file a reply with the
- 178.17 commission. A copy of the reply and an affidavit of service must be served on all other
- 178.18 parties to the proceeding.
- 178.19 (i) If additional costs are incurred as a result of additional proceedings following the
- 178.20 commission's initial order, the intervenor may file an amended request within 30 days after
- 178.21 the commission issues an amended order. Paragraphs (e) to (h) apply to an amended request.
- 178.22 (j) The commission must issue a decision on intervenor compensation within 60 days
- 178.23 of a filing by an intervenor.
- 178.24 (k) A party may request reconsideration of the commission's compensation decision
- 178.25 within 30 days of the decision.
- 178.26 (l) If the commission issues an order requiring payment of intervenor compensation, the
- 178.27 utility that was the subject of the proceeding must pay the compensation to the intervenor,
- 178.28 and file with the commission proof of payment, within 30 days after the later of (1) the
- 178.29 expiration of the period within which a petition for reconsideration of the commission's
- 178.30 compensation decision must be filed or (2) the date the commission issues an order following
- 178.31 reconsideration of its order on intervenor compensation.

388.28 Sec. 3. Minnesota Statutes 2022, section 216B.164, is amended by adding a subdivision  
388.29 to read:

388.30 Subd. 12. Customer's access to electricity usage data. A utility must provide a  
388.31 customer's electricity usage data to the customer within ten days of the date the utility  
388.32 receives a request from the customer that is accompanied by evidence that the energy usage  
389.1 data is relevant to the interconnection of a qualifying facility on behalf of the customer. For  
389.2 the purposes of this subdivision, "electricity usage data" includes but is not limited to: (1)  
389.3 the total amount of electricity used by a customer monthly; (2) usage by time period if the  
389.4 customer operates under a tariff where costs vary by time of use; and (3) usage data that is  
389.5 used to calculate a customer's demand charge.

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

389.7 Sec. 4. Minnesota Statutes 2022, section 216B.1641, is amended to read:

389.8 **216B.1641 COMMUNITY SOLAR GARDEN.**

389.9 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
389.10 the meanings given.

389.11 (b) "Subscribed energy" means electricity generated by the community solar garden that  
389.12 is attributable to a subscriber's subscription.

389.13 (c) "Subscriber" means a retail customer who owns one or more subscriptions of a  
389.14 community solar garden interconnected with the retail customer's utility.

389.15 (d) "Subscription" means a contract between a subscriber and the owner of a solar garden.

389.16 Subd. 2. Solar garden; project requirements. (a) The Each public utility subject to  
389.17 section 116C.779 providing electric service at retail to customers in Minnesota shall file by  
389.18 September 30, 2013 January 15, 2024, a plan with the commission to operate a community  
389.19 solar garden program which shall begin operations within 90 days after commission approval  
389.20 of the plan. Other public utilities may file an application at their election. The community  
389.21 solar garden program must be designed to offset the energy use of not less than five  
389.22 subscribers in each community solar garden facility of which no single subscriber has more  
389.23 than a 40 percent interest. The owner of the community solar garden may be a public utility

178.32 (m) This subdivision is effective only after section 216B.631 expires.

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

S2542-1

1.18 Section 1. Minnesota Statutes 2022, section 216B.164, is amended by adding a subdivision  
1.19 to read:

1.20 Subd. 12. Customer's access to electricity usage data. A utility must provide a  
1.21 customer's electricity usage data to the customer within ten days of the date the utility  
1.22 receives a request from the customer that is accompanied by evidence that the energy usage  
1.23 data is relevant to the interconnection of a qualifying facility on behalf of the customer. For  
1.24 the purposes of this subdivision, "electricity usage data" includes but is not limited to: (1)  
1.25 the total amount of electricity used by a customer monthly; (2) usage by time period if the  
1.26 customer operates under a tariff where costs vary by time of use; and (3) usage data that is  
1.27 used to calculate a customer's demand charge.

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

UEH2310-2

188.15 Sec. 16. Minnesota Statutes 2022, section 216B.1641, is amended to read:

188.16 **216B.1641 COMMUNITY SOLAR GARDEN.**

188.17 Subdivision 1. Definitions. (a) For the purposes of this section, the terms in this  
188.18 subdivision have the meanings given.

188.19 (b) "Landlord" has the meaning given in section 504B.001, subdivision 7.

188.20 (c) "Residential tenant" has the meaning given in section 504B.001, subdivision 12.

188.21 (d) "Subscriber" means a retail customer who contracts for one or more subscriptions  
188.22 for a community solar garden interconnected with the retail customer's utility.

188.23 (e) "Subscription" means a contract between a subscriber and the owner of a community  
188.24 solar garden.

188.25 Subd. 2. Solar garden program. (a) The public utility subject to section 116C.779 shall  
188.26 file by September 30, 2013, a plan with the commission to operate a community solar garden  
188.27 program which shall begin operations within 90 days after commission approval of the plan.  
188.28 Other public utilities may file an application at their election. The community solar garden  
188.29 program must be designed to offset the energy use of not less than five subscribers in each  
188.30 community solar garden facility of which no single subscriber has more than a 40 percent  
188.31 interest. The owner of the community solar garden may be a public utility or any other entity  
188.32 or organization that contracts to sell the output from the community solar garden to the

389.24 or any other entity or organization that contracts to sell the output from the community solar  
389.25 garden to the utility under section 216B.164. There shall be no limitation on the number or  
389.26 cumulative generating capacity of community solar garden facilities other than the limitations  
389.27 imposed under section 216B.164, subdivision 4c, or other limitations provided in law or  
389.28 regulations.

389.29 (b) A solar garden is a facility that generates electricity by means of a ground-mounted  
389.30 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the  
389.31 electricity generated in proportion to the size of their subscription. The solar garden must  
389.32 have a nameplate capacity of no more than ~~one megawatt~~ five megawatts. Each subscription  
389.33 shall be sized to represent at least 200 watts of the community solar garden's generating  
390.1 capacity and to supply, when combined with other distributed generation resources serving  
390.2 the premises, no more than 120 percent of the average annual consumption of electricity  
390.3 by each subscriber at the premises to which the subscription is attributed.

390.4 (c) The solar generation facility must be located in the service territory of the public  
390.5 utility filing the plan. Subscribers must be retail customers of the public utility ~~located in~~  
390.6 ~~the same county or a county contiguous to where the facility is located.~~

390.7 (d) The public utility must purchase from the community solar garden all energy generated  
390.8 by the solar garden. The purchase shall be at the rate calculated under section 216B.164,  
390.9 subdivision 10, or, until that rate for the public utility has been approved by the commission,  
390.10 the applicable retail rate. A solar garden is eligible for any incentive programs offered under  
390.11 section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on  
390.12 the subscriber's bill.

390.13 Subd. 3. **Solar garden plan requirements; nonutility status.** ~~(e)~~ (a) The commission  
390.14 may approve, disapprove, or modify a community solar garden ~~program~~. Any plan approved  
390.15 by the commission must:

390.16 (1) reasonably allow for the creation, financing, and accessibility of community solar  
390.17 gardens;

390.18 (2) establish uniform standards, fees, and processes for the interconnection of community  
390.19 solar garden facilities that allow the utility to recover reasonable interconnection costs for  
390.20 each community solar garden;

390.21 (3) not apply different requirements to utility and nonutility community solar garden  
390.22 facilities;

390.23 (4) be consistent with the public interest;

390.24 (5) identify the information that must be provided to potential subscribers to ensure fair  
390.25 disclosure of future costs and benefits of subscriptions;

390.26 (6) include a program implementation schedule;

189.1 utility under section 216B.164. There shall be no limitation on the number or cumulative  
189.2 generating capacity of community solar garden facilities other than the limitations imposed  
189.3 under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

189.4 (b) A solar garden is a facility that generates electricity by means of a ground-mounted  
189.5 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the  
189.6 electricity generated in proportion to the size of their subscription. The solar garden must  
189.7 have a nameplate capacity of no more than one megawatt. Each subscription shall be sized  
189.8 to represent at least 200 watts of the community solar garden's generating capacity and to  
189.9 supply, when combined with other distributed generation resources serving the premises,  
189.10 no more than 120 percent of the average annual consumption of electricity by each subscriber  
189.11 at the premises to which the subscription is attributed.

189.12 (c) The solar generation facility must be located in the service territory of the public  
189.13 utility filing the plan. Subscribers must be retail customers of the public utility ~~located in~~  
189.14 ~~the same county or a county contiguous to where the facility is located.~~

189.15 (d) The public utility must purchase from the community solar garden all energy generated  
189.16 by the solar garden. The purchase shall be at the rate calculated under section 216B.164,  
189.17 subdivision 10, or, until that rate for the public utility has been approved by the commission,  
189.18 the applicable retail rate. A solar garden is eligible for any incentive programs offered under  
189.19 section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on  
189.20 the subscriber's bill.

189.21 Subd. 3. **Solar garden plan requirements.** ~~(e)~~ (a) The commission may approve,  
189.22 disapprove, or modify a community solar garden ~~program~~ plan. Any plan approved by the  
189.23 commission must:

189.24 (1) reasonably allow for the creation, financing, and accessibility of community solar  
189.25 gardens;

189.26 (2) establish uniform standards, fees, and processes for the interconnection of community  
189.27 solar garden facilities that allow the utility to recover reasonable interconnection costs for  
189.28 each community solar garden;

189.29 (3) not apply different requirements to utility and nonutility community solar garden  
189.30 facilities;

189.31 (4) be consistent with the public interest;

189.32 (5) identify the information that must be provided to potential subscribers to ensure fair  
189.33 disclosure of future costs and benefits of subscriptions;

190.1 (6) include a program implementation schedule;

390.27 (7) identify all proposed rules, fees, and charges; ~~and~~  
390.28 (8) identify the means by which the program will be promoted; and

390.29 (9) require an owner of a solar garden to submit a report that meets the requirements of  
390.30 section 216C.51, subdivisions 2 and 3, each year the solar garden is in operation.

391.1 ~~(b)~~ (b) Notwithstanding any other law, neither the manager of nor the subscribers to a  
391.2 community solar garden facility shall be considered a utility solely as a result of their  
391.3 participation in the community solar garden facility.

391.4 ~~(c)~~ (c) Within 180 days of commission approval of a plan under this section, a utility  
391.5 shall begin crediting subscriber accounts for each community solar garden facility in its  
391.6 service territory, and shall file with the commissioner of commerce a description of its  
391.7 crediting system.

391.8 (h) For the purposes of this section, the following terms have the meanings given:

391.9 (1) "subscriber" means a retail customer of a utility who owns one or more subscriptions  
391.10 of a community solar garden facility interconnected with that utility; and

391.11 (2) "subscription" means a contract between a subscriber and the owner of a solar garden.

391.12 Subd. 4. **Community access project; eligibility.** (a) An owner of a community solar  
391.13 garden may apply to the utility to be designated as a community access project at any time:

391.14 (1) before the owner makes an initial payment under an interconnection agreement  
391.15 entered into with a public utility; or

391.16 (2) if the owner made an initial payment under an interconnection agreement between  
391.17 January 1, 2023, and the effective date of this section, before commercial operation begins.

391.18 (b) The utility must designate a solar garden as a community access project if the owner  
391.19 of a solar garden commits in writing to meet the following conditions:

391.20 (1) at least 50 percent of the solar garden's generating capacity is subscribed by residential  
391.21 customers;

391.22 (2) the contract between the owner of the solar garden and the public utility that purchases  
391.23 the garden's electricity, and any agreement between the utility or owner of the solar garden  
391.24 and subscribers, states that the owner of the solar garden does not discriminate against or

190.2 (7) identify all proposed rules, fees, and charges; ~~and~~  
190.3 (8) identify the means by which the program will be promoted;  
190.4 (9) require that participation by a subscriber must be strictly voluntary;  
190.5 (10) prohibit a landlord from removing a residential tenant who is an existing retail  
190.6 customer of the public utility from the utility account and subscribing to a community solar  
190.7 garden on behalf of the tenant;  
190.8 (11) ensure that contract terms are publicly available;  
190.9 (12) allow subscribers to stop subscribing without charging a fee or other penalty; and  
190.10 (13) require an owner of a solar garden to submit a report that meets the requirements  
190.11 of section 216C.51, subdivisions 3 and 4, each year the solar garden is in operation.

190.12 ~~(b)~~ (b) Notwithstanding any other law, neither the manager of nor the subscribers to a  
190.13 community solar garden facility shall be considered a utility solely as a result of their  
190.14 participation in the community solar garden facility.

190.15 ~~(c)~~ (c) Within 180 days of commission approval of a plan under this section, a utility  
190.16 shall begin crediting subscriber accounts for each community solar garden facility in its  
190.17 service territory, and shall file with the commissioner of commerce a description of its  
190.18 crediting system.

190.19 (h) For the purposes of this section, the following terms have the meanings given:

190.20 (1) "subscriber" means a retail customer of a utility who owns one or more subscriptions  
190.21 of a community solar garden facility interconnected with that utility; and

190.22 (2) "subscription" means a contract between a subscriber and the owner of a solar garden.

- 391.25 screen subscribers based on income or credit score and that any customer of a utility with  
391.26 a community solar garden plan approved by the commission under subdivision 3 is eligible  
391.27 to become a subscriber;
- 391.28 (3) the solar garden is operated by an entity that maintains a physical address in Minnesota  
391.29 and has designated a contact person in Minnesota who responds to subscriber inquiries; and
- 391.30 (4) the agreement between the owner of the solar garden and subscribers states that the  
391.31 owner must adequately publicize and convene at least one meeting annually to provide an  
391.32 opportunity for subscribers to pose questions to the manager or owner.
- 392.1 Subd. 5. **Community access project; financial arrangements.** (a) If a utility approves  
392.2 a solar garden as a community access project:
- 392.3 (1) the public utility purchasing the electricity generated by the community access project  
392.4 may charge the owner of the community access project no more than one cent per watt  
392.5 alternating current based on the solar garden's generating capacity for any refundable deposit  
392.6 the utility requires of a solar garden during the application process;
- 392.7 (2) notwithstanding subdivision 2, paragraph (d), the public utility must purchase all  
392.8 energy generated by the community access project at the retail rate; and
- 392.9 (3) all renewable energy credits generated by the community access project belong to  
392.10 subscribers unless the owner of the solar garden:
- 392.11 (i) contracts to:
- 392.12 (A) sell the credits to a third party; or
- 392.13 (B) sell or transfer the credits to the utility; and
- 392.14 (ii) discloses a sale or transfer to subscribers at the time the subscribers enter into a  
392.15 subscription.
- 392.16 (b) If at any time after commercial operation begins a solar garden that the utility  
392.17 approved as a community access project fails to meet the conditions under subdivision 4,  
392.18 the solar garden:
- 392.19 (1) is no longer subject to this subdivision and subdivision 6; and
- 392.20 (2) must operate under the program rules established by the commission for a solar  
392.21 garden that does not qualify as a community access project.
- 392.22 (c) An owner of a solar garden whose designation as a community access project is  
392.23 revoked under this subdivision may reapply to the commission at any time to have the  
392.24 community access project designation reinstated under subdivision 4.

392.25 Subd. 6. **Community access project; reporting.** The owner of a community access  
392.26 project must include the following information in an annual report to the community access  
392.27 project subscribers and the utility:  
392.28 (1) a description of the process by which subscribers may provide input to solar garden  
392.29 policy and decision making;  
393.1 (2) the amount of revenues received by the solar garden in the previous year that were  
393.2 allocated to categories that include but are not limited to operating costs, debt service, profits  
393.3 distributed to subscribers, and profits distributed to others; and  
393.4 (3) an estimate of the proportion of low- and moderate-income subscribers, and a  
393.5 description of one or more of the following methods used to make the estimate:  
393.6 (i) evidence provided by a subscriber that the subscriber or a member of the subscriber's  
393.7 household receives assistance from any of the following sources:  
393.8 (A) the federal Low-Income Home Energy Assistance Program;  
393.9 (B) federal Section 8 housing assistance;  
393.10 (C) medical assistance;  
393.11 (D) the federal Supplemental Nutrition Assistance Program; or  
393.12 (E) the federal National School Lunch Program;  
393.13 (ii) characterization of the census tract where the subscriber resides as low- or  
393.14 moderate-income by the Federal Financial Institutions Examination Council; or  
393.15 (iii) other methods approved by the commission.  
393.16 Subd. 7. **Commission order.** The commission must issue an order addressing the  
393.17 requirements of this section no later than 180 days after the filings made under subdivision  
393.18 2, paragraph (a).

190.23 Subd. 4. **Low-income community solar gardens.** (a) The public utility subject to section  
190.24 116C.779 must file by September 30, 2023, a plan with the commission to operate a  
190.25 low-income community solar garden program in accordance with this subdivision, and must  
190.26 begin operations within 90 days after commission approval of the plan. The program operated  
190.27 under this subdivision:  
190.28 (1) is subject to the other requirements of this section except as modified by this  
190.29 subdivision;  
190.30 (2) is limited in size to ten megawatts of solar photovoltaic capacity annually;

- 191.1 (3) must provide that renewable energy credits generated under the program are retained  
191.2 by the public utility; and
- 191.3 (4) must require the utility to purchase all energy generated by a low-income community  
191.4 solar garden. A subscriber's portion of the purchase shall be provided by a credit on the  
191.5 subscriber's bill at the average retail utility energy rate for the appropriate customer class.
- 191.6 (b) The owner of a solar project must apply to the utility to be designated as a low-income  
191.7 community solar garden before it is eligible to participate in the program. The utility must  
191.8 not designate a project a low-income community solar garden unless it is majority owned  
191.9 by a cooperative association, nonprofit organization, or federally recognized Indian Tribe.  
191.10 The utility may designate a project as a low-income community solar garden if the owner  
191.11 of the solar garden demonstrates it will meet the following conditions:
- 191.12 (1) the solar generation facilities of the solar garden meet the requirements of subdivision  
191.13 2, paragraph (b), except as modified by this paragraph;
- 191.14 (2) at least 50 percent of the solar garden's generating capacity is subscribed by residential  
191.15 customers;
- 191.16 (3) at least 25 percent of the solar garden's generating capacity is subscribed by residential  
191.17 customers whose household income:
- 191.18 (i) is 80 percent or less of the area median household income for the geographic area in  
191.19 which the low-income household is located, as calculated by the federal Department of  
191.20 Housing and Urban Development; or
- 191.21 (ii) meets the income eligibility standards, as determined by the commission, required  
191.22 for a household to receive financial assistance from a federal, state, municipal, or utility  
191.23 program administered or approved by the commission;
- 191.24 (4) eligible nonresidential subscribers consist of only the following, located on census  
191.25 tracts designated as low- or moderate-income by the federal Financial Institutions  
191.26 Examination Council:
- 191.27 (i) grocery stores;
- 191.28 (ii) clinics;
- 191.29 (iii) child care centers;
- 191.30 (iv) food shelves;
- 191.31 (v) libraries;
- 192.1 (vi) Tribal Nations;
- 192.2 (vii) shelters;

- 192.3 (viii) schools that are not enrolled in any other solar incentive program; or
- 192.4 (ix) houses of worship;
- 192.5 (5) the owner does not run credit score or credit history checks on residential subscribers;
- 192.6 (6) the solar garden has a nameplate capacity of no more than three megawatts alternating
- 192.7 current;
- 192.8 (7) the solar garden has no fewer than three subscribers and no subscriber accounts for
- 192.9 more than 40 percent of the solar garden's capacity;
- 192.10 (8) the solar garden is operated by an entity that maintains a physical address in Minnesota
- 192.11 and has designated a contact person in Minnesota who responds to subscriber inquiries; and
- 192.12 (9) the agreement between the owner of the solar garden and subscribers states that the
- 192.13 owner must adequately publicize and convene at least one in-person meeting annually to
- 192.14 provide an opportunity for subscribers to pose questions to the manager or owner.
- 192.15 Subd. 5. **New solar gardens must be low-income community solar gardens.** For
- 192.16 applications submitted after August 1, 2023, the public utility subject to section 116C.779
- 192.17 must not approve interconnection of new solar gardens or renew existing solar gardens for
- 192.18 inclusion in the community solar garden program unless the solar garden is accepted for
- 192.19 inclusion in the low-income community solar garden program under subdivision 4.
- 192.20 Subd. 6. **Low-income community solar gardens; reporting.** The owner of a low-income
- 192.21 community solar garden must include the following information in an annual report to the
- 192.22 low-income community solar garden subscribers and the utility:
- 192.23 (1) a description of the process by which subscribers may provide input regarding solar
- 192.24 garden policy and decision making;
- 192.25 (2) the amount of revenues received by the solar garden in the previous year that were
- 192.26 allocated to categories that include but are not limited to operating costs, debt service, profits
- 192.27 distributed to subscribers, and profits distributed to others;
- 192.28 (3) minutes from the most recent annual meeting; and
- 192.29 (4) the proportion of low- and moderate-income subscribers, and a description of how
- 192.30 the information was collected from subscribers and verified.
- 193.1 Subd. 7. **Noncompliance.** A low-income community solar garden that has begun
- 193.2 commercial operation must notify the commission in writing within 30 days if the solar
- 193.3 garden is not in compliance with subdivision 4, and must comply within 12 months or the
- 193.4 commission must revoke the solar garden's participation in the program. Nothing in this
- 193.5 subdivision prevents an owner from reapplying to participate in the program after revocation.

326.24 Sec. 2. Minnesota Statutes 2022, section 216B.1611, is amended by adding a subdivision  
326.25 to read:

326.26 Subd. 5. **Distributed generation capacity; treatment.** (a) No later than November 1,  
326.27 2023, the commission must issue an order clarifying that for the purpose of interconnecting  
326.28 an on-site customer-owned distributed generation facility, the capacity of the facility must  
326.29 be measured and expressed as:

326.30 (1) export capacity rather than nameplate capacity; and

326.31 (2) alternating current capacity.

327.1 (b) For the purposes of this subdivision, "export capacity" means a distributed generation  
327.2 facility's nameplate capacity net of any limitations on the amount of power the distributed  
327.3 generating facility is capable of exporting to a utility's distribution system resulting from  
327.4 physical equipment that is part of or connected to the generating facility, including but not  
327.5 limited to an inverter, relay, or energy storage system, as defined in section 216B.2422,  
327.6 subdivision 1, paragraph (f), as reported to the utility by the owner of the distributed  
327.7 generation facility.

327.8 (c) The owner of a distributed generation facility interconnected to a utility's distribution  
327.9 system may not increase the export capacity of the distributed generation facility beyond  
327.10 the level that was first interconnected to the utility's distribution system without the utility's  
327.11 written approval. The utility must respond in writing to an owner's notice of intent to increase  
327.12 export capacity within 90 days of the date the notice of interest is received, and may reject  
327.13 the request only upon determining that approving the request would reduce safety or the  
327.14 reliability of electric service.

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

304.24 Sec. 5. **[216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

304.25 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
304.26 the meanings given.

304.27 (b) "Battery exchange station" means a physical location deploying equipment that  
304.28 enables a used electric vehicle battery to be removed and exchanged for a fresh electric  
304.29 vehicle battery.

305.1 (c) "Electric drive mine truck" means a truck that carries mined rock from a mine pit  
305.2 for crushing operations and whose wheels are powered by electric drive motors.

305.3 (d) "Electric drive mine truck trolley system" means an electric trolley system that helps  
305.4 propel an electric drive mine truck out of a mine pit.

305.5 (e) "Electric vehicle" means any device or contrivance that transports persons or property  
305.6 and is capable of being powered by an electric motor drawing current from rechargeable

179.2 Sec. 14. **[216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

179.3 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
179.4 the meanings given.

179.5 (b) "Battery exchange station" means a physical location deploying equipment that  
179.6 enables a used electric vehicle battery to be removed and exchanged for a fresh electric  
179.7 vehicle battery.

179.8 (c) "Electric vehicle" means any device or contrivance that transports persons or property  
179.9 and is capable of being powered by an electric motor drawing current from rechargeable

305.7 storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes  
305.8 but is not limited to:

305.9 (1) an electric vehicle, as defined in section 169.011, subdivision 26a;  
305.10 (2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;  
305.11 (3) an off-road vehicle, as defined in section 84.797, subdivision 7;  
305.12 (4) a motorboat, as defined in section 86B.005, subdivision 9;  
305.13 (5) an aircraft, as defined in section 360.013, subdivision 37; or  
305.14 (6) an electric drive mine truck.

305.15 (f) "Electric vehicle charging station" means a physical location deploying equipment  
305.16 that:

305.17 (1) transfers electricity to an electric vehicle battery;  
305.18 (2) dispenses hydrogen into an electric vehicle powered by a fuel cell;  
305.19 (3) exchanges electric vehicle batteries; or  
305.20 (4) provides other equipment used to charge or fuel electric vehicles.

305.21 (g) "Electric vehicle infrastructure" means electric vehicle charging stations and any  
305.22 associated machinery, equipment, and infrastructure necessary for a public utility to supply  
305.23 electricity or hydrogen to an electric vehicle charging station and to support electric vehicle  
305.24 operation. Electric vehicle infrastructure includes an electric drive mine truck trolley system.

305.25 (h) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into  
305.26 electricity through electrochemical reactions.

305.27 (i) "Government entity" means the state, a state agency, or a political subdivision, as  
305.28 defined in section 13.02, subdivision 11.

305.29 (j) "Public utility" has the meaning given in section 216B.02, subdivision 4.

306.1 **Subd. 2. Transportation electrification plan; contents.** (a) By June 1, 2024, and on a  
306.2 schedule determined by the commission thereafter, a public utility must file a transportation  
306.3 electrification plan with the commission that is designed to:

306.4 (1) maximize the overall benefits of electric vehicles and other electrified transportation  
306.5 while minimizing overall costs; and

306.6 (2) promote the:

306.7 (i) purchase of electric vehicles by the public utility's customers; and  
306.8 (ii) deployment of electric vehicle infrastructure in the public utility's service territory.

179.10 storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes  
179.11 but is not limited to:

179.12 (1) an electric vehicle, as defined in section 169.011, subdivision 26a;  
179.13 (2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;  
179.14 (3) an off-road vehicle, as defined in section 84.797, subdivision 7;  
179.15 (4) a motorboat, as defined in section 86B.005, subdivision 9; or  
179.16 (5) an aircraft, as defined in section 360.013, subdivision 37.

179.17 (d) "Electric vehicle charging station" means a physical location deploying equipment  
179.18 that:

179.19 (1) transfers electricity to an electric vehicle battery;  
179.20 (2) dispenses hydrogen into an electric vehicle powered by a fuel cell;  
179.21 (3) exchanges electric vehicle batteries; or  
179.22 (4) provides other equipment used to charge or fuel electric vehicles.

179.23 (e) "Electric vehicle infrastructure" means electric vehicle charging stations and any  
179.24 associated machinery, equipment, and infrastructure necessary for a public utility to supply  
179.25 electricity or hydrogen to an electric vehicle charging station and to support electric vehicle  
179.26 operation.

179.27 (f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into  
179.28 electricity through electrochemical reactions.

179.29 (g) "Government entity" means the state, a state agency, or a political subdivision, as  
179.30 defined in section 13.02, subdivision 11.

180.1 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

180.2 **Subd. 2. Transportation electrification plan; contents.** (a) By November 1, 2023, and  
180.3 periodically as ordered by the commission, a public utility must file a transportation  
180.4 electrification plan with the commission that is designed to:

180.5 (1) maximize the overall benefits of electric vehicles and other electrified transportation  
180.6 while minimizing overall costs; and

180.7 (2) promote the:

180.8 (i) purchase of electric vehicles by the public utility's customers; and  
180.9 (ii) deployment of electric vehicle infrastructure in the public utility's service territory.

306.9 (b) A transportation electrification plan may include but is not limited to the following  
306.10 elements:

306.11 (1) programs to educate and increase the awareness and benefits of electric vehicles and  
306.12 electric vehicle charging equipment among individuals, electric vehicle dealers, single-family  
306.13 and multifamily housing developers and property management companies, building owners  
306.14 and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential  
306.15 users of electric vehicles;

306.16 (2) utility investments and customer incentives the utility provides and offers to support  
306.17 transportation electrification across all customer classes, including but not limited to  
306.18 investments and customer incentives to facilitate:

306.19 (i) the deployment of electric vehicles for personal and commercial use; customer- and  
306.20 utility-owned electric vehicle charging stations; electric vehicle infrastructure to support  
306.21 light-duty, medium-duty, and heavy-duty vehicle electrification; and other electric utility  
306.22 infrastructure;

306.23 (ii) widespread access to publicly available electric vehicle charging stations; and

306.24 (iii) the electrification of public transit and vehicle fleets owned or operated by a  
306.25 government entity;

306.26 (3) research and demonstration projects to increase access to electricity as a transportation  
306.27 fuel, minimize the system costs of electric transportation, and inform future transportation  
306.28 electrification plans;

306.29 (4) rate structures or programs that encourage electric vehicle charging that optimizes  
306.30 electric grid operation, including time-varying rates and charging optimization programs;

307.1 (5) programs to increase access to the benefits of electricity as a transportation fuel (i)  
307.2 for low- or moderate-income customers and communities, and (ii) in neighborhoods most  
307.3 affected by transportation-related air emissions; and

307.4 (6) proposals to expedite commission consideration of program adjustments requested  
307.5 during the term of an approved transportation electrification plan.

307.6 (c) A transportation electrification plan must include planned upgrades to and investments  
307.7 in a utility's distribution system that are necessary to accommodate future growth in  
307.8 transportation electrification and support the plan's proposed programs and activities.

307.9 Subd. 3. Transportation electrification plan; review and implementation. The  
307.10 commission may approve, modify, or reject a transportation electrification plan. When

180.10 (b) A transportation electrification plan may include but is not limited to the following  
180.11 elements:

180.12 (1) programs to educate and increase the awareness and benefits of electric vehicles and  
180.13 electric vehicle charging equipment among individuals, electric vehicle dealers, single-family  
180.14 and multifamily housing developers and property management companies, building owners  
180.15 and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential  
180.16 users of electric vehicles;

180.17 (2) utility investments to support transportation electrification across all customer classes,  
180.18 including but not limited to investments to facilitate:

180.19 (i) the deployment of electric vehicles for personal and commercial use; customer-owned,  
180.20 third-party-owned, and utility-owned electric vehicle charging stations; electric vehicle  
180.21 infrastructure to support light-duty, medium-duty, and heavy-duty vehicle electrification;  
180.22 and other electric utility infrastructure needed to support transportation electrification;

180.23 (ii) widespread access to publicly available electric vehicle charging stations; and

180.24 (iii) the electrification of public transit and vehicle fleets owned or operated by a  
180.25 government entity;

180.26 (3) research and demonstration projects to increase access to electricity as a transportation  
180.27 fuel, minimize the system costs of electric transportation, and inform future transportation  
180.28 electrification plans;

180.29 (4) rate structures or programs that encourage electric vehicle charging that optimizes  
180.30 electric grid operation, including time-varying rates and charging optimization programs;

181.1 (5) programs to increase access to the benefits of electricity as a transportation fuel for  
181.2 low- or moderate-income customers and communities and in neighborhoods most affected  
181.3 by transportation-related air emissions;

181.4 (6) proposals to expedite commission consideration of program adjustments requested  
181.5 during the term of an approved transportation electrification plan; and

181.6 (7) proposals to share information and results from transportation electrification projects  
181.7 with stakeholders to promote effective electrification in all areas of the state.

181.8 Subd. 3. Transportation electrification plan; review and implementation. The  
181.9 commission may approve, modify, or reject a transportation electrification plan. When  
181.10 reviewing a transportation electrification plan, the commission must consider whether the

307.11 reviewing a transportation electrification plan, the commission must consider whether the  
307.12 programs, investments, and expenditures as a whole are reasonably expected to:

307.13 (1) improve the operation of the electric grid;

307.14 (2) increase access to the use of electricity as a transportation fuel for all customers,  
307.15 including customers in low- or moderate-income communities, rural communities, and  
307.16 communities most affected by emissions from the transportation sector;

307.17 (3) increase access to publicly available electric vehicle charging for all types of electric  
307.18 vehicles;

307.19 (4) support the electrification of medium-duty and heavy-duty vehicles and associated  
307.20 charging infrastructure;

307.21 (5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and  
307.22 emissions of other air pollutants that impair the environment and public health;

307.23 (6) stimulate private capital investment and the creation of skilled jobs;

307.24 (7) educate the public about the benefits of electric vehicles and related infrastructure;  
307.25 and

307.26 (8) be transparent and incorporate reasonable public reporting of program activities,  
307.27 consistent with existing technology and data capabilities, to inform program design and  
307.28 commission policy with respect to electric vehicles.

307.29 Subd. 4. Cost recovery. (a) Notwithstanding any other provision of this chapter, the  
307.30 commission may approve, with respect to any prudent and reasonable investments made or  
307.31 expenses incurred by a public utility to administer and implement an approved transportation  
307.32 electrification plan, including expenditures on information technology systems necessary  
308.1 to track activities and spending and to administer and implement transportation electrification  
308.2 plan programs, and investments made in a public utility's distribution system to support  
308.3 transportation electrification:

308.4 (1) a rider or other tariff mechanism to automatically adjust charges annually;

308.5 (2) performance-based incentives; or

308.6 (3) placing the investment, including (i) rebates for electric vehicle infrastructure and  
308.7 electric buses, and (ii) other costs reasonably incurred to support transportation electrification.

181.11 programs, investments, and expenditures as a whole are reasonable and in the public interest,  
181.12 and are reasonably expected to:

181.13 (1) improve the operation of the electric grid;

181.14 (2) increase access to the use of electricity as a transportation fuel for all customers,  
181.15 including those in low- or moderate-income communities, rural communities, and  
181.16 communities most affected by emissions from the transportation sector;

181.17 (3) increase access to publicly available electric vehicle charging and destination charging  
181.18 for all types of electric vehicles;

181.19 (4) support the electrification of medium-duty and heavy-duty vehicles and associated  
181.20 charging infrastructure;

181.21 (5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and  
181.22 emissions of other air pollutants that impair the environment and public health;

181.23 (6) stimulate nonutility investment and the creation of skilled jobs;

181.24 (7) maximize the overall benefits of electric vehicles and other electrified transportation  
181.25 investments while minimizing overall costs;

181.26 (8) educate the public about the benefits of electric vehicles and related infrastructure;

181.27 (9) be transparent and incorporate reasonable public reporting of program activities,  
181.28 consistent with existing technology and data capabilities, to inform program design and  
181.29 commission policy with respect to electric vehicles;

181.30 (10) reasonably balance the benefits of ratepayer-funded investments in transportation  
181.31 electrification against impacts on utility rates; and

182.1 (11) appropriately balance the participation of public utilities and private enterprise in  
182.2 the market for transportation electrification and related services.

182.3 Subd. 4. Cost recovery. (a) Notwithstanding any other provision of this chapter, the  
182.4 commission may approve, with respect to any prudent and reasonable investments made or  
182.5 expenses incurred by a public utility to administer and implement a transportation  
182.6 electrification plan approved under subdivision 3:

182.7 (1) performance-based incentives or penalties;

182.8 (2) placing the capital investment in the public utility's rate base and allowing the public  
182.9 utility to earn a rate of return on the investment at:

308.8 in the public utility's rate base and allowing the public utility to earn a rate of return on the  
308.9 investment at the level approved by the commission in the public utility's most recent general  
308.10 rate case, unless the commission finds a different rate of return is in the public interest.

308.11 (b) Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the  
308.12 commission must approve recovery costs for expenses reasonably incurred by a public  
308.13 utility to provide public advertisement as part of a transportation electrification plan approved  
308.14 by the commission under subdivision 3.

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

327.16 Sec. 3. **[216B.1616] ENERGY STORAGE; PEAK SHAVING TARIFF.**

327.17 (a) No later than September 15, 2023, the commission must initiate a docket designed  
327.18 to result in a commission order requiring public utilities providing electric service to file a  
327.19 tariff with the commission, based on guidelines established in the order, to compensate  
327.20 customer-owners of on-site energy storage systems, as defined in section 216B.2422,  
327.21 subdivision 1, paragraph (f), for the discharge of stored energy that is net input to the utility  
327.22 during periods of peak electricity demand by utility customers.

327.23 (b) Within 90 days of the date the commission issues an order under this subdivision,  
327.24 each public utility must file with the commission for commission approval, disapproval, or  
327.25 modification a tariff that is consistent with the order.

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

421.13 Sec. 5. Minnesota Statutes 2022, section 216B.1645, subdivision 4, is amended to read:

421.14 Subd. 4. ~~Settlement with Mdewakanton Dakota Tribal Council at Prairie Island~~  
421.15 ~~Indian Community.~~ (a) The commission shall approve as a state energy policy rider a rate  
421.16 schedule providing for the automatic adjustment of charges to recover the costs or expenses  
421.17 of a settlement between the public utility that owns the Prairie Island nuclear generation  
421.18 facility and the Mdewakanton Dakota Tribal Council at Prairie Island Indian Community,  
421.19 resolving outstanding disputes regarding the provisions of Laws 1994, chapter 641, article  
421.20 1, section 4 extended operation of the Prairie Island nuclear generating facility. The rate  
421.21 schedule approved under this subdivision applies until the public utility's first base rate  
421.22 change under section 216B.16 that occurs after January 1, 2024. After the public utility's  
421.23 first base rate change that occurs after January 1, 2024, any costs and expenses under this  
421.24 subdivision must be recovered through the public utility's base rates.

421.25 (b) The settlement must provide for annual payments, not to exceed \$2,500,000 annually,  
421.26 beginning January 1, 2024, by the public utility to the Prairie Island Indian Community;  
421.27 The annual payments must consist of: (1) a \$10,000,000 lump sum payment each year the  
421.28 Prairie Island nuclear generating facility is in operation; and (2) \$50,000 for each dry cask

182.10 (i) the public utility's average weighted cost of capital, including the rate of return on  
182.11 equity, approved by the commission in the public utility's most recent general rate case; or

182.12 (ii) another rate determined by the commission; or

182.13 (3) any other recovery mechanism that the commission determines is fair, reasonable,  
182.14 and supports the objectives of this section.

182.15 (b) Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the  
182.16 commission must approve recovery costs for expenses reasonably incurred by a public  
182.17 utility to provide public advertisement as part of a transportation electrification plan approved  
182.18 by the commission under subdivision 3.

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

193.6 Sec. 17. Minnesota Statutes 2022, section 216B.1645, subdivision 4, is amended to read:

193.7 Subd. 4. ~~Settlement with Mdewakanton Dakota Tribal Council at~~ **Payments to the**  
193.8 **Prairie Island Indian Community.** (a) The commission shall approve a rate schedule  
193.9 providing for the automatic adjustment of charges to recover the costs or expenses of a  
193.10 settlement between the public utility that owns the Prairie Island nuclear generation facility  
193.11 and the Mdewakanton Dakota Tribal Council Prairie Island Indian Community at Prairie  
193.12 Island, resolving outstanding disputes regarding the provisions of Laws 1994, chapter 641,  
193.13 article 1, section 4. The settlement must provide for annual payments, not to exceed  
193.14 \$2,500,000 annually, by the public utility to the Prairie Island Indian Community, to be  
193.15 used for, among other purposes, acquiring up to 1,500 contiguous or noncontiguous acres  
193.16 of land in Minnesota within 50 miles of the tribal community's reservation at Prairie Island  
193.17 to be taken into trust by the federal government for the benefit of the tribal community for  
193.18 housing and other residential purposes. The legislature acknowledges that the intent to  
193.19 purchase land by the tribe for relocation purposes is part of the settlement agreement and  
193.20 Laws 2003, First Special Session chapter 11. However, the state, through the governor,  
193.21 reserves the right to support or oppose any particular application to place land in trust status.

421.29 or container containing spent fuel that is located at the Prairie Island nuclear generating  
421.30 facility, each year for as long as the dry casks or containers containing spent nuclear fuel  
421.31 are stored at the Prairie Island Independent Spent Fuel Storage Installation.

421.32 (c) The payments made to the Prairie Island Indian Community under this subdivision  
421.33 may be used for, among other purposes any purpose that benefits the Prairie Island Indian  
422.1 Community, including but not limited to acquiring up to 1,500 contiguous or noncontiguous  
422.2 acres of land in Minnesota within 50 miles of the tribal community's reservation at Prairie  
422.3 Island to be taken into trust by the federal government for the benefit of the tribal community  
422.4 for housing and other residential purposes. The legislature acknowledges that the intent to  
422.5 purchase land by the tribe for relocation purposes is part of the settlement agreement and  
422.6 Laws 2003, First Special Session chapter 11. However, the state, through the governor,  
422.7 reserves the right to support or oppose any particular application to place land in trust status.

193.22 (b) In addition to other payments provided under this section, the commission shall  
193.23 approve a rate schedule providing for the automatic adjustment of charges to recover  
193.24 payments under this paragraph. The public utility that owns the Prairie Island nuclear  
193.25 generation facility must make annual payments to the Prairie Island Indian Community for  
193.26 each dry cask or container containing spent fuel that is located at the Prairie Island power  
193.27 plant for as long as the dry casks containing spent fuel are stored at the Prairie Island  
193.28 Independent Spent Fuel Storage Installation. The payment per dry cask required under this  
193.29 section is \$50,000 for each dry cask or container.

193.30 (c) In addition to other payments provided under this section, the commission shall  
193.31 approve a rate schedule providing for the automatic adjustment of charges to recover  
193.32 payments under this paragraph. The public utility that owns the Prairie Island nuclear  
193.33 generation facility must make an annual lump sum payment to the Prairie Island Indian  
193.34 Community in the amount of \$7,500,000 for each year the plant is in licensed operation.

194.1 (d) Paragraphs (b) and (c) apply only if the public utility that owns the Prairie Island  
194.2 nuclear generation facility enters into a new or amended settlement agreement with the  
194.3 Prairie Island Indian Community after the effective date of this section that resolves  
194.4 outstanding disputes regarding the extended operation of the Prairie Island nuclear generation  
194.5 facility. Payments required under those paragraphs are required only if and to the extent  
194.6 that they are required under the terms of the settlement. Payments made under this subdivision  
194.7 may be used by the Prairie Island Indian Community for any purpose benefitting the Prairie  
194.8 Island Indian Community.

194.9 **EFFECTIVE DATE.** This section is effective January 1, 2024.

194.10 Sec. 18. Minnesota Statutes 2022, section 216B.1691, subdivision 1, as amended by Laws  
194.11 2023, chapter 7, section 3, is amended to read:

194.12 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
194.13 the meaning given them.

- 194.14 (b) "Carbon-free" means a technology that generates electricity without emitting carbon  
194.15 dioxide.
- 194.16 (c) Unless otherwise specified in law, "eligible energy technology" means an energy  
194.17 technology that generates electricity from the following renewable energy sources:
- 194.18 (1) solar;
- 194.19 (2) wind;
- 194.20 (3) hydroelectric with a capacity of: (i) less than 100 megawatts; or (ii) 100 megawatts  
194.21 or more, provided that the facility is in operation as of the effective date of this act;
- 194.22 (4) hydrogen generated from the resources listed in this paragraph; or
- 194.23 (5) biomass, which includes, without limitation, wood waste and wood chip biomass;  
194.24 landfill gas; an anaerobic digester system; the predominantly organic components of  
194.25 wastewater effluent, sludge, or related by-products from publicly owned treatment works,  
194.26 but not including incineration of wastewater sludge to produce electricity; and, except as  
194.27 provided in subdivision 1a, an energy recovery facility used to capture the heat value of  
194.28 mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a  
194.29 primary fuel.
- 194.30 (d) "Electric utility" means: (1) a public utility providing electric service; (2) a generation  
194.31 and transmission cooperative electric association; (3) a municipal power agency; (4) a power  
195.1 district; or (5) a cooperative electric association or municipal utility providing electric service  
195.2 that is not a member of an entity in clauses (2) to (4).
- 195.3 (e) "Environmental justice area" means an area in Minnesota that, based on the most  
195.4 recent data published by the United States Census Bureau, meets one or more of the following  
195.5 criteria:
- 195.6 (1) 40 percent or more of the area's total population is nonwhite;
- 195.7 (2) 35 percent or more of households in the area have an income that is at or below 200  
195.8 percent of the federal poverty level;
- 195.9 (3) 40 percent or more of the area's residents over the age of five have limited English  
195.10 proficiency; or
- 195.11 (4) the area is located within Indian country, as defined in United State Code, title 18,  
195.12 section 1151.
- 195.13 (f) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by  
195.14 an electric utility to retail customers of the electric utility or to a distribution utility for  
195.15 distribution to the retail customers of the distribution utility.
- 195.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

195.17 Sec. 19. Minnesota Statutes 2022, section 216B.1691, subdivision 2b, as amended by  
195.18 Laws 2023, chapter 7, section 6, is amended to read:

195.19 Subd. 2b. **Modification or delay of standard.** (a) The commission shall modify or delay  
195.20 the implementation of a standard obligation under subdivision 2a, 2f, or 2g, in whole or in  
195.21 part, if the commission determines that modifying or delaying the standard obligation is in  
195.22 the public interest. The commission, when evaluating a request to modify or delay  
195.23 implementation of a standard, must consider:

195.24 (1) the impact of implementing the standard on its customers' utility costs, including the  
195.25 economic and competitive pressure on the utility's customers;

195.26 (2) the environmental costs that would be incurred as a result of a delay or modification,  
195.27 based on the full range of environmental cost values established in section 216B.2422,  
195.28 subdivision 3;

195.29 (3) the effects of implementing the standard on the reliability of the electric system;

195.30 (4) technical advances or technical concerns;

196.1 (5) delays in acquiring sites or routes due to rejection or delays of necessary siting or  
196.2 other permitting approvals;

196.3 (6) delays, cancellations, or nondelivery of necessary equipment for construction or  
196.4 commercial operation of an eligible energy technology facility;

196.5 (7) transmission constraints preventing delivery of service;

196.6 (8) other statutory obligations imposed on the commission or a utility;

196.7 (9) impacts on environmental justice areas; and

196.8 (10) additional electric load from beneficial electrification and the greenhouse gas  
196.9 emissions savings associated with those loads as compared to serving the load with  
196.10 nonelectric energy sources.

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

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

196.17 (ii) enables an electric utility to better manage the electric utility's electric grid network;  
196.18 or

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

196.21 (b) For a public utility, the commission may modify or delay implementation of a standard  
196.22 obligation under paragraph (a), clauses (1) to (4), only if ~~it~~ the commission finds  
196.23 implementation would cause significant rate impact, requires significant measures to address  
196.24 reliability, or raises significant technical issues. For a public utility, the commission may  
196.25 modify or delay implementation of a standard obligation under paragraph (a), clauses (5)  
196.26 to (7), only if ~~it~~ the commission finds that the circumstances described in ~~those~~ paragraph  
196.27 (a), clauses (5) to (7), were due to circumstances beyond an electric a public utility's control  
196.28 and make compliance ~~not feasible~~ infeasible.

196.29 (c) For an electric utility other than a public utility, the commission must modify or  
196.30 delay implementation of a standard obligation under paragraph (a), clauses (1) to (4), if the  
196.31 commission finds implementation would cause significant rate impact, requires significant  
196.32 measures to address reliability, or raises significant technical issues. For an electric utility  
197.1 other than a public utility, the commission must modify or delay implementation of a standard  
197.2 obligation under paragraph (a), clauses (5) to (7), if the commission finds that the  
197.3 circumstances described in paragraph (a), clauses (5) to (7), were due to circumstances  
197.4 beyond an electric utility's control and make compliance infeasible.

197.5 ~~(e)~~ (d) When evaluating transmission capacity constraints under paragraph (a), clause  
197.6 (7), the commission must consider whether the utility has:

197.7 (1) taken reasonable measures that are under the utility's control and consistent with the  
197.8 utility's obligations under local, state, and federal laws and regulations, and the utility's  
197.9 obligations as a member of a regional transmission organization or independent system  
197.10 operator, to acquire sites, necessary permit approvals, and necessary equipment to develop  
197.11 and construct new transmission lines or upgrade existing transmission lines to transmit  
197.12 electricity generated by eligible energy technologies; and

197.13 (2) taken all reasonable operational measures to maximize cost-effective electricity  
197.14 delivery from eligible energy technologies in advance of transmission availability.

197.15 ~~(d)~~ (e) When considering whether to delay or modify implementation of a standard  
197.16 obligation, the commission must give due consideration to a preference for electric generation  
197.17 through use of eligible energy technology and to the achievement of the standards set by  
197.18 this section.

197.19 ~~(e)~~ (f) An electric utility that requests a modification or delay to the implementation of  
197.20 a standard must file a plan to comply with the electric utility's standard obligation as part  
197.21 of the same proceeding in which the electric utility requests the modification or delay.

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

197.23 Sec. 20. Minnesota Statutes 2022, section 216B.1691, subdivision 2e, as amended by  
197.24 Laws 2023, chapter 7, section 8, is amended to read:

197.25 Subd. 2e. **Rate impact of standard compliance; report.** (a) Each electric utility must  
197.26 submit to the commission and the legislative committees with primary jurisdiction over

197.27 energy policy a report containing an estimation of the rate impact of activities of the electric  
197.28 utility necessary to comply with this section. In consultation with the Department of  
197.29 Commerce, the commission shall determine a uniform reporting system to ensure that  
197.30 individual utility reports are consistent and comparable, and shall, by order, require each  
197.31 electric utility subject to this section to use that reporting system. The rate impact estimate  
197.32 must be for wholesale rates and, if the electric utility makes retail sales, the estimate shall  
197.33 also be for the impact on the electric utility's retail rates. Those activities include, without  
198.1 limitation, energy purchases, generation facility acquisition and construction, and  
198.2 transmission improvements. A report must be updated and submitted as part of each  
198.3 integrated resource plan or plan modification filed by the electric utility under section  
198.4 216B.2422. The reporting obligation of an electric utility under this subdivision expires  
198.5 December 31, 2040.

198.6 (b) In addition to the reporting required by paragraph (a), by April 1 of each year each  
198.7 electric utility must submit to the chairs and ranking minority members of the house of  
198.8 representatives and senate committees and divisions with jurisdiction over energy a report  
198.9 containing information about the reliability of electric service provided to customers and  
198.10 rates paid by customers during the year covered by the report compared to the three years  
198.11 prior to the reporting year.

198.12 Sec. 21. Minnesota Statutes 2022, section 216B.1691, is amended by adding a subdivision  
198.13 to read:

198.14 Subd. 2h. **Distributed solar energy standard.** (a) In addition to the other requirements  
198.15 of this section, for the public utility subject to section 116C.779, at least three percent of  
198.16 the utility's total retail electric sales to customers in Minnesota by the end of 2030 must be  
198.17 generated by solar photovoltaic devices:

198.18 (1) with a nameplate capacity of ten megawatts or less connected to the utility's  
198.19 distribution system;

198.20 (2) that are located in the service territory of the public utility; and

198.21 (3) that were constructed or procured after August 1, 2023.

198.22 (b) Generation with a nameplate capacity of 100 kilowatts or more does not count toward  
198.23 compliance with the standard established in this subdivision unless the public utility verifies  
198.24 that construction trades workers who constructed the generation resource were all paid no  
198.25 less than the prevailing wage rate, as defined in section 177.42.

198.26 (c) The public utility subject to section 116C.779 may own no more than 30 percent of  
198.27 the solar photovoltaic capacity used to satisfy the requirements of this subdivision.

198.28 (d) Compensation for solar photovoltaic projects procured to satisfy the standard  
198.29 established in this subdivision must be determined based on a competitive procurement  
198.30 process and standard contracts approved by the commission.

327.27 Sec. 4. **[216B.1697] ENERGY STORAGE SYSTEMS; DEPLOYMENT TARGETS.**

327.28 Subdivision 1. **Definition.** For the purposes of this section, "energy storage system" has  
327.29 the meaning given in section 216B.2422, subdivision 1.

327.30 Subd. 2. **Deployment targets.** (a) Each utility required to file a resource plan under  
327.31 section 216B.2422 must deploy energy storage systems of a capacity determined by the  
327.32 commission under paragraph (b). No later than December 31, 2033, the aggregate statewide  
328.1 capacity of energy storage systems deployed by all utilities subject to this section must be  
328.2 at least 3,000 megawatts.

328.3 (b) No later than October 1, 2023, the commission must issue an order specifying the  
328.4 amount of energy storage capacity required of each utility subject to this section in order  
328.5 to meet the statewide capacity target and schedule in paragraph (a). The amount of energy  
328.6 storage capacity required of an individual utility must be calculated by dividing each utility's  
328.7 total electric retail sales to Minnesota customers in 2022 by total electric retail sales to  
328.8 Minnesota customers in 2022 of all utilities subject to this section, and multiplying that  
328.9 quotient by 3,000 megawatts. The commission may establish interim energy storage capacity  
328.10 targets that utilities are required to meet before the 2033 target date.

328.11 Subd. 3. **Application.** (a) A utility must file an application with the commission prior  
328.12 to installing each proposed energy storage system contributing to the energy storage target  
328.13 assigned to the utility under subdivision 2. Each application must contain:

328.14 (1) the energy storage system's technical specifications, including but not limited to:

328.15 (i) the maximum amount of electric output that the energy storage system can provide;

328.16 (ii) the length of time the energy storage system can sustain maximum output;

328.17 (iii) the location of the project within the utility's distribution system and a description  
328.18 of the analysis conducted to determine the location;

328.19 (iv) a description of the utility's electric system needs that the proposed energy storage  
328.20 system addresses;

328.21 (v) a description of the types of services the energy storage system is expected to provide;

328.22 and

198.31 (e) After January 1, 2031, the commission may use the authority in subdivision 2b to  
198.32 increase or decrease the standard obligation established in paragraph (a). Prior to that date,  
199.1 the commission may modify or delay the implementation of that standard obligation, in  
199.2 whole or in part, in accordance with subdivision 2b.

199.3 (f) An integrated distribution plan filed by a utility subject to this subdivision must  
199.4 describe investments in the distribution grid that facilitate the interconnection of sufficient  
199.5 distribution-connected solar energy to fulfill the requirements of this subdivision.

- 328.23 (vi) a description of the technology required to construct, operate, and maintain the  
328.24 energy storage system, including any data or communication system necessary to operate  
328.25 the energy storage system;
- 328.26 (2) the estimated cost of the project, including:
- 328.27 (i) capital costs;
- 328.28 (ii) the estimated cost per unit of energy delivered by the energy storage system; and
- 328.29 (iii) an evaluation of the cost-effectiveness of the energy storage system;
- 328.30 (3) the estimated benefits of the energy storage system to the utility's electric system,  
328.31 including but not limited to:
- 329.1 (i) deferred investments in generation, transmission, or distribution capacity;
- 329.2 (ii) reduced need for electricity during times of peak demand;
- 329.3 (iii) improved reliability of the utility's transmission or distribution system; and
- 329.4 (iv) improved integration of the utility's renewable energy resources;
- 329.5 (4) a description indicating how the addition of an energy storage system complements  
329.6 the utility's proposed actions described in the most recent integrated resource plan submitted  
329.7 under section 216B.2422 to meet expected demand with the least expensive combination  
329.8 of resources; and
- 329.9 (5) any additional information required by the commission.
- 329.10 (b) A utility must include in the application an evaluation of the potential to store energy  
329.11 throughout the utility's electric system and must identify geographic areas in the utility's  
329.12 service area where the deployment of energy storage systems has the greatest potential to  
329.13 achieve the economic benefits identified in paragraph (a), clause (3).
- 329.14 Subd. 4. **Commission review.** The commission must review each proposal submitted  
329.15 under this section and may approve, reject, or modify the proposal. The commission must  
329.16 approve a proposal the commission determines: (1) is in the public interest; and (2) reasonably  
329.17 balances the value derived from the deployment of an energy storage system for ratepayers  
329.18 and the utility's operations with the cost to procure, construct, operate, and maintain the  
329.19 energy storage system.
- 329.20 Subd. 5. **Cost recovery.** A public utility may recover from ratepayers all costs prudently  
329.21 incurred by the public utility to deploy an energy storage system approved by the commission  
329.22 under this section, net of any revenues generated by the operation of the energy storage  
329.23 system.

329.24 Subd. 6. **Reporting; compliance.** The commission must establish reporting procedures  
329.25 for utilities that are sufficient in content and frequency to keep the commission informed  
329.26 regarding compliance with this section.

329.27 Subd. 7. **Commission authority; orders.** The commission may issue orders and conduct  
329.28 proceedings necessary to implement and administer this section.

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

355.10 Section 1. Minnesota Statutes 2022, section 216B.17, subdivision 1, is amended to read:

355.11 Subdivision 1. **Investigation.** On its the commission's own motion or upon a complaint  
355.12 made against any public utility; by the governing body of any political subdivision, by  
355.13 another public utility, by the department, or by any 50 consumers of the a particular utility,  
355.14 or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or  
355.15 schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting  
355.16 or relating to the production, transmission, delivery, or furnishing of natural gas or electricity  
355.17 or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly  
355.18 discriminatory, or that any service is inadequate or cannot be obtained, the commission  
355.19 shall proceed, with notice, to make such investigation as it may deem necessary. The  
355.20 commission may dismiss any complaint without a hearing if in its opinion a hearing is not  
355.21 in the public interest.

355.22 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
355.23 applies to any complaint filed with the commission on or after that date.

355.24 Sec. 2. **[216B.172] CONSUMER DISPUTES.**

355.25 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
355.26 the meanings given.

355.27 (b) "Appeal" means a request a complainant files with the commission to review and  
355.28 make a final decision regarding the resolution of the complainant's complaint by the consumer  
355.29 affairs office.

356.1 (c) "Complainant" means an individual residential customer who files with the consumer  
356.2 affairs office a complaint against a public utility.

356.3 (d) "Complaint" means an allegation submitted to the consumer affairs office by a  
356.4 complainant that a public utility's action or practice regarding billing or terms and conditions  
356.5 of service:

356.6 (1) violates a statute, rule, tariff, service contract, or other provision of law;

356.7 (2) is unreasonable; or

356.8 (3) has harmed or, if not addressed, harms a complainant.

199.6 Sec. 22. Minnesota Statutes 2022, section 216B.17, subdivision 1, is amended to read:

199.7 Subdivision 1. **Investigation.** On its the commission's own motion or upon a complaint  
199.8 made against any public utility; by the governing body of any political subdivision, by  
199.9 another public utility, by the department, or by any 50 consumers of the a particular utility,  
199.10 or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or  
199.11 schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting  
199.12 or relating to the production, transmission, delivery, or furnishing of natural gas or electricity  
199.13 or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly  
199.14 discriminatory, or that any service is inadequate or cannot be obtained, the commission  
199.15 shall proceed, with notice, to make such investigation as it may deem necessary. The  
199.16 commission may dismiss any complaint without a hearing if in its opinion a hearing is not  
199.17 in the public interest.

199.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
199.19 applies to any complaint filed with the commission on or after that date.

199.20 Sec. 23. **[216B.172] CONSUMER DISPUTES.**

199.21 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
199.22 the meanings given.

199.23 (b) "Appeal" means a request a complainant files with the commission to review and  
199.24 make a final decision regarding the resolution of the complainant's complaint by the consumer  
199.25 affairs office.

199.26 (c) "Complainant" means an individual residential customer who files with the consumer  
199.27 affairs office a complaint against a public utility.

199.28 (d) "Complaint" means an allegation submitted to the consumer affairs office by a  
199.29 complainant that a public utility's action or practice regarding billing or terms and conditions  
199.30 of service:

199.31 (1) violates a statute, rule, tariff, service contract, or other provision of law;

200.1 (2) is unreasonable; or

200.2 (3) has harmed or, if not addressed, harms a complainant.

356.9 Complaint does not include an objection to or a request to modify any natural gas or  
356.10 electricity rate contained in a tariff that has been approved by the commission. A complaint  
356.11 under this section is an informal complaint under Minnesota Rules, chapter 7829.

356.12 (e) "Consumer affairs office" means the staff unit of the commission that is organized  
356.13 to receive and respond to complaints.

356.14 (f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100,  
356.15 subpart 8.

356.16 (g) "Public assistance" has the meaning given in section 550.37, subdivision 14.

356.17 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

356.18 Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve  
356.19 a dispute with a public utility by filing a complaint with the consumer affairs office. The  
356.20 consumer affairs office must: (1) notify the complainant of the resolution of the complaint;  
356.21 and (2) provide written notice of (i) the complainant's right to appeal the resolution to the  
356.22 commission, and (ii) the steps the complainant may take to appeal the resolution. Upon  
356.23 request, the consumer affairs office must provide to the complainant a written notice  
356.24 containing the substance of and basis for the resolution. Nothing in this section affects any  
356.25 other rights existing under this chapter or other law.

356.26 Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with  
356.27 the resolution of a complaint by the consumer affairs office, the complainant may file an  
356.28 appeal with the commission requesting that the commission make a final decision on the  
356.29 complaint. The commission's response to an appeal filed under this subdivision must comply  
356.30 with the notice requirements under section 216B.17, subdivisions 2 to 5.

357.1 (b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of  
357.2 the commission or a subcommittee delegated under section 216A.03, subdivision 8, to  
357.3 review the resolution of the complaint must decide whether the complaint be:

357.4 (1) dismissed because there is no reasonable basis on which to proceed;

357.5 (2) resolved through an informal commission proceeding; or

357.6 (3) referred to the Office of Administrative Hearings for a contested case proceeding  
357.7 under chapter 14.

357.8 A decision made under this paragraph must be provided in writing to the complainant and  
357.9 the public utility.

357.10 (c) If the commission decides that the complaint be resolved through an informal  
357.11 proceeding before the commission or referred to the Office of Administrative Hearings for  
357.12 a contested case proceeding, the executive secretary must issue any procedural schedules,  
357.13 notices, or orders required to initiate an informal proceeding or a contested case.

200.3 Complaint does not include an objection to or a request to modify any natural gas or  
200.4 electricity rate contained in a tariff that has been approved by the commission. A complaint  
200.5 under this section is an informal complaint under Minnesota Rules, chapter 7829.

200.6 (e) "Consumer affairs office" means the staff unit of the commission that is organized  
200.7 to receive and respond to complaints.

200.8 (f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100,  
200.9 subpart 8.

200.10 (g) "Public assistance" has the meaning given in section 550.37, subdivision 14.

200.11 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

200.12 Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve  
200.13 a dispute with a public utility by filing a complaint with the consumer affairs office. The  
200.14 consumer affairs office must: (1) notify the complainant of the resolution of the complaint;  
200.15 and (2) provide written notice of (i) the complainant's right to appeal the resolution to the  
200.16 commission, and (ii) the steps the complainant may take to appeal the resolution. Upon  
200.17 request, the consumer affairs office must provide to the complainant a written notice  
200.18 containing the substance of and basis for the resolution. Nothing in this section affects any  
200.19 other rights existing under this chapter or other law.

200.20 Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with  
200.21 the resolution of a complaint by the consumer affairs office, the complainant may file an  
200.22 appeal with the commission requesting that the commission make a final decision on the  
200.23 complaint. The commission's response to an appeal filed under this subdivision must comply  
200.24 with the notice requirements under section 216B.17, subdivisions 2 to 5.

200.25 (b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of  
200.26 the commission or a subcommittee delegated under section 216A.03, subdivision 8, to  
200.27 review the resolution of the complaint must decide whether the complaint be:

200.28 (1) dismissed because there is no reasonable basis on which to proceed;

200.29 (2) resolved through an informal commission proceeding; or

200.30 (3) referred to the Office of Administrative Hearings for a contested case proceeding  
200.31 under chapter 14.

201.1 A decision made under this paragraph must be provided in writing to the complainant and  
201.2 the public utility.

201.3 (c) If the commission decides that the complaint be resolved through an informal  
201.4 proceeding before the commission or referred to the Office of Administrative Hearings for  
201.5 a contested case proceeding, the executive secretary must issue any procedural schedules,  
201.6 notices, or orders required to initiate an informal proceeding or a contested case.

357.14 (d) The commission's dismissal of an appeal request or a decision rendered after  
357.15 conducting an informal proceeding is a final decision constituting an order or determination  
357.16 of the commission.

357.17 Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek  
357.18 judicial review in district court of an adverse final decision under subdivision 3, paragraph  
357.19 (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred  
357.20 under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.

357.21 Subd. 5. **Right to service during pendency of dispute.** A public utility must continue  
357.22 or promptly restore service to a complainant during the pendency of an administrative or  
357.23 judicial procedure pursued by a complainant under this section, provided that the  
357.24 complainant:

357.25 (1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;

357.26 (2) posts the full disputed payment in escrow;

357.27 (3) demonstrates receipt of public assistance or eligibility for legal aid services; or

357.28 (4) demonstrates the complainant's household income is at or below 50 percent of the  
357.29 median income in Minnesota.

357.30 Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the  
357.31 purposes of this section.

358.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
358.2 applies to any complaint filed with the commission on or after that date.

330.1 Sec. 5. Minnesota Statutes 2022, section 216B.2402, subdivision 16, is amended to read:

330.2 Subd. 16. **Low-income household.** "Low-income household" means a household whose  
330.3 household income:

330.4 (1) is ~~60~~ 80 percent or less of the ~~state~~ area median household income; for the geographic  
330.5 area in which the low-income household is located, as calculated by the United States  
330.6 Department of Housing and Urban Development; or

330.7 (2) meets the income eligibility standards, as determined by the commissioner, required  
330.8 for a household to receive financial assistance from a federal, state, municipal, or utility  
330.9 program administered or approved by the department.

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

201.7 (d) The commission's dismissal of an appeal request or a decision rendered after  
201.8 conducting an informal proceeding is a final decision constituting an order or determination  
201.9 of the commission.

201.10 Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek  
201.11 judicial review in district court of an adverse final decision under subdivision 3, paragraph  
201.12 (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred  
201.13 under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.

201.14 Subd. 5. **Right to service during pendency of dispute.** A public utility must continue  
201.15 or promptly restore service to a complainant during the pendency of an administrative or  
201.16 judicial procedure pursued by a complainant under this section, provided that the  
201.17 complainant:

201.18 (1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;

201.19 (2) posts the full disputed payment in escrow;

201.20 (3) demonstrates receipt of public assistance or eligibility for legal aid services; or

201.21 (4) demonstrates the complainant's household income is at or below 50 percent of the  
201.22 median income in Minnesota.

201.23 Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the  
201.24 purposes of this section.

201.25 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
201.26 applies to any complaint filed with the commission on or after that date.

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2.1 Sec. 2. Minnesota Statutes 2022, section 216B.2402, subdivision 16, is amended to read:

2.2 Subd. 16. **Low-income household.** "Low-income household" means a household whose  
2.3 household income:

2.4 (1) is ~~60~~ 80 percent or less of the ~~state~~ area median household income; for the geographic  
2.5 area in which the low-income household is located, as calculated by the federal Department  
2.6 of Housing and Urban Development; or

2.7 (2) meets the income eligibility standards, as determined by the commissioner, required  
2.8 for a household to receive financial assistance from a federal, state, municipal, or utility  
2.9 program administered or approved by the department.

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

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- 201.27 Sec. 24. Minnesota Statutes 2022, section 216B.2422, subdivision 2, is amended to read:
- 201.28 Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with
- 201.29 the commission periodically in accordance with rules adopted by the commission. The
- 201.30 commission shall approve, reject, or modify the plan of a public utility, as defined in section
- 201.31 216B.02, subdivision 4, consistent with the public interest.
- 202.1 (b) In the resource plan proceedings of all other utilities, the commission's order shall
- 202.2 be advisory and the order's findings and conclusions shall constitute prima facie evidence
- 202.3 which may be rebutted by substantial evidence in all other proceedings. With respect to
- 202.4 utilities other than those defined in section 216B.02, subdivision 4, the commission shall
- 202.5 consider the filing requirements and decisions in any comparable proceedings in another
- 202.6 jurisdiction.
- 202.7 (c) As a part of its resource plan filing, a utility shall include the least cost plan for
- 202.8 meeting 50 and 75 percent of all energy needs from both new and refurbished generating
- 202.9 facilities through a combination of conservation and renewable energy resources.
- 202.10 (d) A public utility must include distributed energy resources among the options
- 202.11 considered in the public utility's resource plan filing.

- 330.11 Sec. 6. Minnesota Statutes 2022, section 216B.2422, subdivision 7, is amended to read:
- 330.12 Subd. 7. **Energy storage systems assessment.** (a) Each public utility required to file a
- 330.13 resource plan under subdivision 2 must incorporate in the utility's resource planning the
- 330.14 energy storage targets the utility is required to meet under section 216B.1697 and must
- 330.15 include in the filing an assessment of energy storage systems that analyzes how the
- 330.16 deployment of energy storage systems contributes to:
- 330.17 (1) meeting identified generation and capacity needs; ~~and~~
- 330.18 (2) the factors identified in section 216B.1697, subdivision 3, paragraph (a), clause (3);
- 330.19 and
- 330.20 (2) (3) evaluating ancillary services.
- 330.21 (b) The assessment must employ appropriate modeling methods to enable the analysis
- 330.22 required in paragraph (a).

- 422.8 Sec. 6. Minnesota Statutes 2022, section 216B.2425, subdivision 3, is amended to read:
- 422.9 Subd. 3. **Commission approval.** (a) By June 1 of each even-numbered year, the
- 422.10 commission shall adopt a state transmission project list and shall certify, certify as modified,
- 422.11 or deny certification of the transmission and distribution projects proposed under subdivision
- 422.12 2. Except as provided in paragraph (b), the commission may only certify a project that is a

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- 2.11 Sec. 3. Minnesota Statutes 2022, section 216B.2425, subdivision 3, is amended to read:
- 2.12 Subd. 3. **Commission approval.** (a) By June 1 of each even-numbered year, the
- 2.13 commission shall adopt a state transmission project list and shall certify, certify as modified,
- 2.14 or deny certification of the transmission and distribution projects proposed under subdivision
- 2.15 2. Except as provided in paragraph (b), the commission may only certify a project that is a

422.13 high-voltage transmission line as defined in section 216B.2421, subdivision 2, that the  
422.14 commission finds is:

422.15 (1) necessary to maintain or enhance the reliability of electric service to Minnesota  
422.16 consumers;

422.17 (2) needed, applying the criteria in section 216B.243, subdivision 3; and

422.18 (3) in the public interest, taking into account electric energy system needs and economic,  
422.19 environmental, and social interests affected by the project.

422.20 (b) The commission may certify a project proposed under subdivision 2, paragraph (c),  
422.21 only if the commission finds the proposed project is in the public interest.

422.22 Sec. 7. Minnesota Statutes 2022, section 216B.243, subdivision 8, as amended by Laws  
422.23 2023, chapter 7, section 23, is amended to read:

422.24 Subd. 8. **Exemptions.** (a) This section does not apply to:

422.25 (1) cogeneration or small power production facilities as defined in the Federal Power  
422.26 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and  
422.27 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less  
422.28 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or  
422.29 any case where the commission has determined after being advised by the attorney general  
422.30 that its application has been preempted by federal law;

423.1 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve  
423.2 the demand of a single customer at a single location, unless the applicant opts to request  
423.3 that the commission determine need under this section or section 216B.2425;

423.4 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand  
423.5 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to  
423.6 request that the commission determine need under this section or section 216B.2425;

423.7 (4) a high-voltage transmission line of one mile or less required to connect a new or  
423.8 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

423.9 (5) conversion of the fuel source of an existing electric generating plant to using natural  
423.10 gas;

423.11 (6) the modification of an existing electric generating plant to increase efficiency, as  
423.12 long as the capacity of the plant is not increased more than ten percent or more than 100  
423.13 megawatts, whichever is greater;

423.14 (7) a large wind energy conversion system, as defined in section 216F.01, subdivision  
423.15 2, or a solar energy generating system, as defined in section 216E.01, subdivision 9a, ~~if the~~  
423.16 ~~system is owned and operated by an independent power producer and the electric output of~~

2.16 high-voltage transmission line as defined in section 216B.2421, subdivision 2, that the  
2.17 commission finds is:

2.18 (1) necessary to maintain or enhance the reliability of electric service to Minnesota  
2.19 consumers;

2.20 (2) needed, applying the criteria in section 216B.243, subdivision 3; and

2.21 (3) in the public interest, taking into account electric energy system needs and economic,  
2.22 environmental, and social interests affected by the project.

2.23 (b) The commission may certify a project proposed under subdivision 2, paragraph (c),  
2.24 only if the commission finds the proposed project is in the public interest.

2.25 Sec. 4. Minnesota Statutes 2022, section 216B.243, subdivision 8, as amended by Laws  
2.26 2023, chapter 7, section 23, is amended to read:

2.27 Subd. 8. **Exemptions.** (a) This section does not apply to:

2.28 (1) cogeneration or small power production facilities as defined in the Federal Power  
2.29 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and  
2.30 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less  
2.31 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or  
3.1 any case where the commission has determined after being advised by the attorney general  
3.2 that its application has been preempted by federal law;

3.3 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve  
3.4 the demand of a single customer at a single location, unless the applicant opts to request  
3.5 that the commission determine need under this section or section 216B.2425;

3.6 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand  
3.7 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to  
3.8 request that the commission determine need under this section or section 216B.2425;

3.9 (4) a high-voltage transmission line of one mile or less required to connect a new or  
3.10 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

3.11 (5) conversion of the fuel source of an existing electric generating plant to using natural  
3.12 gas;

3.13 (6) the modification of an existing electric generating plant to increase efficiency, as  
3.14 long as the capacity of the plant is not increased more than ten percent or more than 100  
3.15 megawatts, whichever is greater;

3.16 (7) a large wind energy conversion system, as defined in section 216F.01, subdivision  
3.17 2, or a solar energy generating system, as defined in section 216E.01, subdivision 9a, ~~if the~~  
3.18 ~~system is owned and operated by an independent power producer and the electric output of~~  
3.19 ~~the system:~~

423.17 ~~the system; for which a site permit is submitted by an independent power producer under~~  
423.18 ~~chapter 216E or 216F; or~~

423.19 (i) ~~is not sold to an entity that provides retail service in Minnesota or wholesale electric~~  
423.20 ~~service to another entity in Minnesota other than an entity that is a federally recognized~~  
423.21 ~~regional transmission organization or independent system operator; or~~

423.22 (ii) ~~is sold to an entity that provides retail service in Minnesota or wholesale electric~~  
423.23 ~~service to another entity in Minnesota other than an entity that is a federally recognized~~  
423.24 ~~regional transmission organization or independent system operator, provided that the system~~  
423.25 ~~represents solar or wind capacity that the entity purchasing the system's electric output was~~  
423.26 ~~ordered by the commission to develop in the entity's most recent integrated resource plan~~  
423.27 ~~approved under section 216B.2422; or~~

423.28 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision  
423.29 2, or a solar energy generating system that is a large energy facility, as defined in section  
423.30 216B.2421, subdivision 2, engaging in a repowering project that:

423.31 (i) will not result in the system exceeding the nameplate capacity under its most recent  
423.32 interconnection agreement; or

424.1 (ii) will result in the system exceeding the nameplate capacity under its most recent  
424.2 interconnection agreement, provided that the Midcontinent Independent System Operator  
424.3 has provided a signed generator interconnection agreement that reflects the expected net  
424.4 power increase.

424.5 (b) For the purpose of this subdivision, "repowering project" means:

424.6 (1) modifying a large wind energy conversion system or a solar energy generating system  
424.7 that is a large energy facility to increase its efficiency without increasing its nameplate  
424.8 capacity;

424.9 (2) replacing turbines in a large wind energy conversion system without increasing the  
424.10 nameplate capacity of the system; or

424.11 (3) increasing the nameplate capacity of a large wind energy conversion system.

3.20 (i) is not sold to an entity that provides retail service in Minnesota or wholesale electric  
3.21 service to another entity in Minnesota other than an entity that is a federally recognized  
3.22 regional transmission organization or independent system operator; or

3.23 (ii) is sold to an entity that provides retail service in Minnesota or wholesale electric  
3.24 service to another entity in Minnesota other than an entity that is a federally recognized  
3.25 regional transmission organization or independent system operator, provided that the system  
3.26 represents solar or wind capacity that the entity purchasing the system's electric output was  
3.27 ordered by the commission to develop in the entity's most recent integrated resource plan  
3.28 approved under section 216B.2422 if a site permit application under chapter 216E or 216F  
3.29 is initially submitted by an independent power producer; or

3.30 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision  
3.31 2, or a solar energy generating system that is a large energy facility, as defined in section  
3.32 216B.2421, subdivision 2, engaging in a repowering project that:

4.1 (i) will not result in the system exceeding the nameplate capacity under its most recent  
4.2 interconnection agreement; or

4.3 (ii) will result in the system exceeding the nameplate capacity under its most recent  
4.4 interconnection agreement, provided that the Midcontinent Independent System Operator  
4.5 has provided a signed generator interconnection agreement that reflects the expected net  
4.6 power increase.

4.7 (b) For the purpose of this subdivision, "repowering project" means:

4.8 (1) modifying a large wind energy conversion system or a solar energy generating system  
4.9 that is a large energy facility to increase its efficiency without increasing its nameplate  
4.10 capacity;

4.11 (2) replacing turbines in a large wind energy conversion system without increasing the  
4.12 nameplate capacity of the system; or

4.13 (3) increasing the nameplate capacity of a large wind energy conversion system.

4.14 Sec. 5. **[216B.491] DEFINITIONS.**

4.15 Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.499, the terms  
4.16 defined in this subdivision have the meanings given.

4.17 Subd. 2. **Ancillary agreement.** "Ancillary agreement" means any bond, insurance policy,  
4.18 letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity  
4.19 or credit support arrangement, or other financial arrangement entered into in connection  
4.20 with extraordinary event bonds that is designed to promote the credit quality and

- 4.21 marketability of extraordinary event bonds or to mitigate the risk of an increase in interest  
4.22 rates.
- 4.23 Subd. 3. **Assignee.** "Assignee" means any person to which an interest in extraordinary  
4.24 event property is sold, assigned, transferred, or conveyed, other than as security, and any  
4.25 successor to or subsequent assignee of the person.
- 4.26 Subd. 4. **Bondholder.** "Bondholder" means any holder or owner of extraordinary event  
4.27 bonds.
- 4.28 Subd. 5. **Customer.** "Customer" means a person who purchases natural gas or natural  
4.29 gas transportation services from a utility in Minnesota but does not include a person who:
- 4.30 (1) purchases natural gas transportation services from a utility in Minnesota that serves  
4.31 fewer than 600,000 natural gas customers in Minnesota; and
- 5.1 (2) does not purchase natural gas from a utility in Minnesota.
- 5.2 Subd. 6. **Extraordinary event.** (a) "Extraordinary event" means an event arising from  
5.3 unforeseen circumstances and of sufficient magnitude, as determined by the commission:
- 5.4 (1) to impose significant costs on customers; and
- 5.5 (2) for which the issuance of extraordinary event bonds in response to the event meets  
5.6 the conditions of section 216B.492, subdivision 2, as determined by the commission.
- 5.7 (b) Extraordinary event includes but is not limited to a storm event or other natural  
5.8 disaster, an act of God, war, terrorism, sabotage or vandalism, a cybersecurity attack, or a  
5.9 temporary significant increase in the wholesale price of natural gas.
- 5.10 Subd. 7. **Extraordinary event activity.** "Extraordinary event activity" means an activity  
5.11 undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide  
5.12 natural gas service following one or more extraordinary events, including but not limited  
5.13 to activities related to mobilization, staging, construction, reconstruction, replacement, or  
5.14 repair of natural gas transmission, distribution, storage, or general facilities.
- 5.15 Subd. 8. **Extraordinary event bonds.** "Extraordinary event bonds" means debt securities,  
5.16 including but not limited to senior secured bonds, debentures, notes, certificates of  
5.17 participation, certificates of beneficial interest, certificates of ownership, or other evidences  
5.18 of indebtedness or ownership, that (1) have a scheduled maturity of no longer than 30 years  
5.19 and a final legal maturity date that is not later than 32 years from the issue date, (2) are rated  
5.20 AA or Aa2 or better by a major independent credit rating agency at the time of issuance,  
5.21 and (3) are issued by a utility or an assignee under a financing order.
- 5.22 Subd. 9. **Extraordinary event charge.** "Extraordinary event charge" means a  
5.23 nonbypassable charge that:

- 5.24 (1) a utility that is the subject of a financing order or the utility's successors or assignees  
5.25 imposes on all of the utility's customers;
- 5.26 (2) is separate from the utility's base rates; and
- 5.27 (3) provides a source of revenue solely to repay, finance, or refinance extraordinary  
5.28 event costs.
- 5.29 Subd. 10. **Extraordinary event costs.** "Extraordinary event costs":
- 5.30 (1) means all incremental costs of extraordinary event activities that are approved by  
5.31 the commission in a financing order issued under section 216B.492 as being:
- 6.1 (i) necessary to enable the utility to restore or maintain natural gas service to customers  
6.2 after the utility experiences an extraordinary event; and
- 6.3 (ii) prudent and reasonable;
- 6.4 (2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary  
6.5 event activities;
- 6.6 (3) are net of applicable insurance proceeds, tax benefits, and any other amounts intended  
6.7 to reimburse the utility for extraordinary event activities, including government grants or  
6.8 aid of any kind;
- 6.9 (4) do not include any monetary penalty, fine, or forfeiture assessed against a utility by  
6.10 a government agency or court under a federal or state environmental statute, rule, or  
6.11 regulation; and
- 6.12 (5) must be adjusted to reflect:
- 6.13 (i) the difference, as determined by the commission, between extraordinary event costs  
6.14 that the utility expects to incur and actual, reasonable, and prudent costs incurred; or
- 6.15 (ii) a more fair or reasonable allocation of extraordinary event costs to customers over  
6.16 time, as expressed in a commission order, provided that after the issuance of extraordinary  
6.17 event bonds relating to the extraordinary event costs, the adjustment must not (A) impair  
6.18 the value of the extraordinary event property relating to the extraordinary event bonds, or  
6.19 (B) reduce, alter, or impair extraordinary event charges relating to the extraordinary event  
6.20 bonds, until all principal and interest payable on the extraordinary event bonds, all financing  
6.21 costs for the extraordinary event bonds, and all amounts to be paid to an assignee or financing  
6.22 party under an ancillary agreement relating to the extraordinary event bonds are paid in full.
- 6.23 Subd. 11. **Extraordinary event property.** "Extraordinary event property" means:
- 6.24 (1) all rights and interests of a utility or the utility's successor or assignee under a  
6.25 financing order for the right to impose, bill, collect, receive, and obtain periodic adjustments

- 6.26 to extraordinary event charges authorized under a financing order issued by the commission;  
6.27 and
- 6.28 (2) all revenue, collections, claims, rights to payments, payments, money, or proceeds  
6.29 arising from the rights and interests specified in clause (1), regardless of whether any are  
6.30 commingled with other revenue, collections, rights to payment, payments, money, or  
6.31 proceeds.
- 7.1 Subd. 12. **Extraordinary event revenue.** "Extraordinary event revenue" means revenue,  
7.2 receipts, collections, payments, money, claims, or other proceeds arising from extraordinary  
7.3 event property.
- 7.4 Subd. 13. **Financing costs.** "Financing costs" means:
- 7.5 (1) principal, interest, and redemption premiums that are payable on extraordinary event  
7.6 bonds;
- 7.7 (2) payments required under an ancillary agreement and amounts required to fund or  
7.8 replenish a reserve account or other accounts established under the terms of any indenture,  
7.9 ancillary agreement, or other financing document pertaining to extraordinary event bonds;
- 7.10 (3) other demonstrable costs related to issuing, supporting, repaying, refunding, and  
7.11 servicing extraordinary event bonds, including but not limited to servicing fees, accounting  
7.12 and auditing fees, trustee fees, legal fees, consulting fees, financial adviser fees,  
7.13 administrative fees, placement and underwriting fees, capitalized interest, rating agency  
7.14 fees, stock exchange listing and compliance fees, security registration fees, filing fees,  
7.15 information technology programming costs, and any other demonstrable costs necessary to  
7.16 otherwise ensure and guarantee the timely payment of extraordinary event bonds or other  
7.17 amounts or charges payable in connection with extraordinary event bonds;
- 7.18 (4) taxes and license fees imposed on the revenue generated from collecting an  
7.19 extraordinary event charge;
- 7.20 (5) state and local taxes, including franchise, sales and use, and other taxes or similar  
7.21 charges, including but not limited to regulatory assessment fees, whether paid, payable, or  
7.22 accrued; and
- 7.23 (6) costs incurred by the commission to hire and compensate additional temporary staff  
7.24 needed to perform the commission's responsibilities under this section and, in accordance  
7.25 with section 216B.494, to engage specialized counsel and expert consultants experienced  
7.26 in securitized utility ratepayer-backed bond financings similar to extraordinary event bond  
7.27 financings.
- 7.28 Subd. 14. **Financing order.** "Financing order" means an order issued by the commission  
7.29 under section 216B.492 that authorizes an applicant to:
- 7.30 (1) issue extraordinary event bonds in one or more series;

- 7.31 (2) impose, charge, and collect extraordinary event charges; and
- 7.32 (3) create extraordinary event property.
- 8.1 Subd. 15. **Financing party.** "Financing party" means a holder of extraordinary event  
8.2 bonds and a trustee, a collateral agent, a party under an ancillary agreement, or any other  
8.3 person acting for the benefit of extraordinary event bondholders.
- 8.4 Subd. 16. **Natural gas facility.** "Natural gas facility" means natural gas pipelines,  
8.5 including distribution lines, underground storage areas, liquefied natural gas facilities,  
8.6 propane storage tanks, and other facilities the commission determines are used and useful  
8.7 to provide natural gas service to retail and transportation customers in Minnesota.
- 8.8 Subd. 17. **Nonbypassable.** "Nonbypassable" means an extraordinary event charge  
8.9 required to pay (1) principal and interest on extraordinary event bonds, and (2) other financing  
8.10 costs, that a retail customer located within a utility service area cannot avoid and must pay.
- 8.11 Subd. 18. **Pretax costs.** "Pretax costs" means costs incurred by a utility and approved  
8.12 by the commission, including but not limited to:
- 8.13 (1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed  
8.14 by an extraordinary event;
- 8.15 (2) costs to decommission and restore the site of a natural gas facility damaged or  
8.16 destroyed by an extraordinary event;
- 8.17 (3) other applicable capital and operating costs, accrued carrying charges, deferred  
8.18 expenses, reductions for applicable insurance, and salvage proceeds; and
- 8.19 (4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing  
8.20 debt agreements, or for waivers or consents related to existing debt agreements.
- 8.21 Subd. 19. **Storm event.** "Storm event" means a tornado, derecho, ice or snow storm,  
8.22 wildfire, flood, earthquake, or other significant weather or natural disaster that causes  
8.23 substantial damage to a utility's infrastructure.
- 8.24 Subd. 20. **Successor.** "Successor" means a legal entity that succeeds by operation of law  
8.25 to the rights and obligations of another legal entity as a result of bankruptcy, reorganization,  
8.26 restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or  
8.27 transfer of assets.
- 8.28 Subd. 21. **Utility.** "Utility" means a public utility, as defined in section 216B.02,  
8.29 subdivision 4, that provides natural gas service to Minnesota customers. Utility includes  
8.30 the utility's successors or assignees.
- 8.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.1 Sec. 6. **[216B.492] FINANCING ORDER.**

9.2 Subdivision 1. **Application.** (a) A utility may file an application with the commission  
9.3 for the issuance of a financing order to enable the utility to recover extraordinary event costs  
9.4 through the issuance of extraordinary event bonds under this section.

9.5 (b) The application must include the following information, as applicable:

9.6 (1) a description of each natural gas facility to be repaired or replaced;

9.7 (2) the undepreciated value remaining in the natural gas facility whose repair or  
9.8 replacement is proposed to be financed through the issuance of extraordinary event bonds  
9.9 under sections 216B.491 to 216B.499, and the method used to calculate the amount;

9.10 (3) the estimated costs imposed on customers resulting from an extraordinary event that  
9.11 involves no physical damage to natural gas facilities;

9.12 (4) the estimated savings or estimated mitigation of rate impacts to utility customers if  
9.13 the financing order is issued as requested in the application, calculated by comparing the  
9.14 costs to customers that are expected to result from implementing the financing order and  
9.15 the estimated costs associated with implementing traditional utility financing mechanisms  
9.16 with respect to the same undepreciated balance, expressed in net present value terms;

9.17 (5) a description of (i) the nonbypassable extraordinary event charge utility customers  
9.18 would be required to pay in order to fully recover financing costs, and (ii) the method and  
9.19 assumptions used to calculate the amount;

9.20 (6) a proposed methodology to allocate the revenue requirement for the extraordinary  
9.21 event charge among the utility's customer classes;

9.22 (7) a description of a proposed adjustment mechanism that is implemented when necessary  
9.23 to correct any overcollection or undercollection of extraordinary event charges, in order to  
9.24 complete payment of scheduled principal and interest on extraordinary event bonds and  
9.25 other financing costs in a timely fashion;

9.26 (8) a memorandum with supporting exhibits, from a securities firm that is experienced  
9.27 in the marketing of securitized utility ratepayer-backed bonds and that is approved by the  
9.28 commissioner of management and budget, indicating the proposed issuance satisfies the  
9.29 current published AA or Aa2 or higher rating or equivalent rating criteria of at least one  
9.30 nationally recognized securities rating organization for issuances similar to the proposed  
9.31 extraordinary event bonds;

10.1 (9) an estimate of the timing of the issuance and the term of the extraordinary event  
10.2 bonds, or series of bonds, provided that the scheduled final maturity for each bond issuance  
10.3 does not exceed 30 years;

10.4 (10) identification of plans to sell, assign, transfer, or convey, other than as a security,  
10.5 interest in extraordinary event property, including identification of an assignee, and

- 10.6 demonstration that the assignee is a financing entity that is wholly owned, directly or  
10.7 indirectly, by the utility;
- 10.8 (11) identification of ancillary agreements that may be necessary or appropriate;
- 10.9 (12) one or more alternative financing scenarios in addition to the preferred scenario  
10.10 contained in the application;
- 10.11 (13) the extent of damage to the utility's natural gas facility caused by an extraordinary  
10.12 event and the estimated costs to repair or replace the damaged natural gas facility;
- 10.13 (14) a schedule of the proposed repairs to and replacement of the damaged natural gas  
10.14 facility;
- 10.15 (15) a description of the steps taken to provide customers interim natural gas service  
10.16 while the damaged natural gas facility is being repaired or replaced; and
- 10.17 (16) a description of the impacts on the utility's current workforce resulting from  
10.18 implementing a repair or replacement plan following an extraordinary event.
- 10.19 Subd. 2. Findings. After providing notice and holding a public hearing on an application  
10.20 filed under subdivision 1, the commission may issue a financing order if the commission  
10.21 finds that:
- 10.22 (1) the extraordinary event costs described in the application are reasonable;
- 10.23 (2) the proposed issuance of extraordinary event bonds and the imposition and collection  
10.24 of extraordinary event charges:
- 10.25 (i) are just and reasonable;
- 10.26 (ii) are consistent with the public interest;
- 10.27 (iii) constitute a prudent and reasonable mechanism to finance the extraordinary event  
10.28 costs; and
- 10.29 (iv) provide tangible and quantifiable benefits to customers, either by providing lower  
10.30 overall costs or mitigating rate impacts relative to traditional methods of financing, that  
11.1 exceed the benefits that would have been achieved absent the issuance of extraordinary  
11.2 event bonds; and
- 11.3 (3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:
- 11.4 (i) lower overall costs to customers or mitigate rate impacts to customers relative to  
11.5 traditional methods of financing; and
- 11.6 (ii) achieve customer savings or mitigation of rate impacts to customers, as determined  
11.7 by the commission in a financing order, consistent with market conditions at the time of  
11.8 sale and the terms of the financing order.

- 11.9 Subd. 3. **Contents.** (a) A financing order issued under this section must:
- 11.10 (1) determine the maximum amount of extraordinary event costs that may be financed
- 11.11 from proceeds of extraordinary event bonds issued pursuant to the financing order;
- 11.12 (2) describe the proposed customer billing mechanism for extraordinary event charges
- 11.13 and include a finding that the mechanism is just and reasonable;
- 11.14 (3) describe the financing costs that may be recovered through extraordinary event
- 11.15 charges and the period over which the costs may be recovered, which must end no earlier
- 11.16 than the date of final legal maturity of the extraordinary event bonds;
- 11.17 (4) describe the extraordinary event property that is created and that may be used to pay,
- 11.18 and secure the payment of, principal and interest on the extraordinary event bonds and other
- 11.19 financing costs authorized in the financing order;
- 11.20 (5) authorize the utility to finance extraordinary event costs through the issuance of one
- 11.21 or more series of extraordinary event bonds. A utility is not required to secure a separate
- 11.22 financing order for each issuance of extraordinary event bonds or for each scheduled phase
- 11.23 of the replacement of natural gas facilities approved in the financing order;
- 11.24 (6) include a formula-based mechanism that must be used to make expeditious periodic
- 11.25 adjustments to the extraordinary event charges authorized by the financing order that are
- 11.26 necessary to correct for any overcollection or undercollection, or to otherwise provide for
- 11.27 the timely payment of extraordinary event bonds, other financing costs, and other required
- 11.28 amounts and charges payable in connection with extraordinary event bonds;
- 11.29 (7) specify the degree of flexibility afforded to the utility in establishing the terms and
- 11.30 conditions of the extraordinary event bonds, including but not limited to repayment schedules,
- 11.31 expected interest rates, and other financing costs;
- 12.1 (8) specify that the extraordinary event bonds must be issued, subject to market conditions
- 12.2 and the terms of the financing order, as soon as feasible following issuance of the financing
- 12.3 order;
- 12.4 (9) require the utility, at the same time as extraordinary event charges are initially
- 12.5 collected and independent of the schedule to close and decommission any natural gas facility
- 12.6 replaced as the result of an extraordinary event, if any, to remove the natural gas facility
- 12.7 from the utility's rate base and commensurately reduce the utility's base rates;
- 12.8 (10) specify a future ratemaking process to reconcile any difference between the projected
- 12.9 pretax costs included in the amount financed by extraordinary event bonds and the final
- 12.10 actual pretax costs incurred by the utility to retire or replace the natural gas facility, if any;
- 12.11 (11) specify information regarding extraordinary event bond issuance and repayments,
- 12.12 financing costs, energy transaction charges, extraordinary event property, and related matters

- 12.13 that the natural gas utility is required to provide to the commission on a schedule determined  
12.14 by the commission;
- 12.15 (12) allow or require the creation of a utility's extraordinary event property to be  
12.16 conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary  
12.17 event property to an assignee and the pledge of the extraordinary event property to secure  
12.18 the extraordinary event bonds;
- 12.19 (13) ensure that the structuring, marketing, and pricing of extraordinary event bonds  
12.20 result in reasonable securitization bond charges and customer savings or rate impact  
12.21 mitigation, consistent with market conditions and the terms of the financing order; and
- 12.22 (14) specify that a utility financing the replacement of one or more natural gas facilities  
12.23 after the natural gas facilities subject to the finance order are removed from the utility's rate  
12.24 base is prohibited from:
- 12.25 (i) operating the natural gas facilities; or
- 12.26 (ii) selling the natural gas facilities to another entity to operate as natural gas facilities.
- 12.27 (b) A financing order issued under this section may:
- 12.28 (1) include conditions different from those requested in the application that the  
12.29 commission determines are necessary to:
- 12.30 (i) promote the public interest; and
- 12.31 (ii) maximize the financial benefits or minimize the financial risks of the transaction to  
12.32 customers and to directly impacted Minnesota workers and communities; and
- 13.1 (2) specify the selection of one or more underwriters of the extraordinary event bonds.
- 13.2 Subd. 4. **Duration; irrevocability; subsequent order.** (a) A financing order remains  
13.3 in effect until the extraordinary event bonds issued under the financing order and all financing  
13.4 costs related to the extraordinary event bonds have been paid in full.
- 13.5 (b) A financing order remains in effect and unabated notwithstanding the bankruptcy,  
13.6 reorganization, or insolvency of the utility to which the financing order applies or any  
13.7 affiliate, successor, or assignee of the utility to which the financing order applies.
- 13.8 (c) Subject to judicial review under section 216B.52, a financing order is irrevocable  
13.9 and is not reviewable by a future commission. The commission must not: (1) reduce, impair,  
13.10 postpone, or terminate extraordinary event charges approved in a financing order; or (2)  
13.11 impair extraordinary event property or the collection or recovery of extraordinary event  
13.12 charges and extraordinary event revenue.
- 13.13 (d) Notwithstanding paragraph (c), the commission may, on the commission's own  
13.14 motion or at the request of a utility or any other person, commence a proceeding and issue

- 13.15 a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary  
13.16 event bonds issued under the original financing order if:
- 13.17 (1) the commission makes all of the findings specified in subdivision 2 with respect to  
13.18 the subsequent financing order; and
- 13.19 (2) the modification contained in the subsequent financing order does not in any way  
13.20 impair the covenants and terms of the extraordinary event bonds being refinanced, retired,  
13.21 or refunded.
- 13.22 Subd. 5. **Effect on commission jurisdiction.** (a) Except as provided in paragraph (b),  
13.23 the commission, in exercising the powers and carrying out the duties under this section, is  
13.24 prohibited from:
- 13.25 (1) considering extraordinary event bonds issued under this section to be debt of the  
13.26 utility other than for income tax purposes, unless it is necessary to consider the extraordinary  
13.27 event bonds to be debt in order to achieve consistency with prevailing utility debt rating  
13.28 methodologies;
- 13.29 (2) considering the extraordinary event charges paid under the financing order to be  
13.30 revenue of the utility;
- 13.31 (3) considering the extraordinary event costs or financing costs specified in the financing  
13.32 order to be the regulated costs or assets of the utility; or
- 14.1 (4) determining that any prudent action taken by a utility that is consistent with the  
14.2 financing order is unjust or unreasonable.
- 14.3 (b) Nothing in this subdivision:
- 14.4 (1) affects the authority of the commission to apply or modify any billing mechanism  
14.5 designed to recover extraordinary event charges;
- 14.6 (2) prevents or precludes the commission from (i) investigating a utility's compliance  
14.7 with the terms and conditions of a financing order, and (ii) requiring compliance with the  
14.8 financing order; or
- 14.9 (3) prevents or precludes the commission from imposing regulatory sanctions against a  
14.10 utility for failure to comply with the terms and conditions of a financing order or the  
14.11 requirements of this section.
- 14.12 (c) The commission is prohibited from refusing to allow a utility to recover any costs  
14.13 associated with the replacement of natural gas facilities solely because the utility has elected  
14.14 to finance the natural gas facility replacement through a financing mechanism other than  
14.15 extraordinary event bonds.
- 14.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

14.17 Sec. 7. **[216B.493] POSTORDER COMMISSION DUTIES.**

14.18 Subdivision 1. **Financing cost review.** Within 120 days after the date extraordinary  
14.19 event bonds are issued, a utility subject to a financing order must file with the commission  
14.20 the actual initial and ongoing financing costs, the final structure and pricing of the  
14.21 extraordinary event bonds, and the actual extraordinary event charge. The commission must  
14.22 review the prudence of the natural gas utility's actions to determine whether the actual  
14.23 financing costs were the lowest that could reasonably be achieved given the terms of the  
14.24 financing order and market conditions prevailing at the time of the extraordinary event  
14.25 bond's issuance.

14.26 Subd. 2. **Enforcement.** If the commission determines that a utility's actions under this  
14.27 section are not prudent or are inconsistent with the financing order, the commission may  
14.28 apply remedies deemed appropriate for utility actions, provided that any remedy applied  
14.29 must not directly or indirectly (1) impair the value of the extraordinary event property, or  
14.30 (2) reduce, alter, or impair extraordinary event charges, until all principal and interest payable  
14.31 on the extraordinary event bonds, all financing costs, and all amounts to be paid to an  
14.32 assignee or financing party under an ancillary agreement are paid in full.

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

15.2 Sec. 8. **[216B.494] USE OF OUTSIDE EXPERTS.**

15.3 (a) In carrying out the duties under this section, the commission may:

15.4 (1) contract with outside consultants and counsel experienced in securitized utility  
15.5 customer-backed bond financing similar to extraordinary event bonds; and

15.6 (2) hire and compensate additional temporary staff as needed.

15.7 Expenses incurred by the commission under this paragraph must be treated as financing  
15.8 costs to be paid by the extraordinary event revenue. The costs incurred under clause (1) are  
15.9 not an obligation of the state and are assigned solely to the transaction.

15.10 (b) A utility presented with a written request from the commission for reimbursement  
15.11 of the commission's expenses incurred under paragraph (a), accompanied by a detailed  
15.12 account of those expenses, must remit full payment of the expenses to the commission  
15.13 within 30 days of receiving the request.

15.14 (c) If a utility's application for a financing order is denied or withdrawn for any reason  
15.15 and extraordinary event bonds are not issued, the commission's costs to retain expert  
15.16 consultants under this section must be paid by the applicant utility and are deemed a prudent  
15.17 deferred expense eligible for recovery in the utility's future rates.

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

- 15.19 Sec. 9. **[216B.495] EXTRAORDINARY EVENT CHARGE; BILLING TREATMENT.**
- 15.20 (a) A utility that obtains a financing order and issues extraordinary event bonds must:
- 15.21 (1) include on each customer's monthly natural gas bill:
- 15.22 (i) a statement that a portion of the charges represents extraordinary event charges
- 15.23 approved in a financing order;
- 15.24 (ii) the amount and rate of the extraordinary event charge as a separate line item titled
- 15.25 "extraordinary event charge"; and
- 15.26 (iii) if extraordinary event property has been transferred to an assignee, a statement that
- 15.27 the assignee is the owner of the rights to extraordinary event charges and that the utility or
- 15.28 other entity, if applicable, is acting as a collection agent or servicer for the assignee; and
- 15.29 (2) file annually with the commission:
- 16.1 (i) a calculation that identifies the impact financing the retirement or replacement of
- 16.2 natural gas facilities has on customer rates, itemized by customer class; and
- 16.3 (ii) evidence demonstrating that extraordinary event revenues are applied solely to pay
- 16.4 (A) principal and interest on extraordinary event bonds, and (B) other financing costs.
- 16.5 (b) Extraordinary event charges are nonbypassable and must be paid by all existing and
- 16.6 future customers receiving service from the utility or the utility's successors or assignees
- 16.7 under commission-approved rate schedules or special contracts.
- 16.8 (c) A utility's failure to comply with this section does not invalidate, impair, or affect
- 16.9 any financing order, extraordinary event property, extraordinary event charge, or
- 16.10 extraordinary event bonds, but does subject the utility to penalties under applicable
- 16.11 commission rules provided that any penalty applied must not directly or indirectly (1) impair
- 16.12 the value of the extraordinary event property, or (2) reduce, alter, or impair extraordinary
- 16.13 event charges, until all principal and interest payable on the extraordinary event bonds, all
- 16.14 financing costs, and all amounts to be paid to an assignee or financing party under an
- 16.15 ancillary agreement are paid in full.
- 16.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 16.17 Sec. 10. **[216B.496] EXTRAORDINARY EVENT PROPERTY.**
- 16.18 Subdivision 1. **General.** (a) Extraordinary event property is an existing present property
- 16.19 right or interest in a property right, even though the imposition and collection of extraordinary
- 16.20 event charges depend on the utility collecting extraordinary event charges and on future
- 16.21 natural gas consumption. The property right or interest exists regardless of whether the
- 16.22 revenues or proceeds arising from the extraordinary event property have been billed, have
- 16.23 accrued, or have been collected.

16.24 (b) Extraordinary event property exists until all extraordinary event bonds issued under  
16.25 a financing order are paid in full and all financing costs and other costs of the extraordinary  
16.26 event bonds have been recovered in full.

16.27 (c) All or any portion of extraordinary event property described in a financing order  
16.28 issued to a utility may be transferred, sold, conveyed, or assigned to a successor or assignee  
16.29 that is wholly owned, directly or indirectly, by the utility and is created for the limited  
16.30 purpose of acquiring, owning, or administering extraordinary event property or issuing  
16.31 extraordinary event bonds authorized by the financing order. All or any portion of  
16.32 extraordinary event property may be pledged to secure extraordinary event bonds issued  
16.33 under a financing order, amounts payable to financing parties and to counterparties under  
17.1 any ancillary agreements, and other financing costs. Each transfer, sale, conveyance,  
17.2 assignment, or pledge by a utility or an affiliate of extraordinary event property is a  
17.3 transaction in the ordinary course of business.

17.4 (d) If a utility defaults on any required payment of charges arising from extraordinary  
17.5 event property described in a financing order, a court, upon petition by an interested party  
17.6 and without limiting any other remedies available to the petitioner, must order the  
17.7 sequestration and payment of the revenues arising from the extraordinary event property to  
17.8 the financing parties.

17.9 (e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in extraordinary  
17.10 event property specified in a financing order issued to a utility, and in the revenue and  
17.11 collections arising from the property, is not subject to setoff, counterclaim, surcharge, or  
17.12 defense by the utility or any other person, or in connection with the reorganization,  
17.13 bankruptcy, or other insolvency of the utility or any other entity.

17.14 (f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other  
17.15 insolvency proceeding, merger or acquisition, sale, other business combination, transfer by  
17.16 operation of law, utility restructuring, or otherwise, must: (1) perform and satisfy all  
17.17 obligations of, and has the same duties and rights under, a financing order as the utility to  
17.18 which the financing order applies; and (2) perform the duties and exercise the rights in the  
17.19 same manner and to the same extent as the utility, including collecting and paying to any  
17.20 person entitled to receive revenues, collections, payments, or proceeds of extraordinary  
17.21 event property.

17.22 Subd. 2. **Security interests in extraordinary event property.** (a) The creation,  
17.23 perfection, and enforcement of any security interest in extraordinary event property to secure  
17.24 the repayment of the principal and interest on extraordinary event bonds, amounts payable  
17.25 under any ancillary agreement, and other financing costs are governed solely by this section.

17.26 (b) A security interest in extraordinary event property is created, valid, and binding  
17.27 when:

17.28 (1) the financing order that describes the extraordinary event property is issued;

- 17.29 (2) a security agreement is executed and delivered; and
- 17.30 (3) value is received for the extraordinary event bonds.
- 17.31 (c) Once a security interest in extraordinary event property is created, the security interest  
17.32 attaches without any physical delivery of collateral or any other act. The lien of the security  
17.33 interest is valid, binding, and perfected against all parties having claims of any kind in tort,  
18.1 contract, or otherwise against the person granting the security interest, regardless of whether  
18.2 the parties have notice of the lien, upon the filing of a financing statement with the secretary  
18.3 of state.
- 18.4 (d) The description or indication of extraordinary event property in a transfer or security  
18.5 agreement and a financing statement is sufficient only if the description or indication refers  
18.6 to this section and the financing order creating the extraordinary event property.
- 18.7 (e) A security interest in extraordinary event property is a continuously perfected security  
18.8 interest and has priority over any other lien, created by operation of law or otherwise, which  
18.9 may subsequently attach to the extraordinary event property unless the holder of the security  
18.10 interest has agreed otherwise in writing.
- 18.11 (f) The priority of a security interest in extraordinary event property is not affected by  
18.12 the commingling of extraordinary event property or extraordinary event revenue with other  
18.13 money. An assignee, bondholder, or financing party has a perfected security interest in the  
18.14 amount of all extraordinary event property or extraordinary event revenue that is pledged  
18.15 to pay extraordinary event bonds, even if the extraordinary event property or extraordinary  
18.16 event revenue is deposited in a cash or deposit account of the utility in which the  
18.17 extraordinary event revenue is commingled with other money. Any other security interest  
18.18 that applies to the other money does not apply to the extraordinary event revenue.
- 18.19 (g) Neither a subsequent commission order amending a financing order under section  
18.20 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a  
18.21 financing order under section 216B.492, subdivision 3, affects the validity, perfection, or  
18.22 priority of a security interest in or transfer of extraordinary event property.
- 18.23 **Subd. 3. Sales of extraordinary event property.** (a) A sale, assignment, or transfer of  
18.24 extraordinary event property is an absolute transfer and true sale of, and not a pledge of or  
18.25 secured transaction relating to, the seller's right, title, and interest in, to, and under the  
18.26 extraordinary event property if the documents governing the transaction expressly state that  
18.27 the transaction is a sale or other absolute transfer. A transfer of an interest in extraordinary  
18.28 event property may be created when:
- 18.29 (1) the financing order creating and describing the extraordinary event property is  
18.30 effective;
- 18.31 (2) the documents evidencing the transfer of the extraordinary event property are executed  
18.32 and delivered to the assignee; and

- 18.33 (3) value is received.
- 19.1 (b) The characterization of a sale, assignment, or transfer as an absolute transfer and  
19.2 true sale, and the corresponding characterization of the property interest of the assignee, is  
19.3 not affected or impaired by:
- 19.4 (1) commingling of extraordinary event revenue with other money;
- 19.5 (2) the seller retaining:
- 19.6 (i) a partial or residual interest, including an equity interest, in the extraordinary event  
19.7 property, whether (A) direct or indirect, or (B) subordinate or otherwise; or
- 19.8 (ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed  
19.9 on the collection of extraordinary event revenue;
- 19.10 (3) any recourse that the extraordinary event property purchaser may have against the  
19.11 seller;
- 19.12 (4) any indemnification rights, obligations, or repurchase rights made or provided by  
19.13 the extraordinary event property seller;
- 19.14 (5) the extraordinary event property seller's to collect extraordinary event revenues on  
19.15 behalf of an assignee;
- 19.16 (6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other  
19.17 purposes;
- 19.18 (7) any subsequent financing order amending a financing order under section 216B.492,  
19.19 subdivision 4, paragraph (d); or
- 19.20 (8) any application of an adjustment mechanism under section 216B.492, subdivision  
19.21 3, paragraph (a), clause (6).
- 19.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 19.23 Sec. 11. **[216B.497] EXTRAORDINARY EVENT BONDS.**
- 19.24 (a) Banks, trust companies, savings and loan associations, insurance companies, executors,  
19.25 administrators, guardians, trustees, and other fiduciaries may legally invest any money  
19.26 within the individual's or entity's control in extraordinary event bonds.
- 19.27 (b) Extraordinary event bonds issued under a financing order are not debt of or a pledge  
19.28 of the faith and credit or taxing power of the state, any agency of the state, or any political  
19.29 subdivision. Holders of extraordinary event bonds may not have taxes levied by the state  
19.30 or a political subdivision in order to pay the principal or interest on extraordinary event  
19.31 bonds. The issuance of extraordinary event bonds does not directly, indirectly, or contingently  
20.1 obligate the state or a political subdivision to levy any tax or make any appropriation to pay  
20.2 principal or interest on the extraordinary event bonds.

20.3 (c) The state pledges to and agrees with holders of extraordinary event bonds, any  
20.4 assignee, and any financing parties that the state and state agencies, including the commission,  
20.5 are prohibited from:

20.6 (1) taking or permitting any action that impairs the value of extraordinary event property;  
20.7 or

20.8 (2) reducing, altering, or impairing extraordinary event charges that are imposed,  
20.9 collected, and remitted for the benefit of holders of extraordinary event bonds, any assignee,  
20.10 and any financing parties until any principal, interest, and redemption premium payable on  
20.11 extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or  
20.12 financing party under an ancillary agreement are paid in full.

20.13 (d) The commission may include a pledge in the financing order similar to the state  
20.14 pledge included in paragraph (c).

20.15 (e) A person who issues extraordinary event bonds may include the pledge specified in  
20.16 paragraphs (c) and (d) in the extraordinary event bonds, ancillary agreements, and  
20.17 documentation related to the issuance and marketing of the extraordinary event bonds.

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

20.19 Sec. 12. **[216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO**  
20.20 **COMMISSION REGULATION.**

20.21 An assignee or financing party that is not already regulated by the commission does not  
20.22 become subject to commission regulation solely as a result of engaging in any transaction  
20.23 authorized by or described in sections 216B.491 to 216B.499.

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

20.25 Sec. 13. **[216B.499] EFFECT ON OTHER LAWS.**

20.26 (a) If any provision of sections 216B.491 to 216B.499 conflicts with any other law  
20.27 regarding the attachment, assignment, perfection, effect of perfection, or priority of any  
20.28 security interest in or transfer of extraordinary event property, sections 216B.491 to 216B.499  
20.29 govern.

20.30 (b) Nothing in this section precludes a utility for which the commission has initially  
20.31 issued a financing order from applying to the commission for:

21.1 (1) a subsequent financing order amending the financing order under section 216B.492,  
21.2 subdivision 4, paragraph (d); or

21.3 (2) approval to issue extraordinary event bonds to refund all or a portion of an outstanding  
21.4 series of extraordinary event bonds.

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

424.12 Sec. 8. Minnesota Statutes 2022, section 216B.50, subdivision 1, is amended to read:

424.13 Subdivision 1. **Commission approval required.** No public utility shall sell, acquire,  
424.14 lease, or rent any plant as an operating unit or system in this state for a total consideration  
424.15 in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or  
424.16 transmission company operating in this state, without first being authorized so to do by the  
424.17 commission. Upon the filing of an application for the approval and consent of the  
424.18 commission, the commission shall investigate, with or without public hearing. The  
424.19 commission shall hold a public hearing, upon such notice as the commission may require.  
424.20 If the commission finds that the proposed action is consistent with the public interest, it  
424.21 shall give its consent and approval by order in writing. In reaching its determination, the  
424.22 commission shall take into consideration the reasonable value of the property, plant, or  
424.23 securities to be acquired or disposed of, or merged and consolidated.

424.24 This section does not apply to the purchase of property to replace or add to the plant of  
424.25 the public utility by construction.

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

424.27 Sec. 9. Minnesota Statutes 2022, section 216B.62, subdivision 3b, is amended to read:

424.28 Subd. 3b. **Assessment for department regional and national duties.** ~~(a)~~ In addition  
424.29 to other assessments in subdivision 3, the department may assess up to ~~\$500,000~~ \$1,000,000  
424.30 per fiscal year to perform the duties under section 216A.07, subdivision 3a, and to conduct  
424.31 analysis that assesses energy grid reliability at state, regional, and national levels. The  
424.32 amount in this subdivision shall be assessed to energy utilities in proportion to their respective  
425.1 gross operating revenues from retail sales of gas or electric service within the state during  
425.2 the last calendar year and shall be deposited into an account in the special revenue fund and  
425.3 is appropriated to the commissioner of commerce for the purposes of section 216A.07,  
425.4 subdivision 3a. An assessment made under this subdivision is not subject to the cap on  
425.5 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,  
425.6 an "energy utility" means public utilities, generation and transmission cooperative electric  
425.7 associations, and municipal power agencies providing natural gas or electric service in the  
425.8 state.

425.9 ~~(b) By February 1, 2023, the commissioner of commerce must submit a written report~~  
425.10 ~~to the chairs and ranking minority members of the legislative committees with primary~~  
425.11 ~~jurisdiction over energy policy. The report must describe how the department has used~~  
425.12 ~~utility grid assessment funding under paragraph (a) and must explain the impact the grid~~  
425.13 ~~assessment funding has had on grid reliability in Minnesota.~~

425.14 ~~(c) This subdivision expires June 30, 2023.~~

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

21.6 Sec. 14. Minnesota Statutes 2022, section 216B.50, subdivision 1, is amended to read:

21.7 Subdivision 1. **Commission approval required.** No public utility shall sell, acquire,  
21.8 lease, or rent any plant as an operating unit or system in this state for a total consideration  
21.9 in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or  
21.10 transmission company operating in this state, without first being authorized so to do by the  
21.11 commission. Upon the filing of an application for the approval and consent of the  
21.12 commission, the commission shall investigate, with or without public hearing. The  
21.13 commission shall hold a public hearing, upon such notice as the commission may require.  
21.14 If the commission finds that the proposed action is consistent with the public interest, it  
21.15 shall give its consent and approval by order in writing. In reaching its determination, the  
21.16 commission shall take into consideration the reasonable value of the property, plant, or  
21.17 securities to be acquired or disposed of, or merged and consolidated.

21.18 This section does not apply to the purchase of property to replace or add to the plant of  
21.19 the public utility by construction.

#### UEH2310-2

202.12 Sec. 25. Minnesota Statutes 2022, section 216B.62, subdivision 3b, is amended to read:

202.13 Subd. 3b. **Assessment for department regional and national duties.** ~~(a)~~ In addition  
202.14 to other assessments in subdivision 3, the department may assess up to ~~\$500,000~~ \$1,000,000  
202.15 per fiscal year to perform the duties under section 216A.07, subdivision 3a, and to conduct  
202.16 analysis that assesses energy grid reliability at state, regional, and national levels. The  
202.17 amount in this subdivision shall be assessed to energy utilities in proportion to their respective  
202.18 gross operating revenues from retail sales of gas or electric service within the state during  
202.19 the last calendar year and shall be deposited into an account in the special revenue fund and  
202.20 is appropriated to the commissioner of commerce for the purposes of section 216A.07,  
202.21 subdivision 3a. An assessment made under this subdivision is not subject to the cap on  
202.22 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,  
202.23 an "energy utility" means public utilities, generation and transmission cooperative electric  
202.24 associations, and municipal power agencies providing natural gas or electric service in the  
202.25 state.

202.26 ~~(b) By February 1, 2023, the commissioner of commerce must submit a written report~~  
202.27 ~~to the chairs and ranking minority members of the legislative committees with primary~~  
202.28 ~~jurisdiction over energy policy. The report must describe how the department has used~~  
202.29 ~~utility grid assessment funding under paragraph (a) and must explain the impact the grid~~  
202.30 ~~assessment funding has had on grid reliability in Minnesota.~~

202.31 ~~(c) This subdivision expires June 30, 2023.~~

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

358.3 Sec. 3. [216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.  
358.4 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
358.5 the meanings given.  
358.6 (b) "Participant" means a person who files comments or appears in a commission  
358.7 proceeding concerning one or more public utilities, excluding public hearings held in  
358.8 contested cases and commission proceedings conducted to receive general public comments.  
358.9 (c) "Party" means a person by or against whom a proceeding before the commission is  
358.10 commenced or a person permitted to intervene in a proceeding, other than public hearings,  
358.11 concerning one or more public utilities.  
358.12 (d) "Proceeding" means a process or procedural means the commission engages in under  
358.13 this chapter to attempt to resolve an issue affecting one or more public utilities and that  
358.14 results in a commission order.  
  
358.15 (e) "Public utility" has the meaning given in section 216B.02, subdivision 4.

203.1 Sec. 26. [216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.  
203.2 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
203.3 the meanings given.  
203.4 (b) "Participant" means a person who files comments or appears in a commission  
203.5 proceeding concerning one or more public utilities, excluding public hearings held in  
203.6 contested cases and commission proceedings conducted to receive general public comments.  
203.7 (c) "Party" means a person by or against whom a proceeding before the commission is  
203.8 commenced or a person permitted to intervene in a proceeding, other than public hearings,  
203.9 concerning one or more public utilities.  
203.10 (d) "Proceeding" means:  
203.11 (1) a rate change proceeding under section 216B.16, including a request to withdraw,  
203.12 defer, or modify a petition to change rates;  
203.13 (2) a proceeding in which the commission considers a utility request for cost recovery  
203.14 through general rates or riders;  
203.15 (3) a proceeding in which the commission considers a determination related to ratepayer  
203.16 protections, service quality, or disconnection policies and practices, including but not limited  
203.17 to utility compliance with the requirements of sections 216B.091 to 216B.0993;  
203.18 (4) a proceeding in which the commission considers determinations directly related to  
203.19 low-income affordability programs, including but not limited to utility compliance with the  
203.20 requirements of section 216B.16, subdivisions 14, 15, and 19, paragraph (a), clause (3);  
203.21 (5) a proceeding related to the design or approval of utility tariffs or rates;  
203.22 (6) a proceeding related to utility performance measures or incentives, including but not  
203.23 limited to proceedings under sections 216B.16, subdivision 19, paragraph (h), 216B.167,  
203.24 and 216B.1675;  
203.25 (7) proceedings related to distribution system planning and grid modernization, including  
203.26 but not limited to proceedings in compliance with the requirements in section 216B.2425,  
203.27 subdivision 2, paragraph (e);  
203.28 (8) investigations or inquiries initiated by the commission or the Department of  
203.29 Commerce; or  
203.30 (9) proceedings related to utility pilot programs in which the commission considers a  
203.31 proposal with a proposed cost of at least \$5,000,000.  
204.1 (e) "Public utility" has the meaning given in section 216B.02, subdivision 4.

358.16 Subd. 2. **Participants; eligibility.** Any of the following participants is eligible to receive  
358.17 compensation under this section:

358.18 (1) a nonprofit organization that:

358.19 (i) is exempt from taxation under section 501(c)(3) of the Internal Revenue Code;

358.20 (ii) is incorporated or organized in Minnesota;

358.21 (iii) is governed under chapter 317A or section 322C.1101; and

358.22 (iv) the commission determines under subdivision 3, paragraph (c), would suffer financial  
358.23 hardship if not compensated for the nonprofit organization's participation in the applicable  
358.24 proceeding;

358.25 (2) a Tribal government of a federally recognized Indian Tribe that is located in  
358.26 Minnesota; or

358.27 (3) a Minnesota resident, except that an individual who owns a for-profit business that  
358.28 has earned revenue from a Minnesota utility in the past two years is not eligible for  
358.29 compensation.

358.30 Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to  
358.31 compensate all or part of a participant's reasonable costs incurred to participate in a  
359.1 proceeding before the commission if the participant is eligible under subdivision 2 and the  
359.2 commission finds:

359.3 (1) that the participant has materially assisted the commission's deliberation; and

359.4 (2) if the participant is a nonprofit organization, that the participant would suffer financial  
359.5 hardship if the nonprofit organization's participation in the proceeding was not compensated.

359.6 (b) In determining whether a participant has materially assisted the commission's  
359.7 deliberation, the commission must find that:

359.8 (1) the participant made a unique contribution to the record and represented an interest  
359.9 that would not otherwise have been adequately represented;

359.10 (2) the evidence or arguments presented or the positions taken by the participant were  
359.11 an important factor in producing a fair decision;

359.12 (3) the participant's position promoted a public purpose or policy;

359.13 (4) the evidence presented, arguments made, issues raised, or positions taken by the  
359.14 participant would not otherwise have been part of the record;

359.15 (5) the participant was active in any stakeholder process included in the proceeding; and

359.16 (6) the proceeding resulted in a commission order that adopted, in whole or in part, a  
359.17 position advocated by the participant.

204.2 Subd. 2. **Participants; eligibility.** Any of the following participants is eligible to receive  
204.3 compensation under this section:

204.4 (1) a nonprofit organization that:

204.5 (i) is exempt from taxation under section 501(c)(3) of the Internal Revenue Code;

204.6 (ii) is incorporated or organized in Minnesota;

204.7 (iii) is governed under chapter 317A or section 322C.1101; and

204.8 (iv) the commission determines under subdivision 3, paragraph (c), would suffer financial  
204.9 hardship if not compensated for the nonprofit organization's participation in the applicable  
204.10 proceeding; or

204.11 (2) a Tribal government of a federally recognized Indian Tribe that is located in  
204.12 Minnesota.

204.13 Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to  
204.14 compensate all or part of a participant's reasonable costs incurred to participate in a  
204.15 proceeding before the commission if the participant is eligible under subdivision 2 and the  
204.16 commission finds:

204.17 (1) that the participant has materially assisted the commission's deliberation; and

204.18 (2) if the participant is a nonprofit organization, that the participant would suffer financial  
204.19 hardship if the nonprofit organization's participation in the proceeding was not compensated.

204.20 (b) In determining whether a participant has materially assisted the commission's  
204.21 deliberation, the commission must find that:

204.22 (1) the participant made a unique contribution to the record and represented an interest  
204.23 that would not otherwise have been adequately represented;

204.24 (2) the evidence or arguments presented or the positions taken by the participant were  
204.25 an important factor in producing a fair decision;

204.26 (3) the participant's position promoted a public purpose or policy;

204.27 (4) the evidence presented, arguments made, issues raised, or positions taken by the  
204.28 participant would not otherwise have been part of the record;

204.29 (5) the participant was active in any stakeholder process included in the proceeding; and

205.1 (6) the proceeding resulted in a commission order that adopted, in whole or in part, a  
205.2 position advocated by the participant.

359.18 (c) In determining whether a nonprofit participant has demonstrated that a lack of  
359.19 compensation would present financial hardship, the commission must find that the nonprofit  
359.20 participant:

359.21 (1) incorporated or organized within three years of the beginning of the applicable  
359.22 proceeding;

359.23 (2) has payroll expenses less than \$750,000; or

359.24 (3) has secured less than \$100,000 in current year funding dedicated to participation in  
359.25 commission proceedings, not including any participant compensation awarded under this  
359.26 section.

359.27 (d) In reviewing a compensation request, the commission must consider whether the  
359.28 costs presented in the participant's claim are reasonable. If the commission determines that  
359.29 an eligible participant materially assisted the commission's deliberation, the commission  
359.30 shall award all or part of the requested compensation, up to the maximum amounts provided  
359.31 under subdivision 4.

360.1 Subd. 4. **Compensation; amount.** (a) Compensation must not exceed \$50,000 for a  
360.2 single participant in any proceeding, except that:

360.3 (1) if a proceeding extends longer than 12 months, a participant may request and be  
360.4 awarded compensation of up to \$50,000 for costs incurred in each calendar year; and

360.5 (2) in an integrated resource plan proceeding under section 216B.2422 or a proceeding  
360.6 that has been referred to the Office of Administrative Hearings for a contested case  
360.7 proceeding, a participant may request and be awarded up to \$75,000.

360.8 (b) No single participant may be awarded more than \$200,000 under this section in a  
360.9 single calendar year.

360.10 (c) Compensation requests from joint participants must be presented as a single request.

360.11 (d) Notwithstanding paragraphs (a) and (b), the commission must not, in any calendar  
360.12 year, require a single public utility to pay aggregate compensation under this section that  
360.13 exceeds the following amounts:

205.3 (c) In determining whether a nonprofit participant has demonstrated that a lack of  
205.4 compensation would present financial hardship, the commission must find that the nonprofit  
205.5 participant:

205.6 (1) had an average annual payroll expense less than \$600,000 for participation in  
205.7 commission proceedings over the previous three years; and

205.8 (2) has fewer than 30 full-time equivalent employees.

205.9 (d) In reviewing a compensation request, the commission must consider whether the  
205.10 costs presented in the participant's claim are reasonable. If the commission determines that  
205.11 an eligible participant materially assisted the commission's deliberation, the commission  
205.12 may award all or part of the requested compensation, up to the maximum amounts provided  
205.13 under subdivision 4.

205.14 Subd. 4. **Compensation; amount.** (a) Compensation must not exceed \$35,000 for a  
205.15 single participant in any proceeding, except that:

205.16 (1) if a proceeding extends longer than 12 months, a participant may request and be  
205.17 awarded compensation of up to \$35,000 for costs incurred in each calendar year; and

205.18 (2) in a proceeding that has been referred to the Office of Administrative Hearings for  
205.19 a contested case proceeding, a participant may request and be awarded up to \$75,000.

205.20 (b) No single participant may be awarded more than \$175,000 under this section in a  
205.21 single calendar year.

205.22 (c) Total compensation awarded to all participants must not exceed \$125,000 in any  
205.23 single proceeding per-calendar year, excluding proceedings that have been referred to the  
205.24 Office of Administrative Hearings for contested case proceedings.

205.25 (d) Compensation requests from joint participants must be presented as a single request.

205.26 (e) Notwithstanding paragraphs (a), (b), and (c), the commission must not, in any calendar  
205.27 year, require a single public utility to pay aggregate compensation under this section that  
205.28 exceeds the following amounts:

360.14 (1) \$100,000, for a public utility with up to \$300,000,000 annual gross operating revenue  
360.15 in Minnesota;

360.16 (2) \$275,000, for a public utility with at least \$300,000,000 but less than \$900,000,000  
360.17 annual gross operating revenue in Minnesota;

360.18 (3) \$375,000, for a public utility with at least \$900,000,000 but less than \$2,000,000,000  
360.19 annual gross operating revenue in Minnesota; and

360.20 (4) \$1,250,000, for a public utility with \$2,000,000,000 or more annual gross operating  
360.21 revenue in Minnesota.

360.22 (e) When requests for compensation from any public utility approach the limits established  
360.23 in paragraph (d), the commission may give priority to requests from participants that received  
360.24 less than \$150,000 in total compensation during the previous two years and from participants  
360.25 who represent residential ratepayers, particularly those residential ratepayers who the  
360.26 participant can demonstrate have been underrepresented in past commission proceedings.

360.27 Subd. 5. **Compensation; process.** (a) A participant seeking compensation must file a  
360.28 request and an affidavit of service with the commission, and serve a copy of the request on  
360.29 each party to the proceeding. The request must be filed no more than 30 days after the later  
360.30 of:

360.31 (1) the expiration of the period within which a petition for rehearing, amendment,  
360.32 vacation, reconsideration, or reargument must be filed; or

361.1 (2) the date the commission issues an order following rehearing, amendment, vacation,  
361.2 reconsideration, or reargument.

361.3 (b) A compensation request must include:

361.4 (1) the name and address of the participant or nonprofit organization the participant is  
361.5 representing;

361.6 (2) evidence of the organization's nonprofit, tax-exempt status, if applicable;

361.7 (3) the name and docket number of the proceeding for which compensation is requested;

361.8 (4) for a nonprofit participant, evidence supporting the nonprofit organization's eligibility  
361.9 for compensation under the financial hardship test under subdivision 3, paragraph (c);

361.10 (5) amounts of compensation awarded to the participant under this section during the  
361.11 current year and any pending requests for compensation, itemized by docket;

361.12 (6) an itemization of the participant's costs, not including overhead costs;

361.13 (7) participant revenues dedicated for the proceeding;

205.29 (1) \$100,000, for a public utility with up to \$300,000,000 annual gross operating revenue  
205.30 in Minnesota;

205.31 (2) \$275,000, for a public utility with at least \$300,000,000 but less than \$900,000,000  
205.32 annual gross operating revenue in Minnesota;

206.1 (3) \$375,000, for a public utility with at least \$900,000,000 but less than \$2,000,000,000  
206.2 annual gross operating revenue in Minnesota; and

206.3 (4) \$1,250,000, for a public utility with \$2,000,000,000 or more annual gross operating  
206.4 revenue in Minnesota.

206.5 (f) When requests for compensation from any public utility approach the limits established  
206.6 in paragraphs (c) or (e), the commission may give priority to requests from participants that  
206.7 received less than \$150,000 in total compensation during the previous two years and from  
206.8 participants who represent residential ratepayers, particularly those residential ratepayers  
206.9 who the participant can demonstrate have been underrepresented in past commission  
206.10 proceedings.

206.11 Subd. 5. **Compensation; process.** (a) A participant seeking compensation must file a  
206.12 request and an affidavit of service with the commission, and serve a copy of the request on  
206.13 each party to the proceeding. The request must be filed no more than 30 days after the later  
206.14 of:

206.15 (1) the expiration of the period within which a petition for rehearing, amendment,  
206.16 vacation, reconsideration, or reargument must be filed; or

206.17 (2) the date the commission issues an order following rehearing, amendment, vacation,  
206.18 reconsideration, or reargument.

206.19 (b) A compensation request must include:

206.20 (1) the name and address of the participant or nonprofit organization the participant is  
206.21 representing;

206.22 (2) evidence of the organization's nonprofit, tax-exempt status, if applicable;

206.23 (3) the name and docket number of the proceeding for which compensation is requested;

206.24 (4) for a nonprofit participant, evidence supporting the nonprofit organization's eligibility  
206.25 for compensation under the financial hardship test under subdivision 3, paragraph (c);

206.26 (5) amounts of compensation awarded to the participant under this section during the  
206.27 current year and any pending requests for compensation, itemized by docket;

206.28 (6) an itemization of the participant's costs, not including overhead costs;

206.29 (7) participant revenues dedicated for the proceeding;

361.14 (8) the total compensation request; and  
361.15 (9) a narrative describing the unique contribution made to the proceeding by the  
361.16 participant.  
361.17 (c) A participant must comply with reasonable requests for information by the commission  
361.18 and other parties or participants. A participant must reply to information requests within  
361.19 ten calendar days of the date the request is received, unless doing so would place an extreme  
361.20 hardship upon the replying participant. The replying participant must provide a copy of the  
361.21 information to any other participant or interested person upon request. Disputes regarding  
361.22 information requests may be resolved by the commission.  
361.23 (d) A party or participant objecting to a request for compensation must, within 30 days  
361.24 after service of the request for compensation, file a response and an affidavit of service with  
361.25 the commission. A copy of the response must be served on the requesting participant and  
361.26 all other parties to the proceeding.  
361.27 (e) The requesting participant may file a reply with the commission within 15 days after  
361.28 a response is filed under paragraph (d). A copy of the reply and an affidavit of service must  
361.29 be served on all other parties to the proceeding.  
361.30 (f) If additional costs are incurred by a participant as a result of additional proceedings  
361.31 following the commission's initial order, the participant may file an amended request within  
362.1 30 days after the commission issues an amended order. Paragraphs (b) to (e) apply to an  
362.2 amended request.  
362.3 (g) The commission must issue a decision on participant compensation within 120 days  
362.4 of the date a request for compensation is filed by a participant.  
362.5 (h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to  
362.6 30 days upon the request of a participant or on the commission's own initiative.  
362.7 (i) A participant may request reconsideration of the commission's compensation decision  
362.8 within 30 days of the decision date.  
362.9 **Subd. 6. Compensation; orders.** (a) If the commission issues an order requiring payment  
362.10 of participant compensation, the public utility that was the subject of the proceeding must  
362.11 pay the full compensation to the participant and file proof of payment with the commission  
362.12 within 30 days after the later of:  
362.13 (1) the expiration of the period within which a petition for reconsideration of the  
362.14 commission's compensation decision must be filed; or  
362.15 (2) the date the commission issues an order following reconsideration of the commission's  
362.16 order on participant compensation.

206.30 (8) the total compensation request; and  
207.1 (9) a narrative describing the unique contribution made to the proceeding by the  
207.2 participant.  
207.3 (c) A participant must comply with reasonable requests for information by the commission  
207.4 and other parties or participants. A participant must reply to information requests within  
207.5 ten calendar days of the date the request is received, unless doing so would place an extreme  
207.6 hardship upon the replying participant. The replying participant must provide a copy of the  
207.7 information to any other participant or interested person upon request. Disputes regarding  
207.8 information requests may be resolved by the commission.  
207.9 (d) A party or participant objecting to a request for compensation must, within 30 days  
207.10 after service of the request for compensation, file a response and an affidavit of service with  
207.11 the commission. A copy of the response must be served on the requesting participant and  
207.12 all other parties to the proceeding.  
207.13 (e) The requesting participant may file a reply with the commission within 15 days after  
207.14 a response is filed under paragraph (d). A copy of the reply and an affidavit of service must  
207.15 be served on all other parties to the proceeding.  
207.16 (f) If additional costs are incurred by a participant as a result of additional proceedings  
207.17 following the commission's initial order, the participant may file an amended request within  
207.18 30 days after the commission issues an amended order. Paragraphs (b) to (e) apply to an  
207.19 amended request.  
207.20 (g) The commission must issue a decision on participant compensation within 120 days  
207.21 of the date a request for compensation is filed by a participant.  
207.22 (h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to  
207.23 30 days upon the request of a participant or on the commission's own initiative.  
207.24 (i) A participant may request reconsideration of the commission's compensation decision  
207.25 within 30 days of the decision date.  
207.26 **Subd. 6. Compensation; orders.** (a) If the commission issues an order requiring payment  
207.27 of participant compensation, the public utility that was the subject of the proceeding must  
207.28 pay the full compensation to the participant and file proof of payment with the commission  
207.29 within 30 days after the later of:  
207.30 (1) the expiration of the period within which a petition for reconsideration of the  
207.31 commission's compensation decision must be filed; or  
207.32 (2) the date the commission issues an order following reconsideration of the commission's  
207.33 order on participant compensation.

362.17 (b) If the commission issues an order requiring payment of participant compensation in  
362.18 a proceeding involving multiple public utilities, the commission must apportion costs among  
362.19 the public utilities in proportion to each public utility's annual revenue.

362.20 (c) The commission may issue orders necessary to allow a public utility to recover the  
362.21 costs of participant compensation on a timely basis.

362.22 Subd. 7. **Report.** By July 1, 2026, the commission must report to the chairs and ranking  
362.23 minority members of the senate and house of representatives committees with primary  
362.24 jurisdiction over energy policy on the operation of this section. The report must include but  
362.25 is not limited to:

362.26 (1) the amount of compensation paid each year by each utility;

362.27 (2) each recipient of compensation, the commission dockets in which compensation was  
362.28 awarded, and the compensation amounts; and

362.29 (3) the impact of the participation of compensated participants.

362.30 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
362.31 applies to any proceeding in which the commission has not issued a final order as of that  
362.32 date.

208.1 (b) If the commission issues an order requiring payment of participant compensation in  
208.2 a proceeding involving multiple public utilities, the commission must apportion costs among  
208.3 the public utilities in proportion to each public utility's annual revenue.

208.4 (c) The commission may issue orders necessary to allow a public utility to recover the  
208.5 costs of participant compensation on a timely basis.

208.6 Subd. 7. **Report.** By July 1, 2026, the commission must report to the chairs and ranking  
208.7 minority members of the senate and house of representatives committees with primary  
208.8 jurisdiction over energy policy on the operation of this section. The report must include but  
208.9 is not limited to:

208.10 (1) the amount of compensation paid each year by each utility;

208.11 (2) each recipient of compensation, the commission dockets in which compensation was  
208.12 awarded, and the compensation amounts; and

208.13 (3) the impact of the participation of compensated participants.

208.14 Subd. 8. **Sunset.** This section expires on July 1, 2028.

208.15 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
208.16 applies to any proceeding in which the commission has not issued a final order as of that  
208.17 date.

208.18 Sec. 27. Minnesota Statutes 2022, section 216C.02, subdivision 1, is amended to read:

208.19 Subdivision 1. **Powers.** (a) The commissioner may:

208.20 (1) apply for, receive, and spend money received from federal, municipal, county,  
208.21 regional, and other government agencies and private sources;

208.22 (2) apply for, accept, and disburse grants and other aids from public and private sources;

208.23 (3) contract for professional services if work or services required or authorized to be  
208.24 carried out by the commissioner cannot be satisfactorily performed by employees of the  
208.25 department or by another state agency;

208.26 (4) enter into interstate compacts to carry out research and planning jointly with other  
208.27 states or the federal government when appropriate;

208.28 (5) upon reasonable request, distribute informational material at no cost to the public;  
208.29 and

208.30 (6) enter into contracts for the performance of the commissioner's duties with federal,  
208.31 state, regional, metropolitan, local, and other agencies or units of government and educational  
209.1 institutions, including the University of Minnesota, without regard to the competitive bidding  
209.2 requirements of chapters 16A and 16C.

209.3 (b) The commissioner shall collect information on conservation and other energy-related  
209.4 programs carried on by other agencies, by public utilities, by cooperative electric associations,  
209.5 by municipal power agencies, by other fuel suppliers, by political subdivisions, and by  
209.6 private organizations. Other agencies, cooperative electric associations, municipal power  
209.7 agencies, and political subdivisions shall cooperate with the commissioner by providing  
209.8 information requested by the commissioner. The commissioner may by rule require the  
209.9 submission of information by other program operators. The commissioner shall make the  
209.10 information available to other agencies and to the public and, as necessary, shall recommend  
209.11 to the legislature changes in the laws governing conservation and other energy-related  
209.12 programs to ensure that:

- 209.13 (1) expenditures on the programs are adequate to meet identified needs;  
209.14 (2) the needs of low-income energy users are being adequately addressed;  
209.15 (3) duplication of effort is avoided or eliminated;  
209.16 (4) a program that is ineffective is improved or eliminated; and  
209.17 (5) voluntary efforts are encouraged through incentives for their operators.

209.18 (c) By January 15 of each year, the commissioner shall report to the legislature on the  
209.19 projected amount of federal money likely to be available to the state during the next fiscal  
209.20 year, including grant money and money received by the state as a result of litigation or  
209.21 settlements of alleged violations of federal petroleum-pricing regulations. The report must  
209.22 also estimate the amount of money projected as needed during the next fiscal year to finance  
209.23 a level of conservation and other energy-related programs adequate to meet projected needs,  
209.24 particularly the needs of low-income persons and households, and must recommend the  
209.25 amount of state appropriations needed to cover the difference between the projected  
209.26 availability of federal money and the projected needs.

209.27 (d) By January 15 of each year, the commissioner shall report to the chairs and ranking  
209.28 minority members of the legislative committees with jurisdiction over energy finance the  
209.29 following information for each account in the special revenue fund created in this chapter:

- 209.30 (1) the unobligated balance in the account from the most recent forecast listed separately  
209.31 by funding source;  
209.32 (2) all expenditures, including grants and administrative costs over the last two fiscal  
209.33 years; and  
210.1 (3) the date on which unobligated balances expire.

330.23 Sec. 7. Minnesota Statutes 2022, section 216C.05, subdivision 2, is amended to read:

330.24 Subd. 2. **Energy policy goals.** It is the energy policy of the state of Minnesota that:

330.25 (1) annual energy savings equal to at least 1.5 percent of annual retail energy sales of  
330.26 electricity and natural gas be achieved through cost-effective energy efficiency;

- 330.27 (2) the per capita use of fossil fuel as an energy input ~~be~~ is reduced by 15 percent by the  
330.28 year 2015, through increased reliance on energy efficiency and renewable energy alternatives;
- 330.29 (3) 25 percent of the total energy used in ~~the state be~~ Minnesota is derived from renewable  
330.30 energy resources by the year 2025; ~~and~~
- 331.1 (4) energy use in existing commercial and residential buildings is reduced by 50 percent  
331.2 by 2035, and is achieved by: (i) using the most effective current energy-saving incentive  
331.3 programs, evaluated by participation and efficacy; and (ii) developing and implementing  
331.4 new programs, prioritizing solutions that achieve the highest overall carbon reduction; and
- 331.5 ~~(4)~~ (5) retail electricity rates for each customer class ~~be~~ are at least five percent below  
331.6 the national average.
- 393.20 Sec. 5. Minnesota Statutes 2022, section 216C.08, is amended to read:
- 393.21 **216C.08 JURISDICTION.**
- 393.22 The commissioner has sole authority and responsibility for the administration of sections  
393.23 216C.05 to 216C.30 and 216C.375. Other laws notwithstanding, the authority granted the  
393.24 commissioner shall supersede the authority given any other agency whenever overlapping,  
393.25 duplication, or additional administrative or legal procedures might occur in the administration  
393.26 of sections 216C.05 to 216C.30 and 216C.375. The commissioner shall consult with other  
393.27 state departments or agencies in matters related to energy and shall contract with them to  
393.28 provide appropriate services to effectuate the purposes of sections 216C.05 to 216C.30 and  
393.29 216C.375. Any other department, agency, or official of this state or political subdivision  
393.30 thereof which would in any way affect the administration or enforcement of sections 216C.05  
393.31 to 216C.30 and 216C.375 shall cooperate and coordinate all activities with the commissioner  
394.1 to assure orderly and efficient administration and enforcement of sections 216C.05 to  
394.2 216C.30 and 216C.375.
- 394.3 The commissioner shall designate a liaison officer whose duty shall be to insure the  
394.4 maximum possible consistency in procedures and to eliminate duplication between the  
394.5 commissioner and the other agencies that may be involved in energy.
- 394.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 394.7 Sec. 6. Minnesota Statutes 2022, section 216C.09, is amended to read:
- 394.8 **216C.09 COMMISSIONER DUTIES.**
- 394.9 (a) The commissioner shall:
- 394.10 (1) manage the department as the central repository within the state government for the  
394.11 collection of data on energy;
- 394.12 (2) prepare and adopt an emergency allocation plan specifying actions to be taken in the  
394.13 event of an impending serious shortage of energy, or a threat to public health, safety, or  
394.14 welfare;

- 394.15 (3) undertake a continuing assessment of trends in the consumption of all forms of energy  
394.16 and analyze the social, economic, and environmental consequences of these trends;
- 394.17 (4) carry out energy conservation measures as specified by the legislature and recommend  
394.18 to the governor and the legislature additional energy policies and conservation measures as  
394.19 required to meet the objectives of sections 216C.05 to 216C.30 and 216C.375;
- 394.20 (5) collect and analyze data relating to present and future demands and resources for all  
394.21 sources of energy;
- 394.22 (6) evaluate policies governing the establishment of rates and prices for energy as related  
394.23 to energy conservation, and other goals and policies of sections 216C.05 to 216C.30 and  
394.24 216C.375, and make recommendations for changes in energy pricing policies and rate  
394.25 schedules;
- 394.26 (7) study the impact and relationship of the state energy policies to international, national,  
394.27 and regional energy policies;
- 394.28 (8) design and implement a state program for the conservation of energy; this program  
394.29 shall include but not be limited to, general commercial, industrial, and residential, and  
394.30 transportation areas; such program shall also provide for the evaluation of energy systems  
395.1 as they relate to lighting, heating, refrigeration, air conditioning, building design and  
395.2 operation, and appliance manufacturing and operation;
- 395.3 (9) inform and educate the public about the sources and uses of energy and the ways in  
395.4 which persons can conserve energy;
- 395.5 (10) dispense funds made available for the purpose of research studies and projects of  
395.6 professional and civic orientation, which are related to either energy conservation, resource  
395.7 recovery, or the development of alternative energy technologies which conserve  
395.8 nonrenewable energy resources while creating minimum environmental impact;
- 395.9 (11) charge other governmental departments and agencies involved in energy-related  
395.10 activities with specific information gathering goals and require that those goals be met;
- 395.11 (12) design a comprehensive program for the development of indigenous energy  
395.12 resources. The program shall include, but not be limited to, providing technical,  
395.13 informational, educational, and financial services and materials to persons, businesses,  
395.14 municipalities, and organizations involved in the development of solar, wind, hydropower,  
395.15 peat, fiber fuels, biomass, and other alternative energy resources. The program shall be  
395.16 evaluated by the alternative energy technical activity; and
- 395.17 (13) dispense loans, grants, or other financial aid from money received from litigation  
395.18 or settlement of alleged violations of federal petroleum-pricing regulations made available  
395.19 to the department for that purpose.
- 395.20 (b) Further, the commissioner may participate fully in hearings before the Public Utilities  
395.21 Commission on matters pertaining to rate design, cost allocation, efficient resource utilization,

395.22 utility conservation investments, small power production, cogeneration, and other rate issues.  
395.23 The commissioner shall support the policies stated in section 216C.05 and shall prepare  
395.24 and defend testimony proposed to encourage energy conservation improvements as defined  
395.25 in section 216B.241.

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

331.7 Sec. 8. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision  
331.8 to read:

331.9 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the  
331.10 meanings given.

331.11 (b) "Low-income conservation program" means a utility program that offers energy  
331.12 conservation services to low-income households under sections 216B.2403, subdivision 5,  
331.13 and 216B.241, subdivision 7.

331.14 (c) "Preweatherization measure" has the meaning given in section 216B.2402, subdivision  
331.15 20.

331.16 (d) "Weatherization assistance program" means the federal program described in Code  
331.17 of Federal Regulations, title 10, part 440 et seq., designed to assist low-income households  
331.18 reduce energy use in a cost-effective manner.

331.19 (e) "Weatherization services" means the energy conservation preweatherization measures  
331.20 installed in households under the weatherization assistance program and low-income  
331.21 conservation program.

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

331.23 Sec. 9. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision  
331.24 to read:

331.25 Subd. 1b. **State supplementary weatherization grants account.** (a) A state  
331.26 supplementary weatherization grants account is established as a separate account in the  
331.27 special revenue fund in the state treasury. The commissioner must credit appropriations and  
331.28 transfers to the account. Earnings, including interest, dividends, and any other earnings  
331.29 arising from assets of the account, must be credited to the account. Money remaining in the

210.2 Sec. 28. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision  
210.3 to read:

210.4 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the  
210.5 meanings given.

210.6 (b) "Low-income conservation program" means a utility program that offers energy  
210.7 conservation services to low-income households under sections 216B.2403, subdivision 5,  
210.8 and 216B.241, subdivision 7.

210.9 (c) "Preweatherization measure" has the meaning given in section 216B.2402, subdivision  
210.10 20.

210.11 (d) "Weatherization assistance program" means the federal program described in Code  
210.12 of Federal Regulations, title 10, part 440, et seq., designed to assist low-income households  
210.13 reduce energy use.

210.14 (e) "Weatherization assistance services" means the energy measures installed in  
210.15 households under the weatherization assistance program.

210.16 Sec. 29. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision  
210.17 to read:

210.18 Subd. 1b. **Establishment; purpose.** A preweatherization program is established in the  
210.19 department. The purpose of the program is to provide grants for preweatherization services,  
210.20 as defined under section 216B.2402, subdivision 20, in order to expand the breadth and  
210.21 depth of services provided to income-eligible households in Minnesota.

210.22 Sec. 30. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision  
210.23 to read:

210.24 Subd. 1c. **Preweatherization account.** (a) A preweatherization account is created as a  
210.25 separate account in the special revenue fund of the state treasury. The account consists of  
210.26 money provided by law, donated, allotted, transferred, or otherwise provided to the account.  
210.27 Earnings, including interest, dividends, and any other earnings arising from assets of the  
210.28 account, must be credited to the account. Money remaining in the account at the end of a

331.30 account at the end of a fiscal year does not cancel to the general fund but remains in the  
331.31 account until expended. The commissioner must manage the account.

332.1 (b) Money in the account is appropriated to the commissioner for the purposes of  
332.2 subdivision 5.

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

332.4 Sec. 10. Minnesota Statutes 2022, section 216C.264, subdivision 5, is amended to read:

332.5 Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state  
332.6 grants in a manner consistent with the goal of producing the maximum number of weatherized  
332.7 units. Supplementary state grants are provided primarily for the payment of may be used:

332.8 (1) to address physical deficiencies in a residence that increase heat loss, including  
332.9 deficiencies that prohibit the residence from being eligible to receive federal weatherization  
332.10 assistance;

332.11 (2) to install preweatherization measures established by the commissioner under section  
332.12 216B.241, subdivision 7, paragraph (g);

332.13 (3) to increase the number of weatherized residences;

332.14 (4) to conduct outreach activities to make income-eligible households aware of the  
332.15 weatherization services available to income-eligible households, to assist applicants to fill  
332.16 out applications for weatherization assistance, and to provide translation services where  
332.17 necessary;

332.18 (5) to enable a project in a multifamily building to proceed even if the project cannot  
332.19 comply with the federal requirement that the project must be completed within the same  
332.20 federal fiscal year in which a project begins;

332.21 (6) to address shortages of workers trained to provide weatherization services, including  
332.22 expanding training opportunities in existing and new training programs;

332.23 (7) to support the operation of the weatherization training program under section  
332.24 216C.2641;

332.25 (8) to pay additional labor costs for the federal weatherization program; and

332.26 (9) as an incentive for the increased production of weatherized units.

332.27 (b) Criteria for the allocation of state grants to local agencies include existing local  
332.28 agency production levels, emergency needs, and the potential for maintaining or increasing  
332.29 acceptable levels of production in the area.

210.29 fiscal year does not cancel to the general fund and remains in the account until expended.  
210.30 The commissioner must manage the account.

211.1 (b) Money in the account is appropriated to the commissioner to pay for (1) grants issued  
211.2 under the program, and (2) the reasonable costs incurred by the commissioner to administer  
211.3 the program.

211.4 Sec. 31. Minnesota Statutes 2022, section 216C.264, subdivision 5, is amended to read:

211.5 Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state  
211.6 grants in a manner consistent with the goal of producing the maximum number of weatherized  
211.7 units. Supplementary state grants are provided primarily for the payment of additional labor  
211.8 costs for the federal weatherization program, and as an incentive for the increased production  
211.9 of weatherized units, to pay for and may be used to:

211.10 (1) address physical deficiencies in a residence that increase heat loss, including  
211.11 deficiencies that prohibit the residence from being eligible to receive federal weatherization  
211.12 assistance;

211.13 (2) install eligible preweatherization measures established by the commissioner, as  
211.14 required under section 216B.241, subdivision 7, paragraph (g);

211.15 (3) increase the number of weatherized residences;

211.16 (4) conduct outreach activities to make income-eligible households aware of available  
211.17 weatherization services, to assist applicants in filling out applications for weatherization  
211.18 assistance, and to provide translation services when necessary;

211.19 (5) enable projects in multifamily buildings to proceed even if the project cannot comply  
211.20 with the federal requirement that projects must be completed within the same federal fiscal  
211.21 year in which the project is begun;

211.22 (6) expand weatherization training opportunities in existing and new training programs;

211.23 (7) pay additional labor costs for the federal weatherization program; and

211.24 (8) provide an incentive for the increased production of weatherized units.

211.25 (b) Criteria for the allocation of used to allocate state grants to local agencies include  
211.26 existing local agency production levels, emergency needs, and the potential for maintaining  
211.27 to maintain or increasing increase acceptable levels of production in the area.

332.30 (c) An eligible local agency may receive advance funding for 90 days' production, but  
332.31 thereafter must receive grants solely on the basis of program criteria.

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

333.2 Sec. 11. **[216C.264] WEATHERIZATION TRAINING GRANT PROGRAM.**

333.3 Subdivision 1. **Establishment.** The commissioner of commerce must establish a  
333.4 weatherization training grant program to award grants to train workers for careers in the  
333.5 weatherization industry.

333.6 Subd. 2. **Grants.** (a) The commissioner must award grants through a competitive grant  
333.7 process.

211.28 (c) An eligible local agency may receive advance funding for 90 days' production, but  
211.29 thereafter must receive grants solely on the basis of the program criteria under this  
211.30 subdivision.

212.1 Sec. 32. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision  
212.2 to read:

212.3 Subd. 7. **Supplemental weatherization assistance program.** The commissioner must  
212.4 provide grants to weatherization service providers to address physical deficiencies and  
212.5 install weatherization and preweatherization measures in residential buildings occupied by  
212.6 eligible low-income households.

212.7 Sec. 33. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision  
212.8 to read:

212.9 Subd. 8. **Training grants program.** (a) The commissioner must establish a  
212.10 weatherization training grant program to award grants through a competitive process to  
212.11 educational institutions, certified training centers, labor organizations, and nonprofits to  
212.12 assist with the costs associated with training and developing programs for careers in the  
212.13 weatherization industry.

212.14 (b) In order to receive grant funds, a written application must be submitted to the  
212.15 commissioner on a form developed by the commissioner.

212.16 (c) When awarding grants under this subdivision, the commissioner must prioritize  
212.17 applications that:

212.18 (1) provide the highest quality training to prepare for in-demand careers;

212.19 (2) train workers to provide weatherization services that meet federal Building  
212.20 Performance Institute certification requirements or Standard Work Specification  
212.21 requirements, as required by the program; and

212.22 (3) leverage nonstate funds or in-kind contributions.

333.8 (b) An eligible entity under paragraph (c) seeking a grant under this section must submit  
333.9 a written application to the commissioner using a form developed by the commissioner.

333.10 (c) The commissioner may award grants under this section only to:

333.11 (1) a nonprofit organization exempt from taxation under section 501(c)(3) of the United  
333.12 States Internal Revenue Code;

333.13 (2) a labor organization, as defined in section 179.01, subdivision 6; or

333.14 (3) a job training center or educational institution that the commissioner of commerce  
333.15 determines has the ability to train workers for weatherization careers.

333.16 (d) Grant funds must be used to pay costs associated with training workers for careers  
333.17 in the weatherization industry, including related supplies, materials, instruction, and  
333.18 infrastructure.

333.19 (e) When awarding grants under this section, the commissioner must give priority to  
333.20 applications that provide the highest quality training to prepare trainees for weatherization  
333.21 employment opportunities that meet technical standards and certifications developed by the  
333.22 Building Performance Institute, Inc., or the Standard Work Specifications developed by the  
333.23 United States Department of Energy for the federal Weatherization Assistance Program.

333.24 Subd. 3. **Reports.** By January 15, 2025, and each January 15 thereafter, the commissioner  
333.25 must submit a report to the chairs and ranking minority members of the senate and house  
333.26 of representatives committees with jurisdiction over energy policy. The report must detail  
333.27 the use of grant funds under this section, including data on the number of trainees trained  
333.28 and the career progress of trainees supported by prior grants.

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

334.1 Sec. 12. **[216C.331] ENERGY BENCHMARKING.**

334.2 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
334.3 the meanings given.

334.4 (b) "Aggregated customer energy use data" means customer energy use data, which is  
334.5 combined into one collective data point per time interval. Aggregated customer energy use  
334.6 data is data with any unique identifiers or other personal information removed that a  
334.7 qualifying utility collects and aggregates in at least monthly intervals for an entire building  
334.8 on a covered property.

334.9 (c) "Benchmark" means to electronically input into a benchmarking tool the total energy  
334.10 use data and other descriptive information about a building that is required by a benchmarking  
334.11 tool.

212.23 Sec. 34. **[216C.331] ENERGY BENCHMARKING.**

212.24 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
212.25 the meanings given.

212.26 (b) "Aggregated customer energy use data" means customer energy use data that is  
212.27 combined into one collective data point per time interval. Aggregated customer energy use  
212.28 data is data with any unique identifiers or other personal information removed that a  
212.29 qualifying utility collects and aggregates in at least monthly intervals for an entire building  
212.30 on a covered property.

213.1 (c) "Benchmark" means to electronically input into a benchmarking tool the total energy  
213.2 use data and other descriptive information about a building that is required by a benchmarking  
213.3 tool.

334.12 (d) "Benchmarking information" means data related to a building's energy use generated  
334.13 by a benchmarking tool, and other information about the building's physical and operational  
334.14 characteristics. Benchmarking information includes but is not limited to the building's:  
334.15 (1) address;  
334.16 (2) owner and, if applicable, the building manager responsible for operating the building's  
334.17 physical systems;  
334.18 (3) total floor area, expressed in square feet;  
334.19 (4) energy use intensity;  
334.20 (5) greenhouse gas emissions; and  
334.21 (6) energy performance score comparing the building's energy use with that of similar  
334.22 buildings.  
334.23 (e) "Benchmarking tool" means the United States Environmental Protection Agency's  
334.24 Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.  
334.27 (g) "Covered property" means any property that is served by an investor-owned utility  
334.28 in the metropolitan area as defined in section 473.121, subdivision 2, or by a municipal  
334.29 energy utility or investor-owned utility in any city outside the metropolitan area with a  
334.30 population of over 50,000 residents, and that has one or more buildings containing in sum  
334.31 50,000 gross square feet or greater. Covered property does not include:  
335.1 (1) a residential property containing fewer than five dwelling units;  
335.2 (2) a property that is: (i) classified as manufacturing under the North American Industrial  
335.3 Classification System (NAICS); (ii) an energy-intensive trade-exposed customer, as defined  
335.4 in section 216B.1696; (iii) an electric power generation facility; or (iv) otherwise an industrial  
335.5 building incompatible with benchmarking in the benchmarking tool;  
335.6 (3) an agricultural building; or  
335.7 (4) a multitenant building that is served by a utility that cannot supply aggregated  
335.8 customer usage data, and other property types that do not meet the purposes of this section,  
335.9 as determined by the commissioner.  
334.25 (f) "Customer energy use data" refers to data collected from the utility customer meters  
334.26 that reflect the quantity, quality, or timing of customers' usage.  
335.10 (h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide  
335.11 heating, cooling, lighting, or water heating; or (2) power other end uses in a building.  
335.14 (j) "Energy performance score" means a numerical value from one to 100 that the Energy  
335.15 Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of  
335.16 comparable buildings nationwide.

213.4 (d) "Benchmarking information" means data related to a building's energy use generated  
213.5 by a benchmarking tool, and other information about the building's physical and operational  
213.6 characteristics. Benchmarking information includes but is not limited to the building's:  
213.7 (1) address;  
213.8 (2) owner and, if applicable, the building manager responsible for operating the building's  
213.9 physical systems;  
213.10 (3) total floor area, expressed in square feet;  
213.11 (4) energy use intensity;  
213.12 (5) greenhouse gas emissions; and  
213.13 (6) energy performance score comparing the building's energy use with that of similar  
213.14 buildings.  
213.15 (e) "Benchmarking tool" means the United States Environmental Protection Agency's  
213.16 Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.  
213.17 (f) "Covered property" means any property that is served by an investor-owned utility  
213.18 in the metropolitan area, as defined in section 473.121, subdivision 2, or in any city outside  
213.19 the metropolitan area with a population of over 50,000 residents served by a municipal  
213.20 energy utility or investor-owned utility, and that has one or more buildings containing in  
213.21 sum 50,000 gross square feet or greater. Covered property does not include:  
213.22 (1) a residential property containing fewer than five dwelling units;  
213.23 (2) a property that is: (i) classified as manufacturing under the North American Industrial  
213.24 Classification System; (ii) an energy-intensive trade-exposed customer, as defined in section  
213.25 216B.1696; (iii) an electric power generation facility; (iv) a mining facility; or (v) otherwise  
213.26 an industrial building incompatible with benchmarking in the benchmarking tool;  
213.27 (3) an agricultural building; or  
213.28 (4) a multitenant building that is served by a utility that cannot supply aggregated  
213.29 customer usage data, and other property types that do not meet the purposes of this section,  
213.30 as determined by the commissioner.  
214.1 (g) "Customer energy use data" means data collected from the utility customer meters  
214.2 that reflect the quantity, quality, or timing of customers' usage.  
214.3 (h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide  
214.4 heating, cooling, lighting, or water heating; or (2) power other end uses in a building.  
214.5 (i) "Energy performance score" means a numerical value from one to 100 that the Energy  
214.6 Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of  
214.7 comparable buildings nationwide.

335.17 (k) "Energy Star Portfolio Manager" means an interactive resource management tool  
335.18 developed by the United States Environmental Protection Agency that (1) enables the  
335.19 periodic entry of a building's energy use data and other descriptive information about a  
335.20 building, and (2) rates a building's energy efficiency against that of comparable buildings  
335.21 nationwide.

335.12 (i) "Energy use intensity" means the total annual energy consumed in a building divided  
335.13 by the building's total floor area.

335.22 (l) "Financial distress" means a covered property that, at the time benchmarking is  
335.23 conducted:

335.24 (1) is the subject of a qualified tax lien sale or public auction due to property tax  
335.25 arrearages;

335.26 (2) is controlled by a court-appointed receiver based on financial distress;

335.27 (3) is owned by a financial institution through default by the borrower;

335.28 (4) has been acquired by deed in lieu of foreclosure; or

335.29 (5) has a senior mortgage that is subject to a notice of default.

335.30 (m) "Local government" means a statutory or home rule municipality or county.

335.31 (n) "Owner" means:

336.1 (1) an individual or entity that possesses title to a covered property; or

336.2 (2) an agent authorized to act on behalf of the covered property owner.

336.3 (o) "Qualifying utility" means a utility serving the covered property, including:

336.4 (1) an electric or gas utility, including:

336.5 (i) an investor-owned electric or gas utility; or

336.6 (ii) a municipally owned electric or gas utility;

336.7 (2) a natural gas supplier with five or more active commercial connections, accounts,  
336.8 or customers in the state; or

336.9 (3) a district stream, hot water, or chilled water provider.

336.10 (p) "Tenant" means a person that occupies or holds possession of a building or part of  
336.11 a building or premises pursuant to a rental or lease agreement.

336.12 (q) "Total floor area" means the sum of gross square footage inside a building's envelope,  
336.13 measured between the outside exterior walls of the building. Total floor area includes covered  
336.14 parking structures.

214.8 (j) "Energy Star Portfolio Manager" means an interactive resource management tool  
214.9 developed by the United States Environmental Protection Agency that (1) enables the  
214.10 periodic entry of a building's energy use data and other descriptive information about a  
214.11 building, and (2) rates a building's energy efficiency against that of comparable buildings  
214.12 nationwide.

214.13 (k) "Energy use intensity" means the total annual energy consumed in a building divided  
214.14 by the building's total floor area.

214.15 (l) "Financial distress" means a covered property that, at the time benchmarking is  
214.16 conducted:

214.17 (1) is the subject of a qualified tax lien sale or public auction due to property tax  
214.18 arrearages;

214.19 (2) is controlled by a court-appointed receiver based on financial distress;

214.20 (3) is owned by a financial institution through default by the borrower;

214.21 (4) has been acquired by deed in lieu of foreclosure; or

214.22 (5) has a senior mortgage that is subject to a notice of default.

214.23 (m) "Local government" means a statutory or home rule municipality or county.

214.24 (n) "Owner" means:

214.25 (1) an individual or entity that possesses title to a covered property; or

214.26 (2) an agent authorized to act on behalf of the covered property owner.

214.27 (o) "Qualifying utility" means a utility serving the covered property, including:

214.28 (1) an electric or gas utility, including:

214.29 (i) an investor-owned electric or gas utility; or

214.30 (ii) a municipally owned electric or gas utility;

215.1 (2) a natural gas supplier with five or more active commercial connections, accounts,  
215.2 or customers in the state; or

215.3 (3) a district stream, hot water, or chilled water provider.

215.4 (p) "Tenant" means a person that occupies or holds possession of a building or part of  
215.5 a building or premises pursuant to a lease agreement.

215.6 (q) "Total floor area" means the sum of gross square footage inside a building's envelope,  
215.7 measured between the outside exterior walls of the building. Total floor area includes covered  
215.8 parking structures.

336.15 (r) "Utility customer" means the building owner or tenant listed on the utility's records  
336.16 as the customer liable for payment of the utility service or additional charges assessed on  
336.17 the utility account.

336.18 Subd. 2. **Establishment.** The commissioner must establish and maintain a building  
336.19 energy benchmarking program. The purpose of the program is to:

336.20 (1) make a building's owners, tenants, and potential tenants aware of (i) the building's  
336.21 energy consumption levels and patterns, and (ii) how the building's energy use compares  
336.22 with that of similar buildings nationwide; and

336.23 (2) enhance the likelihood that an owner adopts energy conservation measures in the  
336.24 owner's building as a way to reduce energy use, operating costs, and greenhouse gas  
336.25 emissions.

336.26 Subd. 3. **Classification of covered properties.** For the purposes of this section, a covered  
336.27 property is classified as follows:

336.28	<u>Class</u>	<u>Total Floor Area (square feet)</u>
336.29	<u>1</u>	<u>100,000 or more</u>
336.30	<u>2</u>	<u>50,000 to 99,999</u>

337.1 Subd. 4. **Benchmarking requirement.** (a) An owner must annually benchmark all  
337.2 covered property owned as of December 31 in conformity with the schedule in subdivision  
337.3 7. Energy use data must be compiled by:

- 337.4 (1) obtaining the data from the utility providing the energy; or
- 337.5 (2) reading a master meter.

337.6 (b) Before entering information in a benchmarking tool, an owner must run all automated  
337.7 data quality assurance functions available within the benchmarking tool and must correct  
337.8 all data identified as missing or incorrect.

337.9 (c) An owner who becomes aware that any information entered into a benchmarking  
337.10 tool is inaccurate or incomplete must amend the information in the benchmarking tool within  
337.11 30 days of the date the owner learned of the inaccuracy.

337.12 (d) Nothing in this subdivision prohibits an owner of property that is not a covered  
337.13 property from voluntarily benchmarking a property under this section.

337.14 Subd. 5. **Exemption by individual building.** (a) The commissioner may exempt an  
337.15 owner of a covered property from the requirements of subdivision 4 if the owner provides  
337.16 evidence satisfactory to the commissioner that the covered property:

- 337.17 (1) is presently experiencing financial distress;

215.9 (r) "Utility customer" means the building owner or tenant listed on the utility's records  
215.10 as the customer liable for payment of the utility service or additional charges assessed on  
215.11 the utility account.

215.12 Subd. 2. **Establishment.** The commissioner must establish and maintain a building  
215.13 energy benchmarking program. The purpose of the program is to:

215.14 (1) make a building's owners, tenants, and potential tenants aware of (i) the building's  
215.15 energy consumption levels and patterns, and (ii) how the building's energy use compares  
215.16 with that of similar buildings nationwide; and

215.17 (2) enhance the likelihood that an owner adopts energy conservation measures in the  
215.18 owner's building as a way to reduce energy use, operating costs, and greenhouse gas  
215.19 emissions.

215.20 Subd. 3. **Classification of covered properties.** For the purposes of this section, a covered  
215.21 property is classified as follows:

215.22	<u>Class</u>	<u>Total Floor Area (square feet)</u>
215.23	<u>1</u>	<u>100,000 or more</u>
215.24	<u>2</u>	<u>50,000 to 99,999</u>

215.25 Subd. 4. **Benchmarking requirement.** (a) An owner must annually benchmark all  
215.26 covered property owned as of December 31 in conformity with the schedule in subdivision  
215.27 7. Energy use data must be compiled by:

- 215.28 (1) obtaining the data from the utility providing the energy; or
- 215.29 (2) reading a master meter.

215.30 (b) Before entering information in a benchmarking tool, an owner must run all automated  
215.31 data quality assurance functions available within the benchmarking tool and must correct  
215.32 all data identified as missing or incorrect.

216.1 (c) An owner who becomes aware that any information entered into a benchmarking  
216.2 tool is inaccurate or incomplete must amend the information in the benchmarking tool within  
216.3 30 days of the date the owner learned of the inaccuracy.

216.4 (d) Nothing in this subdivision prohibits an owner of property that is not a covered  
216.5 property from voluntarily benchmarking a property under this section.

216.6 Subd. 5. **Exemption by individual building.** (a) The commissioner may exempt an  
216.7 owner of a covered property from the requirements of subdivision 4 if the owner provides  
216.8 evidence satisfactory to the commissioner that the covered property:

- 216.9 (1) is presently experiencing financial distress;

337.18 (2) has been less than 50 percent occupied during the previous calendar year;  
337.19 (3) does not have a certificate of occupancy or temporary certificate of occupancy for  
337.20 the full previous calendar year;  
337.21 (4) was issued a demolition permit during the previous calendar year that remains current;  
337.22 or  
337.23 (5) received no energy services for at least 30 days during the previous calendar year.  
337.24 (b) An exemption granted under this subdivision applies only to a single calendar year.  
337.25 An owner must reapply to the commissioner each year an extension is sought.  
337.26 (c) Within 30 days of the date an owner makes a request under this paragraph, a tenant  
337.27 of a covered property subject to this section must provide the owner with any information  
337.28 regarding energy use of the tenant's rental unit that the property owner cannot otherwise  
337.29 obtain and that is needed by the owner to comply with this section. The tenant must provide  
337.30 the information required under this paragraph in a format approved by the commissioner.  
338.1 Subd. 6. **Exemption by other government benchmarking program.** An owner is  
338.2 exempt from the requirements of subdivision 4 for a covered property if the property is  
338.3 subject to a benchmarking requirement by the state, a city, or other political subdivision  
338.4 with a benchmarking requirement that the commissioner determines is equivalent or more  
338.5 stringent, as determined under subdivision 11, paragraph (b), than the benchmarking  
338.6 requirement established in this section. The exemption under this subdivision applies in  
338.7 perpetuity unless or until the benchmarking requirement is changed or revoked and the  
338.8 commissioner determines the benchmarking requirement is no longer equivalent nor more  
338.9 stringent.  
338.10 Subd. 7. **Benchmarking schedule.** (a) An owner must annually benchmark each covered  
338.11 property for the previous calendar year according to the following schedule:  
338.12 (1) all Class 1 properties by June 1, 2025, and by every June 1 thereafter; and  
338.13 (2) all Class 2 properties by June 1, 2026, and by every June 1 thereafter.  
338.14 (b) Beginning June 1, 2025, for Class 1 properties, and June 1, 2026, for Class 2  
338.15 properties, an owner who is selling a covered property must provide the following to the  
338.16 new owner at the time of sale:  
338.17 (1) benchmarking information for the most recent 12-month period, including monthly  
338.18 energy use by source; or  
338.19 (2) ownership of the digital property record in the benchmarking tool through an online  
338.20 transfer.  
338.21 Subd. 8. **Utility data requirements.** (a) In implementing this section, a qualifying utility  
338.22 shall implement the data aggregation standards established by the commission in docket  
338.23 number 19-505, including changes to the standards adopted in an order issued after the

216.10 (2) has been less than 50 percent occupied during the previous calendar year;  
216.11 (3) does not have a certificate of occupancy or temporary certificate of occupancy for  
216.12 the full previous calendar year;  
216.13 (4) was issued a demolition permit during the previous calendar year that remains current;  
216.14 or  
216.15 (5) received no energy services for at least 30 days during the previous calendar year.  
216.16 (b) An exemption granted under this subdivision applies only to a single calendar year.  
216.17 An owner must reapply to the commissioner each year an extension is sought.  
216.18 (c) Within 30 days of the date an owner makes a request under this paragraph, a tenant  
216.19 of a covered property subject to this section must provide the owner with any information  
216.20 regarding energy use of the tenant's rental unit that the property owner cannot otherwise  
216.21 obtain and that is needed by the owner to comply with this section. The tenant must provide  
216.22 the information required under this paragraph in a format approved by the commissioner.  
216.23 Subd. 6. **Exemption by other government benchmarking program.** An owner is  
216.24 exempt from the requirements of subdivision 4 for a covered property if the property is  
216.25 subject to a benchmarking requirement by the state, a city, or other political subdivision  
216.26 with a benchmarking requirement that the commissioner determines is equivalent or more  
216.27 stringent, as determined under subdivision 11, paragraph (b), than the benchmarking  
216.28 requirement established in this section. The exemption under this subdivision applies in  
216.29 perpetuity unless or until the benchmarking requirement is changed or revoked and the  
216.30 commissioner determines the benchmarking requirement is no longer equivalent nor more  
216.31 stringent.  
217.1 Subd. 7. **Benchmarking schedule.** (a) An owner must annually benchmark each covered  
217.2 property for the previous calendar year according to the following schedule:  
217.3 (1) all Class 1 properties by June 1, 2025, and by every June 1 thereafter; and  
217.4 (2) all Class 2 properties by June 1, 2026, and by every June 1 thereafter.  
217.5 (b) Beginning June 1, 2025, for Class 1 properties, and June 1, 2026, for Class 2  
217.6 properties, an owner who is selling a covered property must provide the following to the  
217.7 new owner at the time of sale:  
217.8 (1) benchmarking information for the most recent 12-month period, including monthly  
217.9 energy use by source; or  
217.10 (2) ownership of the digital property record in the benchmarking tool through an online  
217.11 transfer.  
217.12 Subd. 8. **Utility data requirements.** (a) In implementing this section, a qualifying utility  
217.13 shall only aggregate customer energy use data of covered properties, and on or before  
217.14 January 1, 2025, a qualifying utility shall:

338.24 effective date of this section. A municipal energy utility serving a covered property under  
338.25 this section shall adopt data aggregation standards that are substantially similar to the  
338.26 standards included in the commission's order in that docket and subsequent relevant orders.

338.27 (b) Customer energy use data that a qualifying utility provides an owner pursuant to this  
338.28 subdivision must be:

338.29 (1) available on, or able to be requested through, an easily navigable web portal or online  
338.30 request form using up-to-date standards for digital authentication;

338.31 (2) provided to the owner within 30 days after receiving the owner's valid written or  
338.32 electronic request;

339.1 (3) provided for at least 24 consecutive months of energy consumption or as many  
339.2 months of consumption data that are available if the owner has owned the building for less  
339.3 than 24 months;

339.4 (4) directly uploaded to the owner's benchmarking tool account, delivered in the  
339.5 spreadsheet template specified by the benchmarking tool, or delivered in another format  
339.6 approved by the commissioner;

339.7 (5) provided to the owner on at least an annual basis until the owner revokes the request  
339.8 for energy use data or sells the covered property; and

339.9 (6) provided in monthly intervals, or the shortest available intervals based in billing.

339.10 (c) Data necessary to establish, utilize, or maintain information in the benchmarking  
339.11 tool under this section may be collected or shared as provided by this section and are  
339.12 considered public data whether or not the data have been aggregated.

217.15 (1) establish an aggregation standard whereby:

217.16 (i) an aggregated customer energy use data set may include customer energy use data  
217.17 from no fewer than four customers. A single customer's energy use must not constitute more  
217.18 than 50 percent of total energy consumption for the requested data set; and

217.19 (ii) customer energy use data sets containing three or fewer customers or with a single  
217.20 customer's energy use constituting more than 50 percent of total energy consumption may  
217.21 be provided upon the written consent of:

217.22 (A) all customers included in the requested data set, in cases of three or fewer customers;  
217.23 or

217.24 (B) any customer constituting more than 50 percent of total energy consumption for the  
217.25 requested data set; and

217.26 (2) prepare and make available customer energy use data and aggregated customer energy  
217.27 use data upon the request of an owner.

217.28 (b) Customer energy use data that a qualifying utility provides an owner pursuant to this  
217.29 subdivision must be:

217.30 (1) available on, or able to be requested through, an easily navigable web portal or online  
217.31 request form using up-to-date standards for digital authentication;

218.1 (2) provided to the owner within 30 days after receiving the owner's valid written or  
218.2 electronic request;

218.3 (3) provided for at least 24 consecutive months of energy consumption or as many  
218.4 months of consumption data that are available if the owner has owned the building for less  
218.5 than 24 months;

218.6 (4) directly uploaded to the owner's benchmarking tool account, delivered in the  
218.7 spreadsheet template specified by the benchmarking tool, or delivered in another format  
218.8 approved by the commissioner;

218.9 (5) provided to the owner on at least an annual basis until the owner revokes the request  
218.10 for energy use data or sells the covered property; and

218.11 (6) provided in monthly intervals, or the shortest available intervals based in billing.

218.12 (c) Data necessary to establish, utilize, or maintain information in the benchmarking  
218.13 tool under this section may be collected or shared as provided by this section and are  
218.14 considered public data whether or not the data have been aggregated.

218.15 (d) Notwithstanding any other provision of law, a qualifying utility shall not aggregate  
218.16 or anonymize customer energy use data of any customer exempted by the commissioner  
218.17 under section 216B.241 from contributing to investments and expenditures made by a

339.13 Subd. 9. **Data collection and management.** (a) The commissioner must:

339.14 (1) collect benchmarking information generated by a benchmarking tool and other related

339.15 information for each covered property;

339.16 (2) provide technical assistance to owners entering data into a benchmarking tool;

339.17 (3) collaborate with the Department of Revenue to collect the data necessary for

339.18 establishing the covered property list annually; and

339.19 (4) provide technical guidance to utilities in the establishment of data aggregation and

339.20 access tools.

339.21 (b) Upon request of the commissioner, a county assessor shall provide readily available

339.22 property data necessary for the development of the covered property list, including but not

339.23 limited to gross floor area, property type, and owner information by January 15 annually.

339.24 (c) The commissioner must:

339.25 (1) rank benchmarked covered properties in each property class from highest to lowest

339.26 performance score or, if a performance score is unavailable for a covered property, from

339.27 lowest to highest energy use intensity;

339.28 (2) divide covered properties in each property class into four quartiles based on the

339.29 applicable measure in clause (1);

339.30 (3) assign four stars to each covered property in the quartile of each property class with

339.31 the highest performance scores or lowest energy use intensities, as applicable;

340.1 (4) assign three stars to each covered property in the quartile of each property class with

340.2 the second highest performance scores or second lowest energy use intensities, as applicable;

340.3 (5) assign two stars to each covered property in the quartile of each property class with

340.4 the third highest performance scores or third lowest energy use intensities, as applicable;

340.5 (6) assign one star to each covered property in the quartile of each property class with

340.6 the lowest performance scores or highest energy use intensities, as applicable; and

340.7 (7) serve notice in writing to each owner identifying the number of stars assigned by the

340.8 commissioner to each of the owner's covered properties.

218.18 qualifying utility under an energy and conservation optimization plan, unless the customer

218.19 provides written consent to the qualifying utility.

218.20 (e) Except as provided in paragraph (d), qualifying utilities may aggregate the customer

218.21 energy use data of properties with a total floor area of less than 50,000 square feet if the

218.22 property otherwise meets the definition of a covered property.

218.23 Subd. 9. **Data collection and management.** (a) The commissioner must:

218.24 (1) collect benchmarking information generated by a benchmarking tool and other related

218.25 information for each covered property;

218.26 (2) provide technical assistance to owners entering data into a benchmarking tool;

218.27 (3) collaborate with the Department of Revenue to collect the data necessary for

218.28 establishing the covered property list annually; and

218.29 (4) provide technical guidance to utilities in the establishment of data aggregation and

218.30 access tools.

219.1 (b) Upon request of the commissioner, a county assessor shall provide readily available

219.2 property data necessary for the development of the covered property list, including but not

219.3 limited to gross floor area, property type, and owner information by January 15 annually.

219.4 (c) The commissioner must:

219.5 (1) rank benchmarked covered properties in each property class from highest to lowest

219.6 performance score or, if a performance score is unavailable for a covered property, from

219.7 lowest to highest energy use intensity;

219.8 (2) divide covered properties in each property class into four quartiles based on the

219.9 applicable measure in clause (1);

219.10 (3) assign four stars to each covered property in the quartile of each property class with

219.11 the highest performance scores or lowest energy use intensities, as applicable;

219.12 (4) assign three stars to each covered property in the quartile of each property class with

219.13 the second highest performance scores or second lowest energy use intensities, as applicable;

219.14 (5) assign two stars to each covered property in the quartile of each property class with

219.15 the third highest performance scores or third lowest energy use intensities, as applicable;

219.16 (6) assign one star to each covered property in the quartile of each property class with

219.17 the lowest performance scores or highest energy use intensities, as applicable; and

219.18 (7) serve notice in writing to each owner identifying the number of stars assigned by the

219.19 commissioner to each of the owner's covered properties.

340.9 Subd. 10. **Data disclosure to public.** (a) The commissioner must post on the department's  
340.10 website and update by December 1 annually the following information for the previous  
340.11 calendar year:

340.12 (1) annual summary statistics on energy use for all covered properties;

340.13 (2) annual summary statistics on energy use for all covered properties, aggregated by  
340.14 covered property class, as defined in subdivision 3, city, and county;

340.15 (3) the percentage of covered properties in each building class listed in subdivision 3  
340.16 that are in compliance with the benchmarking requirements under subdivisions 4 to 7; and

340.17 (4) for each covered property, at a minimum, the address, total energy use, energy use  
340.18 intensity, annual greenhouse gas emissions, and energy performance score, if available.

340.19 (b) The commissioner must post the information required under this subdivision for:

340.20 (1) all Class 1 properties by November 1, 2025, and by every November 1 thereafter;  
340.21 and

340.22 (2) all Class 2 properties by November 1, 2026, and by every November 1 thereafter.

340.23 Subd. 11. **Coordination with other benchmarking programs.** (a) The commissioner  
340.24 shall coordinate with any state agency or local government that implements an energy  
340.25 benchmarking program, including the coordination of reporting requirements.

340.26 (b) This section does not restrict a local government from adopting or implementing an  
340.27 ordinance or resolution that imposes more stringent benchmarking requirements. For purposes  
340.28 of this section, a local government benchmarking program is more stringent if the program  
340.29 requires:

340.30 (1) buildings to be benchmarked that are not required to be benchmarked under this  
340.31 section; or

341.1 (2) benchmarking of information that is not required to be benchmarked under this  
341.2 section.

341.3 (c) Benchmarking program requirements of local governments must:

341.4 (1) be at least as comprehensive in scope and application as the program operated under  
341.5 this section; and

341.6 (2) include annual enforcement of a penalty on covered properties that do not comply  
341.7 with the local government's benchmarking ordinance.

341.8 (d) Local governments must notify the commissioner of the local government's existing  
341.9 benchmarking ordinance requirements. Local governments must notify the commissioner

219.20 Subd. 10. **Data disclosure to public.** (a) The commissioner must post on the department's  
219.21 website and update by December 1 annually the following information for the previous  
219.22 calendar year:

219.23 (1) annual summary statistics on energy use for all covered properties;

219.24 (2) annual summary statistics on energy use for all covered properties, aggregated by  
219.25 covered property class, as defined in subdivision 3, city, and county;

219.26 (3) the percentage of covered properties in each building class listed in subdivision 3  
219.27 that are in compliance with the benchmarking requirements under subdivisions 4 to 7; and

219.28 (4) for each covered property, at a minimum, report the address, the total energy use,  
219.29 energy use intensity, annual greenhouse gas emissions, and an energy performance score,  
219.30 if available.

219.31 (b) The commissioner must post the information required under this subdivision for:

220.1 (1) all Class 1 properties by November 1, 2025, and by every November 1 thereafter;  
220.2 and

220.3 (2) all Class 2 properties by November 1, 2026, and by every November 1 thereafter.

220.4 Subd. 11. **Coordination with other benchmarking programs.** (a) The commissioner  
220.5 shall coordinate with any state agency or local government that implements an energy  
220.6 benchmarking program, including the coordination of reporting requirements.

220.7 (b) This section does not restrict a local government from adopting or implementing an  
220.8 ordinance or resolution that imposes more stringent benchmarking requirements. For purposes  
220.9 of this section, a local government benchmarking program is more stringent if the program  
220.10 requires:

220.11 (1) buildings to be benchmarked that are not required to be benchmarked under this  
220.12 section; or

220.13 (2) benchmarking of information that is not required to be benchmarked under this  
220.14 section.

220.15 (c) Benchmarking program requirements of local governments must:

220.16 (1) be at least as comprehensive in scope and application as the program operated under  
220.17 this section; and

220.18 (2) include annual enforcement of a penalty on covered properties that do not comply  
220.19 with the local government's benchmarking ordinance.

220.20 (d) Local governments must notify the commissioner of the local government's existing  
220.21 benchmarking ordinance requirements. Local governments must notify the commissioner

341.10 of new, changed, or revoked ordinance requirements, which when made by December 31  
341.11 would apply to the benchmarking schedule for the following year.

341.12 (e) The commissioner shall make available for local governments upon request all  
341.13 benchmarking data for covered properties within the local government's jurisdiction by  
341.14 December 1, annually.

341.15 Subd. 12. **Building performance disclosure to occupants.** The commissioner must  
341.16 provide disclosure materials for public display within a building to building owners, so that  
341.17 building owners can prominently display the performance of the building. The materials  
341.18 must include the number of stars assigned to the building by the commissioner under  
341.19 subdivision 9, paragraph (c), and a relevant explanation of the rating.

341.20 Subd. 13. **Notifications.** By March 1 each year, the commissioner must notify the owner  
341.21 of each covered property required to benchmark for the previous calendar year of the  
341.22 requirement to benchmark by June 1 of the current year.

341.23 Subd. 14. **Program implementation.** The commissioner may contract with an  
341.24 independent third party to implement any or all of the commissioner's duties required under  
341.25 this section. To implement the benchmarking program, the commissioner shall assist building  
341.26 owners to increase energy efficiency and reduce greenhouse gas emissions from the owners'  
341.27 buildings, including by providing outreach, training, and technical assistance to building  
341.28 owners to help the owners' buildings come into compliance with the benchmarking program.

341.29 Subd. 15. **Enforcement.** By June 15 each year, the commissioner must notify the owner  
341.30 of each covered property required to comply with this section that has failed to comply that  
341.31 the owner has until July 15 to come into compliance, unless the owner requests an extension,  
341.32 in which case the owner has until August 15 to come into compliance. If an owner fails to  
341.33 comply with the requirements of this section by July 15 and fails to request an extension  
342.1 by that date, or is given an extension and fails to comply by August 15, the commissioner  
342.2 may impose a civil fine of \$1,000 on the owner. The commissioner may by rule increase  
342.3 the civil fine to adjust for inflation.

342.4 Subd. 16. **Recovery of expenses.** The commission shall allow a public utility to recover  
342.5 reasonable and prudent expenses of implementing this section under section 216B.16,  
342.6 subdivision 6b. The costs and benefits associated with implementing this section may, at  
342.7 the discretion of the utility, be excluded from the calculation of net economic benefits for  
342.8 purposes of calculating the financial incentive to the public utility under section 216B.16,  
342.9 subdivision 6c. The energy and demand savings may, at the discretion of the public utility,  
342.10 be applied toward the calculation of overall portfolio energy and demand savings for purposes  
342.11 of determining progress toward annual goals under section 216B.241, subdivision 1c, and  
342.12 in the financial incentive mechanism under section 216B.16, subdivision 6c.

342.13 **EFFECTIVE DATE.** This section is effective the day following final enactment, except  
342.14 that subdivision 15 is effective June 15, 2026.

220.22 of new, changed, or revoked ordinance requirements, which when made by December 31  
220.23 would apply to the benchmarking schedule for the following year.

220.24 (e) The commissioner shall make available for local governments upon request all  
220.25 benchmarking data for covered properties within the local government's jurisdiction by  
220.26 December 1, annually.

220.27 Subd. 12. **Building performance disclosure to occupants.** The commissioner must  
220.28 provide disclosure materials for public display within a building to building owners, so that  
220.29 building owners can prominently display the performance of the building. The materials  
220.30 must include the number of stars assigned to the building by the commissioner under  
220.31 subdivision 9, paragraph (c), and a relevant explanation of the rating.

221.1 Subd. 13. **Notifications.** By March 1 each year, the commissioner must notify the owner  
221.2 of each covered property required to benchmark for the previous calendar year of the  
221.3 requirement to benchmark by June 1 of the current year.

221.4 Subd. 14. **Program implementation.** The commissioner may contract with an  
221.5 independent third party to implement any or all of the commissioner's duties required under  
221.6 this section. To implement the benchmarking program, the commissioner shall assist building  
221.7 owners to increase energy efficiency and reduce greenhouse gas emissions from the owners'  
221.8 buildings, including by providing outreach, training, and technical assistance to building  
221.9 owners to help the owners' buildings come into compliance with the benchmarking program.

221.10 Subd. 15. **Enforcement.** By June 15 each year, the commissioner must notify the owner  
221.11 of each covered property required to comply with this section that has failed to comply that  
221.12 the owner has until July 15 to come into compliance, unless the owner requests an extension,  
221.13 in which case the owner has until August 15 to come into compliance. If an owner fails to  
221.14 comply with the requirements of this section by July 15 and fails to request an extension  
221.15 by that date, or is given an extension and fails to comply by August 15, the commissioner  
221.16 may impose a civil fine of \$1,000 on the owner. The commissioner may by rule increase  
221.17 the civil fine to adjust for inflation.

221.18 Subd. 16. **Recovery of expenses.** The commission shall allow a public utility to recover  
221.19 reasonable and prudent expenses of implementing this section under section 216B.16,  
221.20 subdivision 6b. The costs and benefits associated with implementing this section may, at  
221.21 the discretion of the utility, be excluded from the calculation of net economic benefits for  
221.22 purposes of calculating the financial incentive to the public utility under section 216B.16,  
221.23 subdivision 6c. The energy and demand savings may, at the discretion of the public utility,  
221.24 be applied toward the calculation of overall portfolio energy and demand savings for purposes  
221.25 of determining progress toward annual goals under section 216B.241, subdivision 1c, and  
221.26 in the financial incentive mechanism under section 216B.16, subdivision 6c.

221.27 **EFFECTIVE DATE.** This section is effective the day following final enactment, except  
221.28 that subdivision 15 is effective June 15, 2026.

308.16 Sec. 6. [216C.374] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.

308.17 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
308.18 the meanings given.

308.19 (b) "Battery exchange station" means a physical location deploying equipment that  
308.20 enables a used electric vehicle battery to be removed and exchanged for a fully charged  
308.21 electric vehicle battery.

308.22 (c) "Electric school bus" means an electric vehicle: (1) designed to carry a driver and  
308.23 more than ten passengers; and (2) primarily used to transport preprimary, primary, and  
308.24 secondary students.

308.25 (d) "Electric utility" means any utility that provides wholesale or retail electric service  
308.26 to customers in Minnesota.

308.27 (e) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

308.28 (f) "Electric vehicle charging station" means a physical location deploying equipment  
308.29 that provides electricity to charge a battery in an electric vehicle.

308.30 (g) "Electric vehicle infrastructure" means electric vehicle charging stations and any  
308.31 associated electric panels, machinery, equipment, and infrastructure necessary for an electric  
309.1 utility to supply electricity to an electric vehicle charging station and to support electric  
309.2 vehicle operation.

309.3 (h) "Electric vehicle service provider" means an organization that installs, maintains, or  
309.4 otherwise services a battery exchange station, electric vehicle infrastructure, or electric  
309.5 vehicle charging stations.

309.6 (i) "Eligible applicant" means a school district or an electric utility, electric vehicle  
309.7 service provider, or transportation service provider applying for a grant under this section  
309.8 on behalf of a school district.

309.9 (j) "Federal vehicle electrification grants" means grants that fund electric school buses  
309.10 or electric vehicle infrastructure under the federal Infrastructure Investment and Jobs Act,  
309.11 Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law 117-169.

309.12 (k) "Poor air quality" means:

309.13 (1) ambient air levels that air monitoring data reveals approach or exceed state or federal  
309.14 air quality standards or chronic health inhalation risk benchmarks for total suspended

182.20 Sec. 15. [216B.1616] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.

182.21 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
182.22 the meanings given.

182.23 (b) "Battery exchange station" means a physical location deploying equipment that  
182.24 enables a used electric vehicle battery to be removed and exchanged for a fresh electric  
182.25 vehicle battery.

182.26 (c) "Electric school bus" means a passenger motor vehicle:

182.27 (1) primarily used to transport preprimary, primary, and secondary students;

182.28 (2) designed to carry a driver and more than ten passengers; and

182.29 (3) whose primary propulsion and accessory power technologies produce zero carbon  
182.30 emissions in day-to-day operations.

183.1 (d) "Electric utility" means a public utility or a consumer-owned utility, as defined in  
183.2 section 216B.2402, subdivision 2.

183.3 (e) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

183.4 (f) "Electric vehicle charging station" means a physical location deploying equipment  
183.5 that provides electricity to charge a battery in an electric vehicle.

183.6 (g) "Electric vehicle infrastructure" means electric vehicle charging stations and any  
183.7 associated electric panels, machinery, equipment, and infrastructure necessary for an electric  
183.8 utility to supply electricity or hydrogen to an electric vehicle charging station and to support  
183.9 electric vehicle operation.

183.10 (h) "Electric vehicle service provider" means an organization that installs, maintains, or  
183.11 otherwise services a battery exchange station, electric vehicle infrastructure, or electric  
183.12 vehicle charging station.

183.13 (i) "Poor air quality" means:

183.14 (1) ambient air levels that air monitoring data reveals approach or exceed state or federal  
183.15 air quality standards or chronic health inhalation risk benchmarks for total suspended

309.15 particulates, particulate matter less than ten microns wide (PM-10), particulate matter less  
309.16 than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen dioxide; or

309.17 (2) areas in which levels of asthma among children significantly exceed the statewide  
309.18 average.

309.19 (l) "Prioritized school district" means:

309.20 (1) a school district listed in the Small Area Income and Poverty Estimates School  
309.21 District Estimates as having 7.5 percent or more students living in poverty based on the  
309.22 most recent decennial U.S. census;

309.23 (2) a school district identified with locale codes "43-Rural: Remote" and "42-Rural:  
309.24 Distant" by the National Center for Education Statistics;

309.25 (3) a school district funded by the Bureau of Indian Affairs; or

309.26 (4) a school district that receives basic support payments under United States Code, title  
309.27 20, section 7703(b)(1), for children who reside on Indian land.

309.28 (m) "School" means a school that operates as part of an independent or special school  
309.29 district.

309.30 (n) "School bus" has the meaning given in section 169.011, subdivision 71.

309.31 (o) "School district" means:

310.1 (1) an independent school district, as defined in section 120A.05, subdivision 10; or

310.2 (2) a special school district, as defined in section 120A.05, subdivision 14.

310.3 (p) "Transportation service provider" means a person that has a contract with a school  
310.4 district to transport students to and from school.

310.5 Subd. 2. **Establishment; purpose.** An electric school bus deployment program is  
310.6 established in the department. The purpose of the program is to provide grants to accelerate  
310.7 the deployment of electric school buses by school districts and to encourage schools to use  
310.8 vehicle electrification as a teaching tool that can be integrated into the school's curriculum.

310.9 Subd. 3. **Establishment of account.** An electric school bus program account is established  
310.10 as a separate account in the special revenue fund in the state treasury. The commissioner  
310.11 shall credit to the account appropriations and transfers to the account. Earnings, including

183.16 particulates, particulate matter less than ten microns wide (PM-10), particulate matter less  
183.17 than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen dioxide; or

183.18 (2) levels of asthma among children that significantly exceed the statewide average.

183.19 (j) "Prioritized school district" means:

183.20 (1) a school district listed in the Small Area Income and Poverty Estimates (SAIPE)  
183.21 School District Estimates as having 7.5 percent or more students living in poverty based on  
183.22 the most recent decennial United States census;

183.23 (2) a school district identified with locale codes "43-Rural: Remote" and "42-Rural:  
183.24 Distant" by the National Center for Education Statistics (NCES); or

183.25 (3) a Bureau of Indian Affairs funded school district and a school district that receives  
183.26 basic support payments under United States Code, title 20, section 7703(b)(1), for children  
183.27 who reside on Indian land.

183.28 (k) "Public utility" has the meaning given in section 216B.02, subdivision 4.

183.29 (l) "School" means a school that operates as part of an independent or special school  
183.30 district.

183.31 (m) "School bus" has the meaning given in section 169.011, subdivision 71.

184.1 (n) "School district" means an independent or special school district.

184.2 (o) "Transportation service provider" means a transportation service provider that provides  
184.3 student transportation services and that has a contract to provide transportation services to  
184.4 a school.

184.5 Subd. 2. **Establishment; purpose.** An electric school bus deployment program is  
184.6 established in the Department of Commerce. The purpose of the program is to provide grants  
184.7 to accelerate the deployment of electric school buses by school districts and to encourage  
184.8 schools to use vehicle electrification as a teaching tool that can be integrated into the school's  
184.9 curriculum.

184.10 Subd. 3. **Establishment of account.** An electric school bus program account is established  
184.11 in the special revenue fund. The account consists of money received provided by law,  
184.12 donated, allotted, transferred, or otherwise provided to the account. Earnings including

310.12 interest, dividends, and any other earnings arising from assets of the account, must be  
310.13 credited to the account. Money in the account at the end of a fiscal year does not cancel to  
310.14 the general fund but remains available in the account until expended. The commissioner  
310.15 shall manage the account.

310.16 Subd. 4. **Appropriation; expenditures.** Money in the account is appropriated to the  
310.17 commissioner and must be used only:

310.18 (1) for grant awards made under this section; and

310.19 (2) to pay the reasonable costs incurred by the department to administer this section,  
310.20 including the cost of providing technical assistance to eligible applicants, including but not  
310.21 limited to grant writing assistance for applications for federal vehicle electrification grants  
310.22 under subdivision 6, paragraph (c).

310.23 Subd. 5. **Eligible grant expenditures.** A grant awarded under this section may be used  
310.24 only to pay:

310.25 (1) a school district or transportation service provider to purchase one or more electric  
310.26 school buses, or convert or repower fossil-fuel-powered school buses to be powered by  
310.27 electricity;

310.28 (2) up to 75 percent of the cost a school district or transportation service provider incurs  
310.29 to purchase one or more electric school buses, or to convert or repower fossil-fuel-powered  
310.30 school buses to be powered by electricity;

311.1 (3) for prioritized school districts, up to 95 percent of the cost a school district or  
311.2 transportation service provider incurs to purchase one or more electric school buses, or to  
311.3 convert or repower fossil-fuel-powered school buses to be powered by electricity;

311.4 (4) up to 75 percent of the cost of deploying, on the school district or transportation  
311.5 service provider's real property, infrastructure required to operate electric school buses,  
311.6 including but not limited to battery exchange stations, electric vehicle infrastructure, or  
311.7 electric vehicle charging stations;

311.8 (5) for prioritized school districts, up to 95 percent of the cost of deploying, on the school  
311.9 district or transportation service provider's real property, infrastructure required to operate

184.13 interest, dividends, and any other earnings arising from assets of the account must be credited  
184.14 to the account. Except as otherwise provided in this subdivision, money deposited in the  
184.15 account remains in the account until June 30, 2027.

184.16 Subd. 4. **Appropriation; expenditures.** (a) Money in the account is appropriated to the  
184.17 commissioner and must be used only:

184.18 (1) for grant awards made under this section; and

184.19 (2) to pay the reasonable costs incurred by the department to administer this section,  
184.20 including the cost of providing technical assistance to school districts, electric utilities,  
184.21 electric vehicle service providers, or transportation service providers, including but not  
184.22 limited to grant writing assistance for applications for federal vehicle electrification programs.

184.23 (b) Grant awards made with funds in the account must be used only for:

184.24 (1) grants for the deployment of electric school buses by school districts; and

184.25 (2) reasonable costs related to technical assistance for electric school bus deployment  
184.26 program planning and preparing applications for federal vehicle electrification programs.

184.27 Subd. 5. **Eligible programs.** (a) An electric school bus deployment grant may be awarded  
184.28 to a school district, electric utility, electric vehicle service provider, or transportation service  
184.29 provider under this section only if the electric school bus deployment program that is the  
184.30 subject of the grant includes but is not limited to the following elements:

185.1 (1) a school district or transportation service provider may (i) purchase one or more  
185.2 electric school buses, or (ii) convert or repower fossil-fuel-powered school buses to be  
185.3 electric;

185.4 (2) the grant may be used for up to 75 percent of the cost the school district or  
185.5 transportation service provider incurs to (i) purchase one or more electric school buses, or  
185.6 (ii) convert or repower fossil-fuel-powered school buses to be electric;

185.7 (3) for prioritized school districts, the grant may be used for up to 95 percent of the cost  
185.8 the school district or transportation service provider incurs to (i) purchase one or more  
185.9 electric school buses, or (ii) convert or repower fossil-fuel-powered school buses to be  
185.10 electric;

185.11 (4) the grant may be used for up to 75 percent of the cost of deploying on the school  
185.12 district or transportation service provider's real property infrastructure required to operate  
185.13 electric school buses, including but not limited to battery exchange stations, electric vehicle  
185.14 infrastructure, or electric vehicle charging stations;

185.15 (5) for prioritized school districts, the grant may be used for up to 95 percent of the cost  
185.16 of deploying on the school district or transportation service provider's real property

311.10 electric school buses, including but not limited to battery exchange stations, electric vehicle  
311.11 infrastructure, or electric vehicle charging stations; and

311.12 (6) the reasonable costs of technical assistance related to electric school bus deployment  
311.13 program planning and to prepare grant applications for federal vehicle electrification grants.

311.14 Subd. 6. Application process. (a) The commissioner must develop administrative  
311.15 procedures governing the application and grant award process.

311.16 (b) The commissioner must issue a request for proposals to eligible applicants who may  
311.17 wish to apply for a grant under this section on behalf of a school.

311.18 (c) An eligible applicant must submit an application for an electric school bus deployment  
311.19 grant to the commissioner on a form prescribed by the commissioner. The form must require  
311.20 an applicant to supply, at a minimum, the following information:

311.21 (1) the number of and a description of the electric school buses the school district or  
311.22 transportation service provider intends to purchase;

311.23 (2) the total cost to purchase the electric school buses and the incremental cost, if any,  
311.24 of the electric school buses when compared with fossil-fuel-powered school buses;

311.25 (3) a copy of the proposed contract agreement between the school district, the electric  
311.26 utility, the electric vehicle service provider, or the transportation service provider that  
311.27 includes provisions addressing responsibility for maintenance of the electric school buses  
311.28 and related electric vehicle infrastructure and battery exchange stations;

311.29 (4) whether the school district is a prioritized school district;

311.30 (5) areas of the school district that serve significant numbers of students eligible for free  
311.31 and reduced-price school meals, and areas that disproportionately experience poor air quality,  
311.32 as measured by indicators such as the Minnesota Pollution Control Agency's air quality

185.17 infrastructure required to operate electric school buses, including but not limited to battery  
185.18 exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

185.19 (6) at the request of a school district or transportation service provider, an electric utility  
185.20 may deploy on the school district or transportation service provider's real property electric  
185.21 vehicle infrastructure required to operate electric school buses; and

185.22 (7) the school district prioritizes the deployment of electric school buses in areas of the  
185.23 school district that serve disadvantaged students, disproportionately experience poor air  
185.24 quality, or are environmental justice areas as defined in section 216B.1691, subdivision 1,  
185.25 paragraph (e).

185.26 (b) A technical assistance grant may be awarded to a school district, electric utility,  
185.27 electric vehicle service provider, or transportation service provider under this section for  
185.28 the reasonable costs related to electric school bus deployment program planning and for  
185.29 preparing applications for federal vehicle electrification programs.

185.30 Subd. 6. Application process. (a) The commissioner must issue a request for proposals  
185.31 to school districts, electric utilities, electric vehicle service providers, and transportation  
185.32 service providers that may wish to apply for an electric bus deployment or technical assistance  
185.33 grant under this section on behalf of a school.

187.17 (f) The commissioner must develop administrative procedures governing the application  
187.18 and grant award process.

186.1 (b) A school district, electric utility, electric vehicle service provider, or transportation  
186.2 service provider must submit an application for an electric school bus deployment grant to  
186.3 the commissioner on behalf of a school district on a form prescribed by the commissioner.  
186.4 The form must include, at a minimum, the following information:

186.5 (1) the number of and description of the electric school buses the school district or  
186.6 transportation service provider intends to purchase;

186.7 (2) the total cost to purchase the electric school buses and the incremental cost, if any,  
186.8 of the electric school buses when compared with fossil-fuel-powered school buses;

186.9 (3) a copy of the proposed contract agreement between the school district, the electric  
186.10 utility, the electric vehicle service provider, or the transportation service provider that  
186.11 includes provisions addressing responsibility for maintenance of the electric school buses  
186.12 and the infrastructure required to operate electric school buses, including but not limited to  
186.13 battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

186.14 (4) whether the school district is also a prioritized school district;

186.15 (5) the areas of the school district that (i) serve disadvantaged students; (ii)  
186.16 disproportionately experience poor air quality, as measured by indicators such as the  
186.17 Minnesota Pollution Control Agency's air quality monitoring network, the Minnesota  
186.18 Department of Health's air quality and health monitoring, or any other indicators applicants

312.1 monitoring network, the Minnesota Department of Health's air quality and health monitoring,  
312.2 or other relevant indicators;

312.3 (6) the school district's plan to prioritize the deployment of electric school buses in areas  
312.4 of the school district that:

312.5 (i) serve students eligible for free and reduced-price school meals;  
312.6 (ii) experience disproportionately poor air quality; or

312.9 (7) areas of the school district that are located within environmental justice areas, as  
312.10 defined in section 216B.1691, subdivision 1, paragraph (e);

312.7 (iii) are located within environmental justice areas, as defined in section 216B.1691,  
312.8 subdivision 1, paragraph (e);

312.11 (8) the school district's plan, if any, to make the electric school buses serve as a visible  
312.12 learning tool for students, teachers, and visitors to the school, including how vehicle  
312.13 electrification may be integrated into the school district's curriculum;

312.14 (9) information that demonstrates the school district's level of need for financial assistance  
312.15 available under this section;

312.16 (10) any federal vehicle electrification grants awarded to or applied for by the eligible  
312.17 applicant for the same electric school buses or electric vehicle infrastructure proposed by  
312.18 the eligible applicant in a grant application made under this section;

312.19 (11) information that demonstrates the school district's readiness to implement the project  
312.20 and to operate the electric school buses for no less than five years;

312.21 (12) with respect to the installation and operation of the infrastructure required to operate  
312.22 electric school buses, the willingness and ability of the electric vehicle service provider or  
312.23 the electric utility to:

312.24 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,  
312.25 subdivision 6; and

312.26 (ii) comply with section 177.43; and

312.27 (13) any other information deemed relevant by the commissioner.

312.28 (d) An eligible applicant may seek a technical assistance grant under this section to assist  
312.29 the eligible applicant apply for federal vehicle electrification grants. An eligible applicant  
312.30 seeking a technical assistance grant under this section must submit an application to the  
313.1 commissioner on behalf of a school district on a form prescribed by the commissioner. The  
313.2 form must include, at a minimum, the following information:

313.3 (1) the names of the federal programs to which the applicant intends to apply;

186.19 choose to include; or (iii) are environmental justice areas as defined in section 216B.1691,  
186.20 subdivision 1, paragraph (e);

186.21 (6) the school district's plan, if any, to make the electric school buses serve as a visible  
186.22 learning tool for students, teachers, and visitors to the school, including how vehicle  
186.23 electrification may be integrated into the school district's curriculum;

186.24 (7) information that demonstrates the school district's level of need for financial assistance  
186.25 available under this section;

186.26 (8) information that demonstrates the school district's readiness to implement the project  
186.27 and to operate the electric school buses for no less than five years;

186.28 (9) with respect to the installation and operation of the infrastructure required to operate  
186.29 electric school buses, the willingness and ability of the electric vehicle service provider or  
186.30 the electric utility to:

186.31 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,  
186.32 subdivision 6; and

187.1 (ii) adhere to the provisions of section 177.43; and

187.2 (10) any other information deemed relevant by the commissioner.

187.3 (c) A school district, electric utility, electric vehicle service provider, or transportation  
187.4 service provider must submit an application for a technical assistance grant to the  
187.5 commissioner on behalf of a school district on a form prescribed by the commissioner. The  
187.6 form must include, at a minimum, the following information:

187.7 (1) the name of the federal programs to which the applicants intend to apply;

313.4 (2) a description of the technical assistance the applicants need in order to complete the  
313.5 federal application; and

313.6 (3) any other information deemed relevant by the commissioner.

313.7 (e) In awarding grants under this section, the commissioner must give priority to  
313.8 applications from or on behalf of prioritized school districts, and must endeavor to award  
313.9 no less than 40 percent of the total amount of grants awarded under this section to prioritized  
313.10 school districts.

313.11 (f) The commissioner must administer an open application process under this section at  
313.12 least twice annually.

313.13 Subd. 7. **Technical assistance.** The department must provide technical assistance to  
313.14 school districts to develop and execute projects applied for or funded by grants awarded  
313.15 under this section.

313.16 Subd. 8. **Grant amounts.** (a) In making grant awards under this section, the amount of  
313.17 the grant must be based on the commissioner's assessment of the school district's need for  
313.18 financial assistance.

313.19 (b) A grant awarded under this section, when combined with any federal vehicle  
313.20 electrification grants obtained by an eligible applicant for the same electric school buses or  
313.21 electric vehicle infrastructure as proposed by the eligible applicant in a grant application  
313.22 made under this section, must not exceed the total cost of the electric school buses or electric  
313.23 vehicle infrastructure funded by the grant.

313.24 Subd. 9. **Application deadline.** No application may be submitted under this section  
313.25 after December 31, 2032.

313.26 Subd. 10. **Reporting.** Beginning January 15, 2024, and each year thereafter until January  
313.27 15, 2034, the commissioner must report to the chairs and ranking minority members of the  
313.28 legislative committees with jurisdiction over energy regarding:

313.29 (1) grants and amounts awarded to school districts under this section during the previous  
313.30 year; and

313.31 (2) any remaining balance available in the electric school bus program account.

314.1 Subd. 11. **Cost recovery.** (a) A prudent and reasonable investment on electric vehicle  
314.2 infrastructure installed on a school district's real property that is made by a public utility  
314.3 may be placed in the public utility's rate base and earn a rate of return determined by the  
314.4 commission.

314.5 (b) Notwithstanding any other provision of this chapter, the commission may approve  
314.6 a tariff mechanism to automatically adjust annual charges for prudent and reasonable

187.8 (2) a description of the technical assistance the applicants need in order to complete the  
187.9 federal application; and

187.10 (3) any other information deemed relevant by the commissioner.

187.11 (d) The commissioner shall prioritize making grant awards to prioritized school districts.  
187.12 On an annual basis, when prioritized school districts have applied for a grant, the  
187.13 commissioner shall have as a goal awarding no less than 40 percent of the state's total grant  
187.14 award amount to prioritized school districts.

187.15 (e) The commissioner must administer an open application process under this section  
187.16 at least twice annually.

187.19 Subd. 7. **Technical assistance.** The commissioner must provide technical assistance to  
187.20 school districts to develop and execute projects under this section.

187.21 Subd. 8. **Grant payments.** The commissioner must award a grant from the account  
187.22 established under subdivision 3 to a school district, the electric utility, electric vehicle service  
187.23 provider, or transportation service provider for necessary costs associated with deployment  
187.24 of electric buses. The amount of the grant must be based on the commissioner's assessment  
187.25 of the school district's need for financial assistance. For each award, the amount of the grant,  
187.26 in combination with any federal vehicle electrification program awards to the school district,  
187.27 the electric utility, the electric vehicle service provider, or the transportation service provider,  
187.28 shall not exceed the cost of the applicant's proposed electric school buses, electric vehicle  
187.29 charging stations, and electric vehicle infrastructure.

187.30 Subd. 9. **Application deadline.** No application may be submitted under this section  
187.31 after December 31, 2032.

188.1 Subd. 10. **Reporting.** Beginning January 15, 2024, and each year thereafter until January  
188.2 15, 2034, the commissioner must report to the chairs and ranking minority members of the  
188.3 legislative committees with jurisdiction over energy regarding: (1) grants and amounts  
188.4 awarded in school districts under this section during the previous year; and (2) any remaining  
188.5 balances available under this section.

188.6 Subd. 11. **Cost recovery.** (a) Any prudent and reasonable investment made by any public  
188.7 utility on electric vehicle infrastructure installed on a school district's real property may be  
188.8 placed in the public utility's rate base and earn a rate of return, as determined by the  
188.9 commission.

188.10 (b) Notwithstanding any other provision of this chapter, the commission may approve  
188.11 a tariff mechanism to automatically adjust annual charges for prudent and reasonable

314.7 investments made by a public utility on electric vehicle infrastructure installed on a school  
314.8 district's real property.

395.27 Sec. 7. Minnesota Statutes 2022, section 216C.375, is amended to read:

395.28 **216C.375 SOLAR FOR SCHOOLS PROGRAM.**

395.29 Subdivision 1. **Definitions.** (a) For the purposes of this section ~~and section 216C.376,~~  
395.30 the following terms have the meanings given them.

395.31 (b) "Developer" means an entity that installs a solar energy system on a school building  
395.32 that has been awarded a grant under this section.

396.1 **(c) "Electricity expenses" means expenses associated with:**

396.2 **(1) purchasing electricity from a utility; or**

396.3 **(2) purchasing and installing a solar energy system, including financing and power**  
396.4 **purchase agreement payments, operation and maintenance contract payments, and interest**  
396.5 **charges.**

396.6 ~~(d)~~ **(d)** "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

396.7 ~~(e)~~ **(e)** "School" means:

396.8 (1) a school that operates as part of ~~an independent or special~~ a school district;

396.9 (2) a Tribal contract school; or

396.10 ~~(3)~~ **(3)** a state college or university that is under the jurisdiction of the Board of Trustees  
396.11 of the Minnesota State Colleges and Universities.

396.12 ~~(f)~~ **(f)** "School district" means:

396.13 **(1) an independent or school district, as defined in section 120A.05, subdivision 10;**

396.14 **(2) a special school district, as defined in section 120A.05, subdivision 14; or**

396.15 **(3) a cooperative unit, as defined in section 123A.24, subdivision 2.**

396.16 ~~(g)~~ **(g)** "Solar energy system" means photovoltaic or solar thermal devices.

396.17 ~~(h)~~ **(h)** "Solar thermal" has the meaning given to "qualifying solar thermal project" in  
396.18 section 216B.2411, subdivision 2, paragraph (d).

396.19 ~~(i)~~ **(i)** "State colleges and universities" has the meaning given in section 136F.01,  
396.20 subdivision 4.

188.12 investments made by a public utility on electric vehicle infrastructure installed on a school  
188.13 district's real property.

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

221.29 Sec. 35. Minnesota Statutes 2022, section 216C.375, subdivision 1, is amended to read:

221.30 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376,  
221.31 the following terms have the meanings given them.

221.32 (b) "Developer" means an entity that installs a solar energy system on a school building  
221.33 that has been awarded a grant under this section.

222.1 ~~(e)~~ **(e)** "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

222.2 ~~(d)~~ **(d)** "School" means: (1) a school that operates as part of an independent or special school  
222.3 district; ~~(2) a Tribal contract school;~~ or ~~(2)~~ **(3)** a state college or university that is under the  
222.4 jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

222.5 ~~(e)~~ **(e)** "School district" means: (1) an independent or special school district; or (2) any other  
222.6 public school district deemed appropriate by the commissioner, provided that at a minimum  
222.7 the school owns the building and instruction for students occurs.

222.8 ~~(f)~~ **(f)** "Solar energy system" means photovoltaic or solar thermal devices.

222.9 ~~(g)~~ **(g)** "Solar thermal" has the meaning given to "qualifying solar thermal project" in section  
222.10 216B.2411, subdivision 2, paragraph (d).

222.11 ~~(h)~~ **(h)** "State colleges and universities" has the meaning given in section 136F.01, subdivision  
222.12 4.

396.21 Subd. 2. **Establishment; purpose.** A solar for schools program is established in the  
396.22 Department of Commerce. The purpose of the program is to provide grants to stimulate the  
396.23 installation of solar energy systems on or adjacent to school buildings by reducing the ~~cost~~  
396.24 school's electricity expenses, and to enable schools to use the solar energy system as a  
396.25 teaching tool that can be integrated into the school's curriculum.

396.26 Subd. 3. **Establishment of account.** A solar for schools program account is established  
396.27 in the special revenue fund. Money received from the general fund and from the renewable  
396.28 development account established under section 116C.779, subdivision 1, must be transferred  
396.29 to the commissioner of commerce and credited to the account. The account consists of  
396.30 money received from the general fund and the renewable development account, provided  
396.31 by law, donated, allocated, transferred, or otherwise provided to the account. Earnings,  
397.1 including interest, dividends, and any other earnings arising from the assets of the account,  
397.2 must be credited to the account. Except as otherwise provided in this paragraph, money  
397.3 deposited in the account remains in the account until expended. Any money that remains  
397.4 in the account on June 30, ~~2027~~ 2034, cancels to the general fund.

397.5 Subd. 4. **Appropriation; expenditures.** (a) Money in the account is appropriated to the  
397.6 commissioner and may be used only:

397.7 (1) for grant awards made under this section; and

397.8 (2) to pay the reasonable costs incurred by the department to administer this section.

397.9 (b) Grant awards made with funds ~~in the account~~ from the general fund must be used  
397.10 only for grants for solar energy systems installed on or adjacent to school buildings receiving  
397.11 retail electric service from a utility that is not subject to section 116C.779, subdivision 1.

397.12 (c) Grant awards made with funds from the renewable development account must be  
397.13 used only for grants for solar energy systems installed on or adjacent to school buildings  
397.14 receiving retail electric service from a utility that is subject to section 116C.779, subdivision  
397.15 1.

397.16 Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section  
397.17 only if the solar energy system that is the subject of the grant:

397.18 (1) is installed on or adjacent to the school building that consumes the electricity generated  
397.19 by the solar energy system, on property within the service territory of the utility currently  
397.20 providing electric service to the school building;

397.21 (2) if installed on or adjacent to a school building receiving retail electric service from  
397.22 a utility that is not subject to section 116C.779, subdivision 1, has a capacity that does not  
397.23 exceed the lesser of: (i) 40 kilowatts alternating current or, with the consent of the

222.13 Sec. 36. Minnesota Statutes 2022, section 216C.375, subdivision 3, is amended to read:

222.14 Subd. 3. **Establishment of account.** (a) A solar for schools program account is  
222.15 established in the special revenue fund. Money received from the general fund must be  
222.16 transferred to the commissioner of commerce and credited to the account. The account  
222.17 consists of money provided by law, donated, allocated, transferred, or otherwise provided  
222.18 to the account. Earnings, including interest, dividends, and any other earnings arising from  
222.19 the assets of the account, must be credited to the account.

222.20 (b) Money in the account is appropriated to the commissioner for the purposes of the  
222.21 program under this section. Except as otherwise provided in this paragraph, money deposited  
222.22 in the account remains in the account until expended. Any money that remains in the account  
222.23 on June 30, ~~2027~~ 2034, cancels to the general fund.

397.24 interconnecting electric utility, up to 1,000 kilowatts alternating current; or (ii) 120 percent  
397.25 of the estimated annual electricity consumption of the school building at which the solar  
397.26 energy system is installed; and

397.27 (3) if installed on or adjacent to a school building receiving retail electric service from  
397.28 a utility that is subject to section 116C.779, subdivision 1, has a capacity that does not  
397.29 exceed the lesser of 1,000 kilowatts alternating current or 120 percent of the estimated  
397.30 annual electricity consumption of the school building at which the solar energy system is  
397.31 installed;

397.32 (4) has real-time and cumulative display devices, located in a prominent location  
397.33 accessible to students and the public, that indicate the system's electrical performance.

398.1 (b) A school that receives a rebate or other financial incentive under section 216B.241  
398.2 for a solar energy system and that demonstrates considerable need for financial assistance,  
398.3 as determined by the commissioner, is eligible for a grant under this section for the same  
398.4 solar energy system.

398.5 Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals  
398.6 to utilities, schools, and developers who may wish to apply for a grant under this section  
398.7 on behalf of a school.

398.8 (b) A utility or developer must submit an application to the commissioner on behalf of  
398.9 a school on a form prescribed by the commissioner. The form must include, at a minimum,  
398.10 the following information:

398.11 (1) the capacity of the proposed solar energy system and the amount of electricity that  
398.12 is expected to be generated;

398.13 (2) the current energy demand of the school building on which the solar energy generating  
398.14 system is to be installed and information regarding any distributed energy resource, including  
398.15 subscription to a community solar garden, that currently provides electricity to the school  
398.16 building;

398.17 (3) a description of any solar thermal devices proposed as part of the solar energy system;

398.18 (4) the total cost to purchase and install the solar energy system and the solar energy  
398.19 system's lifecycle cost, including removal and disposal at the end of the system's life;

398.20 (5) a copy of the proposed contract agreement between the school and the public utility  
398.21 to which the solar energy system is interconnected or the developer that includes provisions  
398.22 addressing responsibility for maintenance of the solar energy system;

398.23 (6) the school's plan to make the solar energy system serve as a visible learning tool for  
398.24 students, teachers, and visitors to the school, including how the solar energy system may  
398.25 be integrated into the school's curriculum and provisions for real-time monitoring of the  
398.26 solar energy system performance for display in a prominent location within the school or  
398.27 on-demand in the classroom;

398.28 (7) information that demonstrates the school's level of need for financial assistance  
398.29 available under this section;

398.30 (8) information that demonstrates the school's readiness to implement the project,  
398.31 including but not limited to the availability of the site on which the solar energy system is  
398.32 to be installed and the level of the school's engagement with the utility providing electric  
399.1 service to the school building on which the solar energy system is to be installed on issues  
399.2 relevant to the implementation of the project, including metering and other issues;

399.3 (9) with respect to the installation and operation of the solar energy system, the  
399.4 willingness and ability of the developer or the public utility to:

399.5 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,  
399.6 subdivision 6; and

399.7 (ii) adhere to the provisions of section 177.43;

399.8 (10) ~~how the developer or public utility plans to reduce the school's initial capital expense~~  
399.9 ~~to purchase and install~~ projected reductions in electricity expenses resulting from purchasing  
399.10 and installing the solar energy system ~~by providing financial assistance to the school~~; and

399.11 (11) any other information deemed relevant by the commissioner.

399.12 (c) The commissioner must administer an open application process under this section  
399.13 at least twice annually.

399.14 (d) The commissioner must develop administrative procedures governing the application  
399.15 and grant award process.

399.16 (e) The school, the developer, or the utility to which the solar energy generating system  
399.17 is interconnected must annually submit to the commissioner on a form prescribed by the  
399.18 commissioner a report containing the following information for each of the 12 previous  
399.19 months:

399.20 (1) the total number of kilowatt-hours of electricity consumed by the school;

399.21 (2) the total number of kilowatt-hours generated by the solar energy generating system;

399.22 (3) the amount paid by the school to its utility for electricity; and

399.23 (4) any other information requested by the commissioner.

399.24 Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded  
399.25 a grant under this section ~~shall~~ must provide the commissioner information regarding energy  
399.26 conservation measures implemented at the school building at which the solar energy system  
399.27 is installed. The commissioner may make recommendations to the school regarding  
399.28 cost-effective conservation measures it can implement and may provide technical assistance  
399.29 and direct the school to available financial assistance programs.

399.30 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to  
399.31 schools to develop and execute projects under this section.

400.1 Subd. 9. **Grant payments.** The commissioner must award a grant from the account  
400.2 established under subdivision 3 to a school for the necessary costs associated with the  
400.3 purchase and installation of a solar energy system. The amount of the grant must be based  
400.4 on the commissioner's assessment of the school's need for financial assistance.

400.5 Subd. 10. **Application deadline.** No application may be submitted under this section  
400.6 after December 31, ~~2025~~ 2032.

400.7 Subd. 11. **Reporting.** Beginning January 15, 2022, and each year thereafter until January  
400.8 15, ~~2028~~ 2035, the commissioner must report to the chairs and ranking minority members  
400.9 of the legislative committees with jurisdiction over energy regarding: (1) grants and amounts  
400.10 awarded to schools under this section during the previous year; ~~(2) financial assistance,~~  
400.11 ~~including amounts per award, provided to schools under section 216C.376 during the~~  
400.12 ~~previous year; and (3) any remaining balances available under this section and section~~  
400.13 ~~216C.376; (2) the amount of electricity generated by solar energy generating systems awarded~~  
400.14 ~~a grant under this section; and (3) the impact on school electricity expenses.~~

400.15 Subd. 12. **Renewable energy credits.** Renewable energy credits associated with the  
400.16 electricity generated by a solar energy generating system installed under this section in the  
400.17 electric service area of a public utility subject to section 116C.779 are the property of the  
400.18 public utility for the life of the solar energy generating system.

400.19 Sec. 8. **[216C.377] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.**

400.20 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
400.21 the meanings given.

400.22 (b) "Developer" means an entity that applies for a grant on behalf of a public building  
400.23 under this section to install a solar energy generating system on the public building.

400.24 (c) "Local unit of government" means:

400.25 (1) a county, statutory or home rule charter city, town, or other local government  
400.26 jurisdiction, excluding a school district eligible to receive financial assistance under section  
400.27 216C.375 or 216C.376; or

222.24 Sec. 37. **Minnesota Statutes 2022, section 216C.375, subdivision 10, is amended to read:**

222.25 Subd. 10. **Application deadline.** No An application may must not be submitted under  
222.26 this section after December 31, ~~2025~~ 2032.

222.27 Sec. 38. **Minnesota Statutes 2022, section 216C.375, subdivision 11, is amended to read:**

222.28 Subd. 11. **Reporting.** Beginning January 15, 2022, and each year thereafter until January  
222.29 15, ~~2028~~ 2035, the commissioner must report to the chairs and ranking minority members  
222.30 of the legislative committees with jurisdiction over energy regarding: (1) grants and amounts  
222.31 awarded to schools under this section during the previous year; (2) financial assistance,  
223.1 including amounts per award, provided to schools under section 216C.376 during the  
223.2 previous year; and (3) any remaining balances available under this section and section  
223.3 216C.376.

226.6 Sec. 40. **[216C.378] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.**

226.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
226.8 the meanings given.

226.9 (b) "Cooperative electric association" means a cooperative association organized under  
226.10 chapter 308A for the purpose of providing rural electrification at retail.

226.11 (c) "Developer" means an entity that applies for a grant on behalf of a public building  
226.12 under this section to install a solar energy generating system on the public building.

226.13 (d) "Local unit of government" means:

226.14 (1) a county, statutory or home rule charter city, town, municipal utility, or other local  
226.15 government jurisdiction, excluding a school district eligible to receive financial assistance  
226.16 under section 216C.375 or 216C.376; or

400.28 (2) a federally recognized Indian Tribe in Minnesota.

400.29 (d) "Municipal electric utility" means a utility that (1) provides electric service to retail  
400.30 customers in Minnesota, and (2) is governed by a city council or a local utilities commission.

400.31 (e) "Public building" means:

400.32 (1) a building owned and operated by a local unit of government; or

401.1 (2) a building owned by a federally recognized Indian Tribe in Minnesota whose primary  
401.2 purpose is Tribal government operations.

401.3 (f) "Solar energy generating system" has the meaning given in section 216E.01,  
401.4 subdivision 9a.

401.5 Subd. 2. **Establishment; purpose.** A solar on public buildings grant program is  
401.6 established in the department. The purpose of the program is to provide grants to stimulate  
401.7 the installation of solar energy generating systems on public buildings.

401.8 Subd. 3. **Establishment of account.** A solar on public buildings grant program account  
401.9 is established in the special revenue fund. Money received from the general fund and the  
401.10 renewable development account established in section 116C.779, subdivision 1, must be  
401.11 transferred to the commissioner of commerce and credited to the account. Earnings, including  
401.12 interest, dividends, and any other earnings arising from the assets of the account, must be  
401.13 credited to the account. Earnings remaining in the account at the end of a fiscal year do not  
401.14 cancel to the general fund or renewable development account but remain in the account  
401.15 until expended. The commissioner must manage the account.

401.16 Subd. 4. **Appropriation; expenditures.** Money in the account established under  
401.17 subdivision 3 is appropriated to the commissioner for the purposes of this section and must  
401.18 be used only:

401.19 (1) for grant awards made under this section; and

401.20 (2) to pay the reasonable costs of the department to administer this section.

401.21 Subd. 5. **Eligible system.** (a) A grant may be awarded to a local unit of government  
401.22 under this section only if the solar energy generating system that is the subject of the grant:

401.23 (1) is installed (i) on or adjacent to a public building that consumes the electricity  
401.24 generated by the solar energy generating system, and (ii) on property within the service  
401.25 territory of the utility currently providing electric service to the public building; and

401.26 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the  
401.27 average annual electricity consumption, measured over the most recent three calendar years,  
401.28 of the public building at which the solar energy generating system is installed.

226.17 (2) a federally recognized Indian Tribe in Minnesota.

226.18 (e) "Municipal electric utility" means a utility that (1) provides electric service to retail  
226.19 customers in Minnesota, and (2) is governed by a city council or a local utilities commission.

226.20 (f) "Public building" means:

226.21 (1) a building owned and operated by a local unit of government; or

226.22 (2) a building owned by a federally recognized Indian Tribe in Minnesota whose primary  
226.23 purpose is Tribal government operations.

226.24 (g) "Solar energy generating system" has the meaning given in section 216E.01,  
226.25 subdivision 9a.

226.26 Subd. 2. **Establishment; purpose.** A solar on public buildings grant program is  
226.27 established in the department. The purpose of the program is to provide grants to stimulate  
226.28 the installation of solar energy generating systems on public buildings.

226.29 Subd. 3. **Establishment of account.** A solar on public buildings grant program account  
226.30 is established in the special revenue fund. Any money received from state resources for the  
226.31 purposes of this section must be transferred to the commissioner of commerce and credited  
227.1 to the account. Earnings, including interest, dividends, and any other earnings arising from  
227.2 the assets of the account, must be credited to the account. Earnings remaining in the account  
227.3 at the end of a fiscal year do not cancel to the general fund or renewable development  
227.4 account but remain in the account until expended. The commissioner must manage the  
227.5 account.

227.6 Subd. 4. **Appropriation; expenditures.** Money in the account established under  
227.7 subdivision 3 is appropriated to the commissioner for the purposes of this section and must  
227.8 be used only:

227.9 (1) for grant awards made under this section; and

227.10 (2) to pay the reasonable costs of the department to administer this section.

227.11 Subd. 5. **Eligible system.** (a) A grant may be awarded to a local unit of government  
227.12 under this section only if the solar energy generating system that is the subject of the grant:

227.13 (1) is installed (i) on or adjacent to a public building that consumes the electricity  
227.14 generated by the solar energy generating system, and (ii) on property within the service  
227.15 territory of the utility currently providing electric service to the public building; and

227.16 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the  
227.17 average annual electricity consumption, measured over the most recent three calendar years,  
227.18 of the public building at which the solar energy generating system is installed.

401.29 (b) A public building that receives a rebate or other financial incentive under section  
401.30 216B.241 for a solar energy generating system is eligible for a grant under this section for  
401.31 the same solar energy generating system.

402.1 (c) Before filing an application for a grant under this section, a local unit of government  
402.2 or public building that is served by a municipal electric utility must inform the municipal  
402.3 electric utility of the local unit of government's or public building's intention to do so. A  
402.4 municipal electric utility may, under an agreement with a local unit of government, own  
402.5 and operate a solar energy generating system awarded a grant under this section on behalf  
402.6 of and for the benefit of the local unit of government.

402.7 Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals  
402.8 to utilities, local units of government, and developers who may wish to apply for a grant  
402.9 under this section on behalf of a public building.

402.10 (b) A utility or developer must submit an application to the commissioner on behalf of  
402.11 a public building on a form prescribed by the commissioner. The form must include, at a  
402.12 minimum, the following information:

402.13 (1) the capacity of the proposed solar energy generating system and the amount of  
402.14 electricity that is expected to be generated;

402.15 (2) the current energy demand of the public building on which the solar energy generating  
402.16 system is to be installed, information regarding any distributed energy resource that currently  
402.17 provides electricity to the public building, and the size of the public building's subscription  
402.18 to a community solar garden, if applicable;

402.19 (3) information sufficient to estimate the energy and monetary savings that are projected  
402.20 to result from installation of the solar energy generating system over the system's useful  
402.21 life;

402.22 (4) the total cost to purchase and install the solar energy system and the solar energy  
402.23 system's life cycle cost, including removal and disposal at the end of the system's life;

402.24 (5) a copy of the proposed contract agreement between the local unit of government and  
402.25 the utility or developer that includes provisions addressing responsibility for maintenance,  
402.26 removal, and disposal of the solar energy generating system; and

402.27 (6) if the applicant is other than the utility providing electric service to the public building  
402.28 at which the solar energy generating system is to be installed, a written statement from that  
402.29 utility that no issues that would prevent interconnection of the solar energy generating  
402.30 system as proposed are foreseen.

402.31 (c) The commissioner must administer an open application process under this section  
402.32 at least twice annually.

227.19 (b) A public building that receives a rebate or other financial incentive under section  
227.20 216B.241 for a solar energy generating system is eligible for a grant under this section for  
227.21 the same solar energy generating system.

227.22 (c) Before filing an application for a grant under this section, a local unit of government  
227.23 or public building that is served by a municipal electric utility or cooperative electric  
227.24 association must inform the municipal electric utility or cooperative electric association of  
227.25 the local unit of government's or public building's intention to do so.

227.26 Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals  
227.27 to utilities, local units of government, and developers who may wish to apply for a grant  
227.28 under this section on behalf of a public building.

227.29 (b) A utility or developer must submit an application to the commissioner on behalf of  
227.30 a public building on a form prescribed by the commissioner. The form must include, at a  
227.31 minimum, the following information:

228.1 (1) the capacity of the proposed solar energy generating system and the amount of  
228.2 electricity that is expected to be generated;

228.3 (2) the current energy demand of the public building on which the solar energy generating  
228.4 system is to be installed, information regarding any distributed energy resource that currently  
228.5 provides electricity to the public building, and the size of the public building's subscription  
228.6 to a community solar garden, if applicable;

228.7 (3) information sufficient to estimate the energy and monetary savings that are projected  
228.8 to result from installation of the solar energy generating system over the system's useful  
228.9 life;

228.10 (4) the total cost to purchase and install the solar energy system and the solar energy  
228.11 system's life cycle cost, including removal and disposal at the end of the system's life;

228.12 (5) a copy of the proposed contract agreement between the local unit of government and  
228.13 the utility or developer that includes provisions addressing responsibility for maintenance,  
228.14 removal, and disposal of the solar energy generating system; and

228.15 (6) if the applicant is other than the utility providing electric service to the public building  
228.16 at which the solar energy generating system is to be installed, a written statement or  
228.17 memorandum of understanding from that utility that the proposed financing arrangement  
228.18 presents no foreseeable issues that would prevent interconnection of the solar energy  
228.19 generating system.

228.20 (c) The commissioner must administer an open application process under this section  
228.21 at least twice annually.

403.1 (d) The commissioner must develop administrative procedures governing the application  
403.2 and grant award process under this section.

403.3 Subd. 7. **Energy conservation review.** At the commissioner's request, a local unit of  
403.4 government awarded a grant under this section must provide the commissioner with  
403.5 information regarding energy conservation measures implemented at the public building  
403.6 where the solar energy generating system is to be installed. The commissioner may make  
403.7 recommendations to the local unit of government regarding cost-effective conservation  
403.8 measures the local unit of government can implement and may provide technical assistance  
403.9 and direct the local unit of government to available financial assistance programs.

403.10 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to  
403.11 local units of government to develop and execute projects under this section.

403.12 Subd. 9. **Grant payments.** The commissioner must award a grant from the account  
403.13 established under subdivision 3 to a local unit of government for the necessary and reasonable  
403.14 costs associated with the purchase and installation of a solar energy generating system. In  
403.15 determining the amount of a grant award, the commissioner shall take into consideration  
403.16 the financial capacity of the local unit of government awarded the grant.

403.17 Subd. 10. **Application deadline.** An application must not be submitted under this section  
403.18 after June 30, 2026.

403.19 Subd. 11. **Contractor conditions.** A contractor or subcontractor performing construction  
403.20 work on a project supported by a grant awarded under this section:

403.21 (1) must pay employees working on the project no less than the prevailing wage rate,  
403.22 as defined in section 177.42; and

403.23 (2) is subject to the requirements and enforcement provisions of sections 177.27, 177.30,  
403.24 177.32, 177.41 to 177.435, and 177.45.

403.25 Subd. 12. **Reporting.** Beginning January 15, 2024, and each year thereafter until January  
403.26 15, 2027, the commissioner must report to the chairs and ranking minority members of the  
403.27 legislative committees with jurisdiction over energy finance and policy regarding grants  
403.28 and amounts awarded to local units of government under this section during the previous  
403.29 year and any remaining balances available in the account established under this section.

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

342.15 Sec. 13. **[216C.378] ENERGY STORAGE INCENTIVE PROGRAM.**

342.16 (a) The public utility subject to section 116C.779 must develop and operate a program  
342.17 to provide a grant to customers to reduce the cost to purchase and install an on-site energy  
342.18 storage system, as defined in section 216B.2422, subdivision 1, paragraph (f). The public  
342.19 utility subject to this section must file a plan with the commissioner to operate the program  
342.20 no later than November 1, 2023. The public utility must not operate the program until the

228.22 (d) The commissioner must develop administrative procedures governing the application  
228.23 and grant award process under this section.

228.24 Subd. 7. **Energy conservation review.** At the commissioner's request, a local unit of  
228.25 government awarded a grant under this section must provide the commissioner with  
228.26 information regarding energy conservation measures implemented at the public building  
228.27 where the solar energy generating system is to be installed. The commissioner may make  
228.28 recommendations to the local unit of government regarding cost-effective conservation  
228.29 measures the local unit of government can implement and may provide technical assistance  
228.30 and direct the local unit of government to available financial assistance programs.

228.31 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to  
228.32 local units of government to develop and execute projects under this section.

229.1 Subd. 9. **Grant payments.** A grant awarded by the commissioner from the account  
229.2 established under subdivision 3 to a local unit of government must include the necessary  
229.3 and reasonable costs associated with the purchase and installation of a solar energy generating  
229.4 system. In determining the amount of a grant award, the commissioner shall take into  
229.5 consideration the financial capacity of the local unit of government awarded the grant.

229.6 Subd. 10. **Application deadline.** An application must not be submitted under this section  
229.7 after December 31, 2032.

229.8 Subd. 11. **Contractor conditions.** A contractor or subcontractor performing construction  
229.9 work on a project supported by a grant awarded under this section: (1) must pay employees  
229.10 working on the project no less than the prevailing wage rate, as defined in section 177.42;  
229.11 and (2) is subject to the requirements and enforcement provisions of sections 177.27, 177.30,  
229.12 177.32, 177.41 to 177.435, and 177.45.

229.13 Subd. 12. **Reporting.** Beginning January 15, 2024, and each year thereafter until January  
229.14 15, 2027, the commissioner must report to the chairs and ranking minority members of the  
229.15 legislative committees with primary jurisdiction over energy finance and policy regarding  
229.16 grants and amounts awarded to local units of government under this section during the  
229.17 previous year and any remaining balances available in the account established under this  
229.18 section.

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

229.20 Sec. 41. **[216C.379] ENERGY STORAGE INCENTIVE PROGRAM.**

229.21 (a) The electric utility subject to section 116C.779 must develop and operate a program  
229.22 to provide a lump-sum grant to customers to reduce the cost of purchasing and installing  
229.23 an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph  
229.24 (f). No later than October 1, 2023, the utility subject to this section must file a plan with the  
229.25 commissioner to operate the program. The utility must not operate the program until the

342.21 program is approved by the commissioner. Any change to an operating program must be  
342.22 approved by the commissioner.

342.23 (b) In order to be eligible to receive a grant under this section, an energy storage system  
342.24 must:

342.25 (1) have a capacity no greater than 50 kilowatt hours; and

342.26 (2) be located within the electric service area of the public utility subject to this section.

342.27 (c) An owner of an energy storage system is eligible to receive a grant under this section

342.28 if:

342.29 (1) a solar energy generating system is operating at the same site as the proposed energy  
342.30 storage system; or

343.1 (2) the owner has filed an application with the public utility subject to this section to  
343.2 interconnect a solar energy generating system at the same site as the proposed energy storage  
343.3 system.

343.4 (d) The amount of a grant awarded under this section must be based on the number of  
343.5 watt-hours that reflects the duration of the energy storage system at the system's rated  
343.6 capacity, up to a maximum of \$5,000.

343.7 (e) The commissioner must annually review and may adjust the amount of grants awarded  
343.8 under this section, but must not increase the amount over that awarded in previous years  
343.9 unless the commissioner demonstrates in writing that an upward adjustment is warranted  
343.10 by market conditions.

343.11 (f) A customer who receives a grant under this section is eligible to receive financial  
343.12 assistance under programs operated by the state or the utility for the solar energy generating  
343.13 system operating in conjunction with the energy storage system.

343.14 (g) For the purposes of this section, "solar energy generating system" has the meaning  
343.15 given in section 216E.01, subdivision 9a.

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

404.1 **Sec. 9. [216C.379] DISTRIBUTED ENERGY RESOURCES SYSTEM UPGRADE**  
404.2 **PROGRAM.**

404.3 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have  
404.4 the meanings given.

404.5 (b) "Capacity constrained location" means a location on an electric utility's distribution  
404.6 system that the utility has reasonably determined requires significant distribution or network  
404.7 upgrades before additional distributed energy resources can interconnect.

229.26 program is approved by the commissioner. Any change to an operating program must be  
229.27 approved by the commissioner.

229.28 (b) In order to be eligible to receive a grant under this section, an energy storage system  
229.29 must:

229.30 (1) have a capacity no greater than 50 kilowatt hours; and

229.31 (2) be located within the electric service area of the utility subject to this section.

230.1 (c) An owner of an energy storage system is eligible to receive a grant under this section

230.2 if:

230.3 (1) a solar energy generating system is operating at the same site as the proposed energy  
230.4 storage system; or

230.5 (2) the owner has filed an application with the utility subject to this section to interconnect  
230.6 a solar energy generating system at the same site as the proposed energy storage system.

230.7 (d) The commissioner must annually review and may adjust the amount of grants awarded  
230.8 under this section, but must not increase the amount over that awarded in previous years  
230.9 unless the commissioner demonstrates in writing that an upward adjustment is warranted  
230.10 by market conditions.

230.11 (e) A customer who receives a grant under this section is eligible to receive financial  
230.12 assistance under programs operated by the state or the utility for the solar energy generating  
230.13 system operating in conjunction with the energy storage system.

230.14 (f) For the purposes of this section, "solar energy generating system" has the meaning  
230.15 given in section 216E.01, subdivision 9a.

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

223.4 **Sec. 39. [216C.377] DISTRIBUTED ENERGY RESOURCES SYSTEM UPGRADE**  
223.5 **PROGRAM.**

223.6 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have  
223.7 the meanings given.

223.8 (b) "Capacity constrained location" means a location on an electric utility's distribution  
223.9 system that the utility has reasonably determined requires significant distribution or network  
223.10 upgrades before additional distributed energy resources can interconnect.

404.8 (c) "Distribution upgrades" means the additions, modifications, and upgrades made to  
404.9 an electric utility's distribution system to facilitate interconnection of distributed energy  
404.10 resources.

404.11 (d) "Interconnection" means the process governed by the Minnesota Distributed Energy  
404.12 Resources Interconnection Process and Agreement, as approved in the Minnesota Public  
404.13 Utilities Commission's order issued April 19, 2019.

404.14 (e) "Net metered facility" has the meaning given in section 216B.164.

404.15 (f) "Network upgrades" means additions, modifications, and upgrades to the transmission  
404.16 system required at or beyond the point at which the distributed energy resource interconnects  
404.17 with an electric utility's distribution system to accommodate the interconnection of the  
404.18 distributed energy resource with the electric utility's distribution system. Network upgrades  
404.19 do not include distribution upgrades.

404.20 Subd. 2. **Establishment; purpose.** A distributed energy resources system upgrade  
404.21 program is established in the department. The purpose of the program is to provide funding  
404.22 to the utility subject to section 116C.779 to complete infrastructure **upgrades** necessary to  
404.23 enable electricity customers to interconnect distributed energy resources. The program must  
404.24 be designed to achieve the following goals to the maximum extent feasible:

404.25 (1) make upgrades at capacity constrained locations on the utility's distribution system  
404.26 so that the number and capacity of distributed energy resources projects with a capacity of  
404.27 up to 40 kilowatts alternating current that can be interconnected **is** sufficient to serve projected  
404.28 demand;

404.29 (2) enable all distributed energy resources projects with a nameplate capacity of up to  
404.30 40 kilowatts alternating current to be reviewed and approved by the utility within 43 business  
404.31 days;

404.32 (3) minimize interconnection barriers for electricity customers seeking to construct net  
404.33 metered facilities for on-site electricity use; and

405.1 (4) advance innovative solutions that can minimize the cost of distribution and network  
405.2 upgrades required for interconnection, including but not limited to energy storage, control  
405.3 technologies, smart inverters, distributed energy resources management systems, and other  
405.4 innovative technologies and programs.

223.11 (c) "DER Technical Planning Standard" means an engineering practice that limits the  
223.12 total aggregate distributed energy resource capacity that may interconnect to a particular  
223.13 location on the utility's distribution system.

223.14 (d) "Distributed energy resources" means distributed generation, as defined in section  
223.15 216B.164, and energy storage systems, as defined in section 216B.2422.

223.16 (e) "Distribution upgrades" means the additions, modifications, and upgrades made to  
223.17 an electric utility's distribution system to facilitate interconnection of distributed energy  
223.18 resources.

223.19 (f) "Interconnection" means the process governed by section 216B.1611.

223.20 (g) "Net metered" has the meaning given in section 216B.164.

223.21 (h) "Network upgrades" means additions, modifications, and upgrades to the transmission  
223.22 system required at or beyond the point at which the distributed energy resource interconnects  
223.23 with an electric utility's distribution system to accommodate the interconnection of the  
223.24 distributed energy resource with the electric utility's distribution system. Network upgrades  
223.25 do not include distribution upgrades.

223.26 Subd. 2. **Establishment; purpose.** A distributed energy resources system upgrade  
223.27 program is established in the department. The purpose of the program is to provide funding  
223.28 to the utility subject to section 116C.779 to complete infrastructure **investments** necessary  
223.29 to enable electricity customers to interconnect distributed energy resources. The program  
223.30 must be designed to achieve the following goals to the maximum extent feasible:

223.31 (1) make upgrades at capacity constrained locations on the utility's distribution system  
223.32 that **maximize** the number and capacity of distributed energy resources projects with a  
224.1 capacity of up to 40 kilowatts alternating current that can be interconnected sufficient to  
224.2 serve projected demand;

224.3 (2) enable all distributed energy resources projects with a nameplate capacity of up to  
224.4 40 kilowatts alternating current to be reviewed and approved by the utility within 43 business  
224.5 days;

224.6 (3) minimize interconnection barriers for electricity customers seeking to construct net  
224.7 metered facilities for on-site electricity use; and

224.8 (4) advance innovative solutions that can minimize the cost of distribution and network  
224.9 upgrades required for interconnection, including but not limited to energy storage, control  
224.10 technologies, smart inverters, distributed energy resources management systems, and other  
224.11 innovative technologies and programs.

405.5 Subd. 3. **Required plan.** (a) By November 1, 2023, the utility subject to section 116C.779  
405.6 must file with the commissioner a plan for the distributed energy resources system upgrade  
405.7 program. The plan must contain:

405.8 (1) a description of how the utility proposes to use money in the distributed energy  
405.9 resources system upgrade program account to upgrade the utility's distribution system so  
405.10 that the number and capacity of distributed energy resources that can be interconnected is  
405.11 sufficient to serve projected demand;

405.12 (2) the locations where the utility proposes to make investments under the program;

405.13 (3) the number and capacity of distributed energy resources projects the utility expects  
405.14 to interconnect as a result of the program;

405.15 (4) a plan for reporting on the program's outcomes; and

405.16 (5) any additional information required by the commissioner.

405.17 (b) The utility subject to section 116C.779 is prohibited from implementing the program  
405.18 until the commissioner approves the plan submitted under this subdivision. No later than  
405.19 March 31, 2024, the commissioner must approve a plan under this subdivision that the  
405.20 commissioner determines is in the public interest. Any proposed **modification** to the plan  
405.21 approved under this subdivision must be approved by the commissioner.

405.22 Subd. 4. **Project priorities.** In developing the plan required by subdivision 3, the utility  
405.23 must prioritize making investments under this program:

405.24 (1) at capacity constrained locations on the distribution grid;

405.25 (2) in communities with demonstrated customer interest in distributed energy resources  
405.26 as measured by **completed**, pending, and **anticipated** interconnection applications; and

405.27 (3) in communities with a climate action plan, clean energy goal, or policies that:

405.28 (i) seek to mitigate the impacts of climate change on the city; or

405.29 (ii) reduce the city's contributions to the causes of climate change.

406.1 Subd. 5. **Eligible costs.** The commissioner may pay the following reasonable costs of  
406.2 the utility subject to section 116C.779 under a plan approved in accordance with subdivision  
406.3 3 from money available in the distributed energy resources system upgrade program account:

406.4 (1) distribution upgrades and network upgrades;

406.5 (2) energy storage; control technologies, including but not limited to a distributed energy  
406.6 resources management system; or other innovative technology used to achieve the purposes  
406.7 of this section;

224.12 Subd. 3. **Required plan.** (a) By November 1, 2023, the utility subject to section 116C.779  
224.13 must file with the commissioner a plan for the distributed energy resources system upgrade  
224.14 program. The plan must contain, at a minimum:

224.15 (1) a description of how the utility proposes to use money in the distributed energy  
224.16 resources system upgrade program account to upgrade the utility's distribution system to  
224.17 maximize the number and capacity of distributed energy resources that can be interconnected  
224.18 sufficient to serve projected demand;

224.19 (2) the locations where the utility proposes to make investments under the program;

224.20 (3) the number and capacity of distributed energy resources projects the utility expects  
224.21 to interconnect as a result of the program;

224.22 (4) a plan for reporting on the program's outcomes; and

224.23 (5) any additional information required by the commissioner.

224.24 (b) The utility subject to section 116C.779 is prohibited from implementing the program  
224.25 until the commissioner approves the plan submitted under this subdivision. No later than  
224.26 March 31, 2024, the commissioner must approve a plan under this subdivision that the  
224.27 commissioner determines is in the public interest. Any proposed **modifications** to the plan  
224.28 approved under this subdivision must be approved by the commissioner.

224.29 Subd. 4. **Project priorities.** In developing the plan required by subdivision 3, the utility  
224.30 must prioritize making investments:

224.31 (1) at capacity constrained locations on the distribution grid;

225.1 (2) in communities with demonstrated customer interest in distributed energy resources;  
225.2 as measured by **anticipated**, pending, and **completed** interconnection applications; and

225.3 (3) in communities with a climate action plan, clean energy goal, or policies that:

225.4 (i) seek to mitigate the impacts of climate change on the city; or

225.5 (ii) reduce the city's contributions to the causes of climate change.

225.6 Subd. 5. **Eligible costs.** The commissioner may pay the following reasonable costs of  
225.7 the utility subject to section 116C.779 under a plan approved in accordance with subdivision  
225.8 3 from money available in the distributed energy resources system upgrade program account:

225.9 (1) distribution upgrades and network upgrades;

225.10 (2) energy storage; control technologies, including but not limited to a distributed energy  
225.11 resources management system; or other innovative technology used to achieve the purposes  
225.12 of this section;

406.8 (3) pilot programs operated by the utility to implement innovative technology solutions;  
406.9 and

406.10 (4) costs incurred by the department to administer this section.

406.11 Subd. 6. **Capacity reserved.** The utility subject to section 116C.779 must reserve any  
406.12 increase in capacity made available by upgrades paid for under this section for net metered  
406.13 facilities and distributed energy resources with a nameplate capacity of up to 40 kilowatts  
406.14 alternating current. The commissioner may modify the requirements of this subdivision  
406.15 when the commissioner finds doing so is in the public interest.

406.16 Subd. 7. **Establishment of account.** (a) A distributed energy resources system upgrade  
406.17 program account is established in the special revenue fund. Earnings, including interest,  
406.18 dividends, and any other earnings arising from the assets of the account, must be credited  
406.19 to the account. Earnings remaining in the account at the end of a fiscal year do not cancel  
406.20 to the general fund or renewable development account but remain in the account until  
406.21 expended. The commissioner must manage the account.

406.22 (b) Money from the account is appropriated to the commissioner for the purposes of this  
406.23 section.

406.24 Subd. 8. **Reporting of certain incidents.** The utility subject to section 116C.779 must  
406.25 report to the commissioner within 60 days if any distributed energy resources project with  
406.26 a capacity up to 40 kilowatts alternating current is unable to interconnect at a location for  
406.27 which upgrade funding was provided under this program due to safety or reliability issues,  
406.28 or the additional cost of distribution or network upgrades required. The utility must make  
406.29 available to the commissioner all engineering analyses, studies, and information related to  
406.30 any such instances. The commissioner may modify or waive this requirement after December  
406.31 31, 2025.

314.9 Sec. 7. **[216C.401] ELECTRIC VEHICLE REBATES.**

314.10 Subdivision 1. **Definitions.** (a) For purposes of this section and section 216C.402, the  
314.11 terms in this subdivision have the meanings given.

314.12 (b) "Dealer" means a person, firm, or corporation that:

314.13 (1) possesses a new motor vehicle license under chapter 168;

314.14 (2) regularly engages in the business of manufacturing or selling, purchasing, and  
314.15 generally dealing in new and unused motor vehicles;

314.16 (3) has an established place of business to sell, trade, and display new and unused motor  
314.17 vehicles; and

225.13 (3) pilot programs operated by the utility to implement innovative technology solutions;  
225.14 and

225.15 (4) costs incurred by the department to administer this section.

225.16 Subd. 6. **Capacity reserved.** The utility subject to section 116C.779 must reserve any  
225.17 increase in the DER Technical Planning Standard made available by upgrades paid for under  
225.18 this section for net metered facilities and distributed energy resources with a nameplate  
225.19 capacity of up to 40 kilowatts alternating current. The commissioner may modify the  
225.20 requirements of this subdivision when the commissioner finds doing so is in the public  
225.21 interest.

225.22 Subd. 7. **Establishment of account.** (a) A distributed energy resources system upgrade  
225.23 program account is established in the special revenue fund. The account consists of money  
225.24 provided by law, and any other money donated, allotted, transferred, or otherwise provided  
225.25 to the account. Earnings, including interest, dividends, and any other earnings arising from  
225.26 the assets of the account, must be credited to the account. Earnings remaining in the account  
225.27 at the end of a fiscal year do not cancel to the general fund or renewable development  
225.28 account but remain in the account until expended.

225.29 (b) Money in the account is appropriated to the commissioner for eligible expenditures  
225.30 under this section.

225.31 Subd. 8. **Reporting of certain incidents.** The utility subject to section 116C.779 must  
225.32 report to the commissioner within 60 days if any distributed energy resources project with  
226.1 a capacity of up to 40 kilowatts alternating current is unable to interconnect due to safety,  
226.2 reliability, or the cost of distribution or network upgrades required at a location for which  
226.3 upgrade funding was provided under this program. The utility must make available to the  
226.4 commissioner all engineering analyses, studies, and information related to any such instances.  
226.5 The commissioner may modify or waive this requirement after December 31, 2025.

230.17 Sec. 42. **[216C.401] ELECTRIC VEHICLE REBATES.**

230.18 Subdivision 1. **Definitions.** (a) For purposes of this section and section 216C.402, the  
230.19 terms in this subdivision have the meanings given.

230.20 (b) "Dealer" means a person, firm, or corporation that:

230.21 (1) possesses a new motor vehicle license under chapter 168;

230.22 (2) regularly engages in the business of manufacturing or selling, purchasing, and  
230.23 generally dealing in new and unused motor vehicles;

230.24 (3) has an established place of business to sell, trade, and display new and unused motor  
230.25 vehicles; and

314.18 (4) possesses new and unused motor vehicles to sell or trade the motor vehicles.

314.19 (c) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a,  
314.20 paragraphs (a) and (b), clause (3).

314.21 (d) "Eligible new electric vehicle" means an electric vehicle that meets the requirements  
314.22 of subdivision 2, paragraph (a).

314.23 (e) "Eligible used electric vehicle" means an electric vehicle that meets the requirements  
314.24 of subdivision 2, paragraph (b).

314.25 (f) "Lease" means a business transaction under which a dealer furnishes an eligible  
314.26 electric vehicle to a person for a fee under a bailor-bailee relationship where no incidences  
314.27 of ownership transferred other than the right to use the vehicle for a term of at least 24  
314.28 months.

314.29 (g) "Lessee" means a person who leases an eligible electric vehicle from a dealer.

314.30 (h) "New eligible electric vehicle" means an eligible electric vehicle that has not been  
314.31 registered in any state.

315.1 Subd. 2. **Eligible vehicle.** (a) A new electric vehicle is eligible for a rebate under this  
315.2 section if the electric vehicle:

315.3 (1) has not been previously owned;

315.4 (2) is used by a dealer as a floor model or test drive vehicle and has not been previously  
315.5 registered in Minnesota or any other state;

315.6 (3) is returned to a dealer by a purchaser or lessee:

315.7 (i) within two weeks of purchase or leasing or when a purchaser's or lessee's financing  
315.8 for the electric vehicle has been disapproved; or

315.9 (ii) before the purchaser or lessee takes delivery, even if the electric vehicle is registered  
315.10 in Minnesota;

315.11 (4) has not been modified from the original manufacturer's specifications;

315.12 (5) has a manufacturer's suggested retail price that does not exceed \$55,000;

315.13 (6) is purchased or leased from a dealer or directly from an original equipment  
315.14 manufacturer that does not have licensed franchised dealers in Minnesota; and

230.26 (4) possesses new and unused motor vehicles to sell or trade the motor vehicles.

230.27 (c) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a,  
230.28 paragraphs (a) and (b), clause (3).

230.29 (d) "Eligible new electric vehicle" means an electric vehicle that meets the requirements  
230.30 of subdivision 2, paragraph (a).

231.1 (e) "Eligible used electric vehicle" means an electric vehicle that meets the requirements  
231.2 of subdivision 2, paragraph (b).

231.3 (f) "Lease" means a business transaction under which a dealer furnishes an eligible  
231.4 electric vehicle to a person for a fee under a bailor-bailee relationship where no incidences  
231.5 of ownership transferred, other than the right to use the vehicle for a term of at least 24  
231.6 months.

231.7 (g) "Lessee" means a person who leases an eligible electric vehicle from a dealer.

231.8 (h) "New eligible electric vehicle" means an eligible electric vehicle that has not been  
231.9 registered in any state.

231.10 Subd. 2. **Eligible vehicle.** (a) A new electric vehicle is eligible for a rebate under this  
231.11 section if the electric vehicle:

231.13 (2) has not been previously owned;

231.26 (c) For purposes of paragraph (a), a vehicle has not been previously owned if it:

231.27 (1) is used by a dealer as a floor model or test drive vehicle and has not been previously  
231.28 registered in Minnesota or any other state prior to purchase or lease; or

231.29 (2) is returned to a dealer by a purchaser or lessee:

231.30 (i) within two weeks of purchase or leasing or when a purchaser's or lessee's financing  
231.31 for the electric vehicle has been disapproved; or

232.1 (ii) before the purchaser or lessee takes delivery, even if the electric vehicle is registered  
232.2 in Minnesota;

231.14 (3) has not been modified from the original manufacturer's specifications;

231.12 (1) has a base manufacturer's suggested retail price that does not exceed \$60,000;

231.15 (4) is purchased or leased from a dealer or directly from an original equipment  
231.16 manufacturer that does not have licensed franchised dealers in Minnesota;

231.17 (5) is powered by a battery that contains applicable critical minerals in sufficient quantities  
231.18 to make the vehicle eligible for an electric vehicle rebate under the Inflation Reduction Act  
231.19 of 2022, Public Law 117-169; and

315.15 (7) is purchased or leased after the effective date of this act for use by the purchaser and  
315.16 not for resale.

315.17 (b) A used electric vehicle is eligible for an electric vehicle rebate under this section if  
315.18 the electric vehicle has previously been owned in Minnesota or another state and has not  
315.19 been modified from the original manufacturer's specifications.

315.20 Subd. 3. **Eligible purchaser or lessee.** A person who purchases or leases an eligible  
315.21 new or used electric vehicle is eligible for a rebate under this section if the purchaser or  
315.22 lessee:

315.23 (1) is one of the following:

315.24 (i) a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a),  
315.25 when the electric vehicle is purchased or leased;

315.26 (ii) a business that has a valid address in Minnesota from which business is conducted;

315.27 (iii) a nonprofit corporation incorporated under chapter 317A; or

315.28 (iv) a political subdivision of the state;

315.29 (2) has not received a rebate or tax credit for the purchase or lease of an electric vehicle  
315.30 from the state of Minnesota;

316.1 (3) has a household income below 300 percent of the federal poverty guidelines  
316.2 established by the U.S. Department of Health and Human Services; and

316.3 (4) registers the electric vehicle in Minnesota.

316.4 Subd. 4. **Rebate amounts.** (a) A \$2,500 rebate may be issued under this section to an  
316.5 eligible purchaser to purchase or lease an eligible new electric vehicle.

316.6 (b) A \$500 rebate may be issued under this section to an eligible purchaser or lessee of  
316.7 an eligible used electric vehicle.

316.8 (c) A purchaser or lessee whose household income at the time the eligible electric vehicle  
316.9 is purchased or leased is less than 150 percent of the current federal poverty guidelines  
316.10 established by the United States Department of Health and Human Services is eligible for  
316.11 a rebate of \$500 to purchase or lease an eligible new electric vehicle and \$100 to purchase  
316.12 or lease an eligible used electric vehicle. The rebate under this paragraph is in addition to  
316.13 the rebate under paragraph (a) or (b), as applicable.

316.14 Subd. 5. **Limits.** The number of rebates allowed under this section is limited to:

316.15 (1) no more than one rebate per resident per household; and

316.16 (2) no more than one rebate per business entity per year.

231.20 (6) is purchased or leased after the effective date of this section for use by the purchaser  
231.21 and not for resale.

231.22 (b) A used electric vehicle is eligible for an electric vehicle rebate under this section if  
231.23 the electric vehicle had a base manufacturer's suggested retail price that did not exceed  
231.24 \$60,000 when purchased, has previously been owned in Minnesota or another state, and  
231.25 has not been modified from the original manufacturer's specifications.

232.3 Subd. 3. **Eligible purchaser or lessee.** A person who purchases or leases an eligible  
232.4 new or used electric vehicle is eligible for a rebate under this section if the purchaser or  
232.5 lessee:

232.6 (1) is one of the following:

232.7 (i) a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a),  
232.8 when the electric vehicle is purchased or leased;

232.9 (ii) a business that has a valid address in Minnesota from which business is conducted;

232.10 (iii) a nonprofit corporation incorporated under chapter 317A; or

232.11 (iv) a political subdivision of the state;

232.12 (2) has not received a rebate or tax credit for the purchase or lease of an electric vehicle  
232.13 from the state of Minnesota;

232.14 (3) has a household income below 300 percent of the federal poverty guidelines  
232.15 established by the United States Department of Health and Human Services; and

232.16 (4) registers the electric vehicle in Minnesota.

232.17 Subd. 4. **Rebate amounts.** (a) A \$2,500 rebate may be issued under this section to an  
232.18 eligible purchaser to purchase or lease an eligible new electric vehicle.

232.19 (b) A \$500 rebate may be issued under this section to an eligible purchaser or lessee of  
232.20 an eligible used electric vehicle.

232.21 (c) A purchaser or lessee whose household income at the time the eligible electric vehicle  
232.22 is purchased or leased is less than 150 percent of the current federal poverty guidelines  
232.23 established by the Department of Health and Human Services is eligible for a rebate of \$500  
232.24 to purchase or lease an eligible new electric vehicle and \$100 to purchase or lease an eligible  
232.25 used electric vehicle. The rebate under this paragraph is in addition to the rebate under  
232.26 paragraph (a) or (b), as applicable.

232.27 Subd. 5. **Limits.** The number of rebates allowed under this section is limited to:

232.28 (1) no more than one rebate per resident; and

232.29 (2) no more than one rebate per business entity per year.

316.17 Subd. 6. **Program administration.** (a) A rebate application under this section must be  
316.18 filed with the commissioner on a form developed by the commissioner.

316.19 (b) The commissioner must develop administrative procedures governing the application  
316.20 and rebate award process. Applications must be reviewed and rebates awarded by the  
316.21 commissioner on a first-come, first-served basis.

316.22 (c) The commissioner must, in coordination with dealers and other state agencies as  
316.23 applicable, develop a procedure to allow a rebate to be used by an eligible purchaser or  
316.24 lessee at the point of sale so that the rebate amount may be subtracted from the selling price  
316.25 of the eligible electric vehicle.

316.26 (d) The commissioner may reduce the rebate amounts provided under subdivision 4 or  
316.27 restrict program eligibility based on the availability of money to award rebates or other  
316.28 factors.

316.29 Subd. 7. **Account established.** (a) The electric vehicle rebate account is established as  
316.30 a separate account in the special revenue fund in the state treasury. The commissioner shall  
316.31 credit to the account appropriations and transfers to the account. Earnings, including interest,  
316.32 dividends, and any other earnings arising from assets of the account, must be credited to  
317.1 the account. Money remaining in the account at the end of a fiscal year does not cancel to  
317.2 the general fund, but remains in the account until expended. The commissioner shall manage  
317.3 the account.

317.4 (b) Money in the account is appropriated to the commissioner to award rebates for electric  
317.5 vehicles and to reimburse the reasonable costs of the department to administer this section.

317.6 Subd. 8. **Expiration.** This section expires June 30, 2027.

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

317.8 Sec. 8. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION**  
317.9 **OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

317.10 Subdivision 1. **Establishment.** A grant program is established in the department to  
317.11 award grants to dealers to offset the costs of obtaining the necessary training and equipment  
317.12 that is required by electric vehicle manufacturers in order to certify a dealer to sell electric  
317.13 vehicles produced by the manufacturer.

317.14 Subd. 2. **Application.** An application for a grant under this section must be made to the  
317.15 commissioner on a form developed by the commissioner. The commissioner must develop  
317.16 administrative procedures and processes to review applications and award grants under this  
317.17 section.

317.18 Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must  
317.19 be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise  
317.20 from a manufacturer of electric vehicles.

232.30 Subd. 6. **Program administration.** (a) A rebate application under this section must be  
232.31 filed with the commissioner on a form developed by the commissioner.

233.1 (b) The commissioner must develop administrative procedures governing the application  
233.2 and rebate award process. Applications must be reviewed and rebates awarded by the  
233.3 commissioner on a first-come, first-served basis.

233.4 (c) The commissioner must, in coordination with dealers and other state agencies as  
233.5 applicable, develop a procedure to allow a rebate to be used by an eligible purchaser or  
233.6 lessee at the point of sale so that the rebate amount may be subtracted from the selling price  
233.7 of the eligible electric vehicle.

233.8 (d) The commissioner may reduce the rebate amounts provided under subdivision 4 or  
233.9 restrict program eligibility based on the availability of money to award rebates or other  
233.10 factors.

233.11 Subd. 7. **Expiration.** This section expires June 30, 2027.

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

233.13 Sec. 43. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION**  
233.14 **OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

233.15 Subdivision 1. **Establishment.** A grant program is established in the department to  
233.16 award grants to dealers to offset the costs of obtaining the necessary training and equipment  
233.17 that is required by electric vehicle manufacturers in order to certify a dealer to sell electric  
233.18 vehicles produced by the manufacturer.

233.19 Subd. 2. **Application.** An application for a grant under this section must be made to the  
233.20 commissioner on a form developed by the commissioner. The commissioner must develop  
233.21 administrative procedures and processes to review applications and award grants under this  
233.22 section.

233.23 Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must  
233.24 be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise  
233.25 from a manufacturer of electric vehicles.

317.21 Subd. 4. Eligible expenditures. Appropriations made to support the activities of this  
317.22 section must be used only to reimburse:

317.23 (1) a dealer for the reasonable costs to obtain training and certification for the dealer's  
317.24 employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

317.25 (2) a dealer for the reasonable costs to purchase and install equipment to service and  
317.26 repair electric vehicles, as required by the electric vehicle manufacturer that awarded the  
317.27 franchise to the dealer; and

317.28 (3) the department for the reasonable costs to administer this section.

317.29 Subd. 5. Limitation. A grant awarded under this section to a single dealer must not  
317.30 exceed \$40,000.

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

233.26 Subd. 4. Eligible expenditures. Appropriations made to support the activities of this  
233.27 section must be used only to reimburse:

233.28 (1) a dealer for the reasonable costs to obtain training and certification for the dealer's  
233.29 employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

233.30 (2) a dealer for the reasonable costs to purchase and install equipment to service and  
233.31 repair electric vehicles, as required by the electric vehicle manufacturer that awarded the  
233.32 franchise to the dealer; and

234.1 (3) the department for the reasonable costs to administer this section.

234.2 Subd. 5. Limitation. A grant awarded under this section to a single dealer must not  
234.3 exceed \$40,000.

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

#### S2542-1

21.20 Sec. 15. Minnesota Statutes 2022, section 216C.435, subdivision 8, is amended to read:

21.21 Subd. 8. Qualifying commercial real property. "Qualifying commercial real property"  
21.22 means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland,  
21.23 as defined in section 216C.436, subdivision 1b, that the implementing entity has determined,  
21.24 after review of an energy audit ~~or~~, renewable energy system feasibility study, or agronomic  
21.25 assessment, as defined in section 216C.436, subdivision 1b, can be benefited by benefit  
21.26 from the installation of cost-effective energy improvements or land and water improvements,  
21.27 as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes  
21.28 new construction.

21.29 Sec. 16. Minnesota Statutes 2022, section 216C.436, is amended by adding a subdivision  
21.30 to read:

21.31 Subd. 1b. Definitions. (a) For the purposes of this section, the following terms have the  
21.32 meanings given.

22.1 (b) "Agronomic assessment" means a study by an independent third party that assesses  
22.2 the environmental impacts of proposed land and water improvements on farmland.

22.3 (c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under  
22.4 section 273.13, subdivision 23.

22.5 (d) "Land and water improvement" means:

22.6 (1) an improvement to farmland that:

22.7 (i) is permanent;

22.8 (ii) results in improved agricultural profitability or resiliency;

- 22.9 (iii) reduces the environmental impact of agricultural production; and
- 22.10 (iv) if the improvement affects drainage, complies with the most recent versions of the
- 22.11 applicable following conservation practice standards issued by the United States Department
- 22.12 of Agriculture's Natural Resources Conservation Service: Drainage Water Management
- 22.13 (Code 554), Saturated Buffer (Code 604), Denitrifying Bioreactor (Code 605), and
- 22.14 Constructed Wetland (Code 656); or
- 22.15 (2) water conservation and quality measures, which include permanently affixed
- 22.16 equipment, appliances, or improvements that reduce a property's water consumption or that
- 22.17 enable water to be managed more efficiently.
- 22.18 (e) "Resiliency" means the ability of farmland to maintain and enhance profitability,
- 22.19 soil health, and water quality.
- 22.20 Sec. 17. Minnesota Statutes 2022, section 216C.436, subdivision 2, is amended to read:
- 22.21 Subd. 2. **Program requirements.** A commercial PACE loan program must:
- 22.22 (1) impose requirements and conditions on financing arrangements to ensure timely
- 22.23 repayment;
- 22.24 (2) require an energy audit ~~or~~, renewable energy system feasibility study, or agronomic
- 22.25 or soil health assessment to be conducted on the qualifying commercial real property and
- 22.26 reviewed by the implementing entity prior to approval of the financing;
- 22.27 (3) require the inspection of all installations and a performance verification of at least
- 22.28 ten percent of the cost-effective energy improvements or land and water improvements
- 22.29 financed by the program;
- 22.30 (4) not prohibit the financing of all cost-effective energy improvements or land and
- 22.31 water improvements not otherwise prohibited by this section;
- 23.1 (5) require that all cost-effective energy improvements or land and water improvements
- 23.2 be made to a qualifying commercial real property prior to, or in conjunction with, an
- 23.3 applicant's repayment of financing for cost-effective energy improvements or land and water
- 23.4 improvements for that property;
- 23.5 (6) have cost-effective energy improvements or land and water improvements financed
- 23.6 by the program performed by a licensed contractor as required by chapter 326B or other
- 23.7 law or ordinance;
- 23.8 (7) require disclosures in the loan document to borrowers by the implementing entity
- 23.9 of: (i) the risks involved in borrowing, including the risk of foreclosure if a tax delinquency
- 23.10 results from a default; and (ii) all the terms and conditions of the commercial PACE loan
- 23.11 and the installation of cost-effective energy improvements or land and water improvements,
- 23.12 including the interest rate being charged on the loan;
- 23.13 (8) provide financing only to those who demonstrate an ability to repay;

369.12 Sec. 2. [216C.441] MINNESOTA CLIMATE INNOVATION FINANCE  
369.13 AUTHORITY.

369.14 Subdivision 1. **Establishment; purpose.** (a) There is created a public body corporate  
369.15 and politic to be known as the "Minnesota Climate Innovation Finance Authority," whose  
369.16 purpose is to accelerate the deployment of clean energy projects, greenhouse gas emissions  
369.17 reduction projects, and other qualified projects through the strategic deployment of public  
369.18 funds in the form of grants, loans, credit enhancements, and other financing mechanisms  
369.19 in order to leverage existing public and private sources of capital to reduce the upfront and  
369.20 total cost of qualified projects and to overcome financial barriers to project adoption,  
369.21 especially in low-income communities.

369.22 (b) The goals of the authority include but are not limited to:

369.23 (1) reducing Minnesota's contributions to climate change by accelerating the deployment  
369.24 of clean energy projects;

369.25 (2) ensuring that all Minnesotans share the benefits of clean and renewable energy and  
369.26 the opportunity to fully participate in the clean energy economy by promoting:

369.27 (i) the creation of clean energy jobs for Minnesota workers, particularly in environmental  
369.28 justice communities and communities in which fossil fuel electric generating plants are  
369.29 retiring; and

369.30 (ii) the principles of environmental justice in the authority's operations and funding  
369.31 decisions;

23.14 (9) not provide financing for a qualifying commercial real property in which the owner  
23.15 is not current on mortgage or real property tax payments;

23.16 (10) require a petition to the implementing entity by all owners of the qualifying  
23.17 commercial real property requesting collections of repayments as a special assessment under  
23.18 section 429.101;

23.19 (11) provide that payments and assessments are not accelerated due to a default and that  
23.20 a tax delinquency exists only for assessments not paid when due; and

23.21 (12) require that liability for special assessments related to the financing runs with the  
23.22 qualifying commercial real property; and

23.23 (13) prior to financing any improvements to or imposing any assessment upon qualifying  
23.24 commercial real property, require notice to and written consent from the mortgage lender  
23.25 of any mortgage encumbering or otherwise secured by the qualifying commercial real  
23.26 property.

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234.5 Sec. 44. [216C.441] MINNESOTA CLIMATE INNOVATION FINANCE  
234.6 AUTHORITY.

234.7 Subdivision 1. **Establishment; purpose.** (a) There is created a public body corporate  
234.8 and politic to be known as the "Minnesota Climate Innovation Finance Authority," whose  
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234.22 retiring; and

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234.24 decisions;

370.1 (3) maintaining energy reliability while reducing the economic burden of energy costs,  
370.2 especially on low-income households; and

370.3 (4) eliminating the use of materials and components of clean energy technologies that  
370.4 are procured from countries that are known to utilize slave labor.

370.5 Subd. 2. Definitions. (a) For the purposes of this section, the following terms have the  
370.6 meanings given.

370.7 (b) "Authority" means the Minnesota Climate Innovation Finance Authority.

370.8 (c) "Board" means the Minnesota Climate Innovation Finance Authority's board of  
370.9 directors established in subdivision 10.

370.10 (d) "Clean energy project" has the meaning given to "qualified project" in paragraph  
370.11 (n), clauses (1) to (7).

370.12 (e) "Community navigator" means an organization that works to facilitate access to clean  
370.13 energy project financing by community groups.

370.14 (f) "Credit enhancement" means a pool of capital set aside to cover potential losses on  
370.15 loans and other investments made by financing entities. Credit enhancement includes but  
370.16 is not limited to loan loss reserves and loan guarantees.

370.17 (g) "Energy storage system" has the meaning given in section 216B.2422, subdivision  
370.18 1, paragraph (f).

370.19 (h) "Environmental justice" means that:

370.20 (1) communities of color, Indigenous communities, and low-income communities have  
370.21 a healthy environment and are treated fairly when environmental statutes, rules, and policies  
370.22 are developed, adopted, implemented, and enforced; and

370.23 (2) in all decisions that have the potential to affect the environment of an environmental  
370.24 justice community or the public health of an environmental justice community's residents,  
370.25 due consideration is given to the history of the area's and the area's residents' cumulative  
370.26 exposure to pollutants and to any current socioeconomic conditions that increase the physical  
370.27 sensitivity of the area's residents to additional exposure to pollutants.

370.28 (i) "Environmental justice community" means a community in Minnesota that, based  
370.29 on the most recent data published by the United States Census Bureau, meets one or more  
370.30 of the following criteria:

370.31 (1) 40 percent or more of the community's total population is nonwhite;

371.1 (2) 35 percent or more of households in the community have an income that is at or  
371.2 below 200 percent of the federal poverty level;

234.25 (3) maintaining energy reliability while reducing the economic burden of energy costs,  
234.26 especially on low-income households; and

234.27 (4) eliminating the use of materials and components of clean energy technologies that  
234.28 are procured from countries that are known to utilize slave labor.

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235.24 (1) 40 percent or more of the community's total population is nonwhite;

235.25 (2) 35 percent or more of households in the community have an income that is at or  
235.26 below 200 percent of the federal poverty level;

371.3 (3) 40 percent or more of the community's residents over the age of five have limited  
371.4 English proficiency; or

371.5 (4) the community is located within Indian country, as defined in United States Code,  
371.6 title 18, section 1151.

371.7 (j) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous  
371.8 oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by  
371.9 anthropogenic sources.

371.10 (k) "Loan loss reserve" means a pool of capital set aside to reimburse a private lender  
371.11 if a customer defaults on a loan, up to an agreed-upon percentage of loans originated by the  
371.12 private lender.

371.13 (l) "Microgrid system" means an electrical grid that:

371.14 (1) serves a discrete geographical area from distributed energy resources; and

371.15 (2) can operate independently from the central electric grid on a temporary basis.

371.16 (m) "Project labor agreement" means a prehire collective bargaining agreement with a  
371.17 council of building and construction trades labor organizations (1) prohibiting strikes,  
371.18 lockouts, and similar disruptions, and (2) providing for a binding procedure to resolve labor  
371.19 disputes on the project.

371.20 (n) "Qualified project" means a project, technology, product, service, or measure  
371.21 promoting energy efficiency, clean energy, electrification, or water conservation and quality  
371.22 that:

371.23 (1) substantially reduces greenhouse gas emissions;

371.24 (2) reduces energy use without diminishing the level of service;

371.25 (3) increases the deployment of renewable energy projects, energy storage systems,  
371.26 district heating, smart grid technologies, or microgrid systems;

371.27 (4) replaces existing fossil-fuel-based technology with an end-use electric technology;

371.28 (5) supports the development and deployment of electric vehicle charging stations and  
371.29 associated infrastructure, electric buses, and electric fleet vehicles;

371.30 (6) reduces water use or protects, restores, or preserves the quality of surface waters; or

372.1 (7) incentivizes customers to shift demand in response to changes in the price of electricity  
372.2 or when system reliability is not jeopardized.

372.3 (o) "Renewable energy" has the meaning given in section 216B.1691, subdivision 1,  
372.4 paragraph (c), clauses (1), (2), and (4), and includes fuel cells generated from renewable  
372.5 energy.

235.27 (3) 40 percent or more of the community's residents over the age of five have limited  
235.28 English proficiency; or

235.29 (4) the community is located within Indian country, as defined in United States Code,  
235.30 title 18, section 1151.

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236.23 associated infrastructure, electric buses, and electric fleet vehicles;

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236.27 (o) "Renewable energy" has the meaning given in section 216B.1691, subdivision 1,  
236.28 paragraph (c), clauses (1), (2), and (4), and includes fuel cells generated from renewable  
236.29 energy.

372.6 (p) "Securitization" means the conversion of an asset composed of individual loans into  
372.7 marketable securities.

372.8 (q) "Smart grid" means a digital technology that:

372.9 (1) allows for two-way communication between a utility and the utility's customers; and

372.10 (2) enables the utility to control power flow and load in real time.

372.11 Subd. 3. **General powers.** (a) For the purpose of exercising the specific powers granted  
372.12 in this section, the authority has the general powers granted in this subdivision.

372.13 (b) The authority may:

372.14 (1) hire an executive director and staff to conduct the authority's operations;

372.15 (2) sue and be sued;

372.16 (3) have a seal and alter the seal;

372.17 (4) acquire, hold, lease, manage, and dispose of real or personal property for the  
372.18 authority's corporate purposes;

372.19 (5) enter into agreements, including cooperative financing agreements, contracts, or  
372.20 other transactions, with any federal or state agency, county, local unit of government,  
372.21 regional development commission, person, domestic or foreign partnership, corporation,  
372.22 association, or organization;

372.23 (6) acquire by purchase real property, or an interest therein, in the authority's own name  
372.24 where acquisition is necessary or appropriate;

372.25 (7) provide general technical and consultative services related to the authority's purpose;

372.26 (8) promote research and development in matters related to the authority's purpose;

372.27 (9) analyze greenhouse gas emissions reduction project financing needs in the state and  
372.28 recommend measures to alleviate any shortage of financing capacity;

373.1 (10) contract with any governmental or private agency or organization, legal counsel,  
373.2 financial advisor, investment banker, or others to assist in the exercise of the authority's  
373.3 powers;

373.4 (11) enter into agreements with qualified lenders or others insuring or guaranteeing to  
373.5 the state the payment of qualified loans or other financing instruments; and

373.6 (12) accept on behalf of the state any gift, grant, or interest in money or personal property  
373.7 tendered to the state for any purpose pertaining to the authority's activities.

373.8 Subd. 4. **Authority duties.** (a) The authority must:

236.30 (p) "Securitization" means the conversion of an asset composed of individual loans into  
236.31 marketable securities.

237.1 (q) "Smart grid" means a digital technology that:

237.2 (1) allows for two-way communication between a utility and the utility's customers; and

237.3 (2) enables the utility to control power flow and load in real time.

237.4 Subd. 3. **General powers.** (a) For the purpose of exercising the specific powers granted  
237.5 in this section, the authority has the general powers granted in this subdivision.

237.6 (b) The authority may:

237.7 (1) hire an executive director and staff to conduct the authority's operations;

237.8 (2) sue and be sued;

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237.14 regional development commission, person, domestic or foreign partnership, corporation,  
237.15 association, or organization;

237.16 (6) acquire by purchase real property, or an interest therein, in the authority's own name  
237.17 where acquisition is necessary or appropriate;

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237.26 the state the payment of qualified loans or other financing instruments; and

237.27 (12) accept on behalf of the state any gift, grant, or interest in money or personal property  
237.28 tendered to the state for any purpose pertaining to the authority's activities.

237.29 Subd. 4. **Authority duties.** (a) The authority must:

- 373.9 (1) serve as a financial resource to reduce the upfront and total costs of implementing  
373.10 qualified projects;
- 373.11 (2) ensure that all financed projects reduce greenhouse gas emissions;
- 373.12 (3) ensure that financing terms and conditions offered are well-suited to qualified projects;
- 373.13 (4) strategically prioritize the use of the authority's funds to leverage private investment  
373.14 in qualified projects, with the aim of achieving a high ratio of private to public money  
373.15 invested through funding mechanisms that support, enhance, and complement private lending  
373.16 and investment;
- 373.17 (5) coordinate with existing federal, state, local, utility, and other programs to ensure  
373.18 that the authority's resources are being used most effectively to add to and complement  
373.19 those programs;
- 373.20 (6) stimulate demand for qualified projects by:
- 373.21 (i) contracting with the department's Energy Information Center and community  
373.22 navigators to provide information to project participants about federal, state, local, utility,  
373.23 and other authority financial assistance for qualifying projects, and technical information  
373.24 on energy conservation and renewable energy measures;
- 373.25 (ii) forming partnerships with contractors and informing contractors about the authority's  
373.26 financing programs;
- 373.27 (iii) developing innovative marketing strategies to stimulate project owner interest,  
373.28 especially in underserved communities; and
- 373.29 (iv) incentivizing financing entities to increase activity in underserved markets;
- 373.30 (7) finance projects in all regions of the state;
- 374.1 (8) develop participant eligibility standards and other terms and conditions for financial  
374.2 support provided by the authority;
- 374.3 (9) develop and administer:
- 374.4 (i) policies to collect reasonable fees for authority services; and
- 374.5 (ii) risk management activities to support ongoing authority activities;
- 374.6 (10) develop consumer protection standards governing the authority's investments to  
374.7 ensure that financial support is provided responsibly and transparently, and is in the financial  
374.8 interest of participating project owners;
- 374.9 (11) develop methods to accurately measure the impact of the authority's activities,  
374.10 particularly on low-income communities and on greenhouse gas emissions reductions;
- 374.11 (12) hire an executive director and sufficient staff with the appropriate skills and  
374.12 qualifications to carry out the authority's programs, making an affirmative effort to recruit

- 238.1 (1) serve as a financial resource to reduce the upfront and total costs of implementing  
238.2 qualified projects;
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238.30 interest of participating project owners;
- 239.1 (11) develop methods to accurately measure the impact of the authority's activities,  
239.2 particularly on low-income communities and on greenhouse gas emissions reductions;
- 239.3 (12) hire an executive director and sufficient staff with the appropriate skills and  
239.4 qualifications to carry out the authority's programs, making an affirmative effort to recruit

374.13 and hire a director and staff who are from, or share the interests of, the communities the  
374.14 authority must serve;

374.15 (13) apply for, either as a direct or subgrantee applicant, and accept Greenhouse Gas  
374.16 Reduction Fund grants authorized by the federal Clean Air Act, United States Code, title  
374.17 42, section 7434, paragraph (a), clauses (2) and (3). If the application deadlines for these  
374.18 grants are earlier than is practical for the authority to meet, the commissioner shall apply  
374.19 on behalf of the authority. In all cases, applications for these funds by or on behalf of the  
374.20 authority must be coordinated with all known Minnesota applicants;

374.21 (14) ensure that authority contracts with all third-party administrators, contractors, and  
374.22 subcontractors contain required covenants, representations, and warranties specifying that  
374.23 contracted third parties are agents of the authority, and that all acts of contracted third parties  
374.24 are considered acts of the authority, provided that the act is within the contracted scope of  
374.25 work; and

374.26 (15) ensure that sourcing and manufacturing of energy technology components financed  
374.27 by the authority occur under conditions that meet or exceed Minnesota wage and labor  
374.28 requirements.

374.29 (b) The authority may:

374.30 (1) employ credit enhancement mechanisms that reduce financial risk for financing  
374.31 entities by providing assurance that a limited portion of a loan or other financial instrument  
374.32 is assumed by the authority via a loan loss reserve, loan guarantee, or other mechanism;

375.1 (2) co-invest in a qualified project by providing senior or subordinated debt, equity, or  
375.2 other mechanisms in conjunction with other investment, co-lending, or financing;

375.3 (3) aggregate small and geographically dispersed qualified projects in order to diversify  
375.4 risk or secure additional private investment through securitization or similar resale of the  
375.5 authority's interest in a completed qualified project;

375.6 (4) expend up to 25 percent of money appropriated to the authority for start-up purposes,  
375.7 which may be used for financing programs and project investments authorized under this  
375.8 section prior to adoption of the strategic plan required under subdivision 7 and the investment  
375.9 strategy under subdivision 8; and

375.10 (5) require a specific project to agree to implement a project labor agreement as a  
375.11 condition of receiving financing from the authority.

375.12 Subd. 5. Underserved market analysis. (a) Before developing a financing program,  
375.13 the authority must conduct an analysis of the financial market the authority is considering  
375.14 entering in order to determine the extent to which the market is underserved and to ensure  
375.15 that the authority's activities supplement, and do not duplicate or supplant, the efforts of  
375.16 financing entities currently serving the market. The analysis must address the nature and  
375.17 extent of any barriers or gaps that may be preventing financing entities from adequately  
375.18 serving the market, and must examine present and projected future efforts of existing

239.5 and hire a director and staff who are from, or share the interests of, the communities the  
239.6 authority must serve;

239.7 (13) apply for, either as a direct or subgrantee applicant, and accept Greenhouse Gas  
239.8 Reduction Fund grants authorized by the federal Clean Air Act, United States Code, title  
239.9 42, section 7434(a). If the application deadlines for these grants are earlier than is practical  
239.10 for the authority to meet, the commissioner shall apply on behalf of the authority. In all  
239.11 cases, applications for these funds by or on behalf of the authority must be coordinated with  
239.12 all known Minnesota applicants; and

239.13 (14) ensure that authority contracts with all third-party administrators, contractors, and  
239.14 subcontractors contain required covenants, representations, and warranties specifying that  
239.15 contracted third parties are agents of the authority, and that all acts of contracted third parties  
239.16 are considered acts of the authority, provided that the act is within the contracted scope of  
239.17 work.

239.18 (b) The authority may:

239.19 (1) employ credit enhancement mechanisms that reduce financial risk for financing  
239.20 entities by providing assurance that a limited portion of a loan or other financial instrument  
239.21 is assumed by the authority via a loan loss reserve, loan guarantee, or other mechanism;

239.22 (2) co-invest in a qualified project by providing senior or subordinated debt, equity, or  
239.23 other mechanisms in conjunction with other investment, co-lending, or financing;

239.24 (3) aggregate small and geographically dispersed qualified projects in order to diversify  
239.25 risk or secure additional private investment through securitization or similar resale of the  
239.26 authority's interest in a completed qualified project;

239.27 (4) expend up to 25 percent of money appropriated to the authority for start-up purposes,  
239.28 which may be used for financing programs and project investments authorized under this  
239.29 section prior to adoption of the strategic plan required under subdivision 7 and the investment  
239.30 strategy under subdivision 8; and

239.31 (5) require a specific project to agree to implement a project labor agreement as a  
239.32 condition of receiving financing from the authority.

240.1 Subd. 5. Underserved market analysis. (a) Before developing a financing program,  
240.2 the authority must conduct an analysis of the financial market the authority is considering  
240.3 entering in order to determine the extent to which the market is underserved and to ensure  
240.4 that the authority's activities supplement, and do not duplicate or supplant, the efforts of  
240.5 financing entities currently serving the market. The analysis must address the nature and  
240.6 extent of any barriers or gaps that may be preventing financing entities from adequately  
240.7 serving the market, and must examine present and projected future efforts of existing

375.19 financing entities, federal, state, and local governments, and of utilities and others to serve  
375.20 the market.

375.21 (b) In determining whether the authority should enter a market, the authority must  
375.22 consider:

375.23 (1) whether serving the market advances the authority's policy goals;  
375.24 (2) the extent to which the market is currently underserved;  
375.25 (3) the unique tools the authority would deploy to overcome existing market barriers or  
375.26 gaps;  
375.27 (4) how the authority would market the program to potential participants; and  
375.28 (5) potential financing partners and the role financing partners would play in  
375.29 complementing the authority's activities.

375.30 (c) Before providing any direct loans to residential borrowers, the authority must issue  
375.31 a request for information to existing known financing entities, specifying the market need  
376.1 and the authority's goals in meeting the underserved market segment, and soliciting each  
376.2 financing entity's:

376.3 (1) current financing offerings for that specific market;  
376.4 (2) prior efforts to meet that specific market; and  
376.5 (3) plans and capabilities to serve that specific market.

376.6 (d) The authority may only provide direct loans to residential borrowers if the authority  
376.7 certifies that no financing entity is currently able to meet the specific underserved market  
376.8 need and the authority's goals, and that the authority's entry into the market does not supplant  
376.9 or duplicate any existing financing activities in that specific market.

376.10 Subd. 6. Authority lending practices; labor and consumer protection standards. (a)  
376.11 In determining the projects in which the authority will participate, the authority must give  
376.12 preference to projects that:

376.13 (1) maximize the creation of high-quality employment and apprenticeship opportunities  
376.14 for local workers, consistent with the public interest, especially workers from environmental  
376.15 justice communities, labor organizations, and Minnesota communities hosting retired or  
376.16 retiring electric generation facilities, including workers previously employed at retiring  
376.17 facilities;

376.18 (2) utilize energy technologies produced domestically that received an advanced  
376.19 manufacturing tax credit under section 45X of the Internal Revenue Code, as allowed under  
376.20 the federal Inflation Reduction Act of 2022, Public Law 117-169;

240.8 financing entities, federal, state, and local governments, and of utilities and others to serve  
240.9 the market.

240.10 (b) In determining whether the authority should enter a market, the authority must  
240.11 consider:

240.12 (1) whether serving the market advances the authority's policy goals;  
240.13 (2) the extent to which the market is currently underserved;  
240.14 (3) the unique tools the authority would deploy to overcome existing market barriers or  
240.15 gaps;  
240.16 (4) how the authority would market the program to potential participants; and  
240.17 (5) potential financing partners and the role financing partners would play in  
240.18 complementing the authority's activities.

240.19 (c) Before providing any direct loans to residential borrowers, the authority must issue  
240.20 a request for information to existing known financing entities, specifying the market need  
240.21 and the authority's goals in meeting the underserved market segment, and soliciting each  
240.22 financing entity's:

240.23 (1) current financing offerings for that specific market;  
240.24 (2) prior efforts to meet that specific market; and  
240.25 (3) plans and capabilities to serve that specific market.

240.26 (d) The authority may only provide direct loans to residential borrowers if the authority  
240.27 certifies that no financing entity is currently able to meet the specific underserved market  
240.28 need and the authority's goals, and that the authority's entry into the market does not supplant  
240.29 or duplicate any existing financing activities in that specific market.

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240.32 preference to projects that:

241.1 (1) maximize the creation of high-quality employment and apprenticeship opportunities  
241.2 for local workers, consistent with the public interest, especially workers from environmental  
241.3 justice communities, labor organizations, and Minnesota communities hosting retired or  
241.4 retiring electric generation facilities, including workers previously employed at retiring  
241.5 facilities;

241.6 (2) utilize energy technologies produced domestically that received an advanced  
241.7 manufacturing tax credit under section 45X of the Internal Revenue Code, as allowed under  
241.8 the federal Inflation Reduction Act of 2022, Public Law 117-169;

376.21 (3) certify, for all contractors and subcontractors, that the rights of workers to organize  
376.22 and unionize are recognized; and

376.23 (4) agree to implement a project labor agreement.

376.24 (b) The authority must require, for all projects for which the authority provides financing,  
376.25 that:

376.26 (1) if the budget is \$100,000 or more, all contractors and subcontractors:

376.27 (i) must pay no less than the prevailing wage rate, as defined in section 177.42,  
376.28 subdivision 6; and

376.29 (ii) are subject to the requirements and enforcement provisions under sections 177.27,  
376.30 177.30, 177.32, 177.41 to 177.43, and 177.45, including the posting of prevailing wage  
376.31 rates, prevailing hours of labor, and hourly basic rates of pay for all trades on the project in  
376.32 at least one conspicuous location at the project site;

377.1 (2) financing is not offered without first ensuring that the participants meet the authority's  
377.2 underwriting criteria; and

377.3 (3) any loan made to a homeowner for a project on the homeowner's residence complies  
377.4 with section 47.59 and the following federal laws:

377.5 (i) the Truth in Lending Act, United States Code, title 15, section 1601 et seq.;

377.6 (ii) the Fair Credit Reporting Act, United States Code, title 15, section 1681;

377.7 (iii) the Equal Credit Opportunity Act, United States Code, title 15, section 1691 et seq.;  
377.8 and

377.9 (iv) the Fair Debt Collection Practices Act, United States Code, title 15, section 1692.

377.10 (c) The authority and any third-party administrator, contractor, subcontractor, or agent  
377.11 that conducts lending, financing, investment, marketing, administration, servicing, or  
377.12 installation of measures in connection with a qualified project financed in whole or in part  
377.13 with authority funds is subject to sections 325D.43 to 325D.48; 325F.67 to 325F.71; 325G.06  
377.14 to 325G.14; 325G.29 to 325G.37; and 332.37.

377.15 (d) For the purposes of this section, "local workers" means Minnesota residents who  
377.16 permanently reside within 150 miles of the location of a proposed project in which the  
377.17 authority is considering to participate.

377.18 Subd. 7. Strategic plan. (a) By December 15, 2024, and each December 15 in  
377.19 even-numbered years thereafter, the authority must develop and adopt a strategic plan that  
377.20 prioritizes the authority's activities over the next two years. A strategic plan must:

377.21 (1) identify targeted underserved markets for qualified projects in Minnesota;

241.9 (3) certify, for all contractors and subcontractors, that the rights of workers to organize  
241.10 and unionize are recognized; and

241.11 (4) agree to implement a project labor agreement.

241.12 (b) The authority must require, for all projects for which the authority provides financing,  
241.13 that:

241.14 (1) if the budget is \$100,000 or more, all contractors and subcontractors:

241.15 (i) must pay no less than the prevailing wage rate, as defined in section 177.42,  
241.16 subdivision 6; and

241.17 (ii) are subject to the requirements and enforcement provisions under sections 177.27,  
241.18 177.30, 177.32, 177.41 to 177.43, and 177.45, including the posting of prevailing wage  
241.19 rates, prevailing hours of labor, and hourly basic rates of pay for all trades on the project in  
241.20 at least one conspicuous location at the project site;

241.21 (2) financing is not offered without first ensuring that the participants meet the authority's  
241.22 underwriting criteria; and

241.23 (3) any loan made to a homeowner for a project on the homeowner's residence complies  
241.24 with section 47.59 and the following federal laws:

241.25 (i) the Truth in Lending Act, United States Code, title 15, section 1601 et seq.;

241.26 (ii) the Fair Credit Reporting Act, United States Code, title 15, section 1681;

241.27 (iii) the Equal Credit Opportunity Act, United States Code, title 15, section 1691 et seq.;  
241.28 and

241.29 (iv) the Fair Debt Collection Practices Act, United States Code, title 15, section 1692.

241.30 (c) The authority and any third-party administrator, contractor, subcontractor, or agent  
241.31 that conducts lending, financing, investment, marketing, administration, servicing, or  
242.1 installation of measures in connection with a qualified project financed in whole or in part  
242.2 with authority funds is subject to sections 325D.43 to 325D.48; 325F.67 to 325F.71; 325G.06  
242.3 to 325G.14; 325G.29 to 325G.37; and 332.37.

242.4 (d) For the purposes of this section, "local workers" means Minnesota residents who  
242.5 permanently reside within 150 miles of the location of a proposed project in which the  
242.6 authority is considering to participate.

242.7 Subd. 7. Strategic plan. (a) By December 15, 2024, and each December 15 in  
242.8 even-numbered years thereafter, the authority must develop and adopt a strategic plan that  
242.9 prioritizes the authority's activities over the next two years. A strategic plan must:

242.10 (1) identify targeted underserved markets for qualified projects in Minnesota;

377.22 (2) develop specific programs to overcome market impediments through access to  
377.23 authority financing and technical assistance; and

377.24 (3) develop outreach and marketing strategies designed to make potential project  
377.25 developers, participants, and communities aware of financing and technical assistance  
377.26 available from the authority, including the deployment of community navigators.

377.27 (b) Elements of the strategic plan must be informed by the authority's analysis of the  
377.28 market for qualified projects and by the authority's experience under the previous strategic  
377.29 plan, including the degree to which performance targets were or were not achieved by each  
377.30 financing program. In addition, the authority must actively seek input regarding activities  
377.31 that should be included in the strategic plan from stakeholders, environmental justice  
378.1 communities, the general public, and participants, including via meetings required under  
378.2 subdivision 9.

378.3 (c) The authority must establish annual targets in a strategic plan for each financing  
378.4 program regarding the number of projects, level of authority investments, greenhouse gas  
378.5 emissions reductions, and installed generating capacity or energy savings the authority  
378.6 hopes to achieve, including separate targets for authority activities undertaken in  
378.7 environmental justice communities.

378.8 (d) The authority's targets and strategies must be designed to ensure that no less than 40  
378.9 percent of the direct benefits of authority activities flow to environmental justice communities  
378.10 as defined under subdivision 2, by the United States Department of Energy, or as modified  
378.11 by the department.

378.12 Subd. 8. **Investment strategy; content; process.** (a) No later than December 15, 2024,  
378.13 and every four years thereafter, the authority must adopt a long-term investment strategy  
378.14 to ensure the authority's paramount goal to reduce greenhouse gas emissions is reflected in  
378.15 all of the authority's operations. The investment strategy must address:

378.16 (1) the types of qualified projects the authority should focus on;

378.17 (2) gaps in current qualified project financing that present the greatest opportunities for  
378.18 successful action by the authority;

378.19 (3) how the authority can best position itself to maximize the authority's impact without  
378.20 displacing, subsidizing, or assuming risk that should be shared with financing entities;

378.21 (4) financing tools that will be most effective in achieving the authority's goals;

378.22 (5) partnerships the authority should establish with other organizations to increase the  
378.23 likelihood of success; and

378.24 (6) how values of equity, environmental justice, and geographic balance can be integrated  
378.25 into all investment operations of the authority.

242.11 (2) develop specific programs to overcome market impediments through access to  
242.12 authority financing and technical assistance; and

242.13 (3) develop outreach and marketing strategies designed to make potential project  
242.14 developers, participants, and communities aware of financing and technical assistance  
242.15 available from the authority, including the deployment of community navigators.

242.16 (b) Elements of the strategic plan must be informed by the authority's analysis of the  
242.17 market for qualified projects and by the authority's experience under the previous strategic  
242.18 plan, including the degree to which performance targets were or were not achieved by each  
242.19 financing program. In addition, the authority must actively seek input regarding activities  
242.20 that should be included in the strategic plan from stakeholders, environmental justice  
242.21 communities, the general public, and participants, including via meetings required under  
242.22 subdivision 9.

242.23 (c) The authority must establish annual targets in a strategic plan for each financing  
242.24 program regarding the number of projects, level of authority investments, greenhouse gas  
242.25 emissions reductions, and installed generating capacity or energy savings the authority  
242.26 hopes to achieve, including separate targets for authority activities undertaken in  
242.27 environmental justice communities.

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242.29 percent of the direct benefits of authority activities flow to environmental justice communities  
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242.31 by the department.

242.32 Subd. 8. **Investment strategy; content; process.** (a) No later than December 15, 2024,  
242.33 and every four years thereafter, the authority must adopt a long-term investment strategy  
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243.2 all of the authority's operations. The investment strategy must address:

243.3 (1) the types of qualified projects the authority should focus on;

243.4 (2) gaps in current qualified project financing that present the greatest opportunities for  
243.5 successful action by the authority;

243.6 (3) how the authority can best position itself to maximize its impact without displacing,  
243.7 subsidizing, or assuming risk that should be shared with financing entities;

243.8 (4) financing tools that will be most effective in achieving the authority's goals;

243.9 (5) partnerships the authority should establish with other organizations to increase the  
243.10 likelihood of success; and

243.11 (6) how values of equity, environmental justice, and geographic balance can be integrated  
243.12 into all investment operations of the authority.

378.26 (b) In developing an investment strategy, the authority must consult, at a minimum, with  
378.27 similar organizations in other states, lending authorities, state agencies, utilities,  
378.28 environmental and energy policy nonprofits, labor organizations, and other organizations  
378.29 that can provide valuable advice on the authority's activities.

378.30 (c) The long-term investment strategy must contain provisions ensuring that:

378.31 (1) authority investments are not made solely to reduce private risk; and

379.1 (2) private financing entities do not unilaterally control the terms of investments to which  
379.2 the authority is a party.

379.3 (d) The board must submit a draft long-term investment strategy for comment to each  
379.4 of the groups and individuals the board consults under paragraph (b) and to the chairs and  
379.5 ranking minority members of the senate and house of representatives committees with  
379.6 primary jurisdiction over energy finance and policy, and must post the draft strategy on the  
379.7 authority's website. The authority must accept written comments on the draft strategy for  
379.8 at least 30 days and must consider the comments in preparing the final long-term investment  
379.9 strategy.

379.10 Subd. 9. **Public communications and outreach.** The authority must:

379.11 (1) maintain a public website that provides information about the authority's operations,  
379.12 current financing programs, and practices, including rates, terms, and conditions; the number  
379.13 and amount of investments by project type; the number of jobs created; the financing  
379.14 application process; and other information;

379.15 (2) periodically issue an electronic newsletter to stakeholders and the public containing  
379.16 information on the authority's products, programs, and services and key authority events  
379.17 and decisions; and

379.18 (3) hold quarterly meetings accessible online to update the general public on the  
379.19 authority's activities, report progress being made in regard to the authority's strategic plan  
379.20 and long-term investment strategy, and invite audience questions regarding authority  
379.21 programs.

379.22 Subd. 10. **Board of directors.** (a) The Minnesota Climate Innovation Finance Authority  
379.23 board of directors shall consist of the following 13 members:

379.24 (1) the commissioner of commerce, or the commissioner's designee;

379.25 (2) the commissioner of labor and industry, or the commissioner's designee;

379.26 (3) the commissioner of the Minnesota Pollution Control Agency, or the commissioner's  
379.27 designee;

379.28 (4) the commissioner of employment and economic development, or the commissioner's  
379.29 designee;

243.13 (b) In developing an investment strategy, the authority must consult, at a minimum, with  
243.14 similar organizations in other states, lending authorities, state agencies, utilities,  
243.15 environmental and energy policy nonprofits, labor organizations, and other organizations  
243.16 that can provide valuable advice on the authority's activities.

243.17 (c) The long-term investment strategy must contain provisions ensuring that:

243.18 (1) authority investments are not made solely to reduce private risk; and

243.19 (2) private financing entities do not unilaterally control the terms of investments to which  
243.20 the authority is a party.

243.21 (d) The board must submit a draft long-term investment strategy for comment to each  
243.22 of the groups and individuals the board consults under paragraph (b) and to the chairs and  
243.23 ranking minority members of the senate and house of representatives committees with  
243.24 primary jurisdiction over energy finance and policy, and must post the draft strategy on the  
243.25 authority's website. The authority must accept written comments on the draft strategy for  
243.26 at least 30 days and must consider the comments in preparing the final long-term investment  
243.27 strategy.

243.28 Subd. 9. **Public communications and outreach.** The authority must:

243.29 (1) maintain a public website that provides information about the authority's operations,  
243.30 current financing programs, and practices, including rates, terms, and conditions; the number  
243.31 and amount of investments by project type; the number of jobs created; the financing  
243.32 application process; and other information;

244.1 (2) periodically issue an electronic newsletter to stakeholders and the public containing  
244.2 information on the authority's products, programs, and services and key authority events  
244.3 and decisions; and

244.4 (3) hold quarterly meetings accessible online to update the general public on the  
244.5 authority's activities, report progress being made in regard to the authority's strategic plan  
244.6 and long-term investment strategy, and invite audience questions regarding authority  
244.7 programs.

244.8 Subd. 10. **Board of directors.** (a) The Minnesota Climate Innovation Finance Authority  
244.9 Board of Directors shall consist of the following 11 members:

244.10 (1) the commissioner of commerce, or the commissioner's designee;

244.11 (2) the commissioner of labor and industry, or the commissioner's designee;

244.12 (3) the commissioner of the Minnesota Pollution Control Agency, or the commissioner's  
244.13 designee;

244.14 (4) the commissioner of employment and economic development, or the commissioner's  
244.15 designee;

379.30 (5) the commissioner of the Minnesota Housing Finance Agency, or the commissioner's  
379.31 designee;

379.32 (6) the chair of the Minnesota Indian Affairs Council, or the chair's designee; and

380.1 (7) seven additional members appointed by the governor, as follows:

380.2 (i) one member representing either a municipal electric utility or a cooperative electric  
380.3 association;

380.4 (ii) one member, appointed after the governor consults with labor organizations in the  
380.5 state, must be a representative of a labor union with experience working on clean energy  
380.6 projects;

380.7 (iii) one member with expertise in the impact of climate change on Minnesota  
380.8 communities, particularly low-income communities;

380.9 (iv) one member with expertise in financing projects at a community bank, credit union,  
380.10 community development institution, or local government;

380.11 (v) one member with expertise in sustainable development and energy conservation;

380.12 (vi) one member with expertise in environmental justice; and

380.13 (vii) one member with expertise in investment fund management or financing and  
380.14 deploying clean energy technologies.

380.15 (b) At least two members appointed to the board must permanently reside outside the  
380.16 metropolitan area, as defined in section 473.121, subdivision 2. The board must collectively  
380.17 reflect the geographic and ethnic diversity of the state.

380.18 (c) Board members appointed under paragraph (a), clause (6), shall serve a term of four  
380.19 years, except that the initial appointments made under clause (6), items (i) to (iii), shall be  
380.20 for two-year terms, and the initial appointments made under clause (6), items (iv) to (vi),  
380.21 shall be for three-year terms.

380.22 (d) Members appointed to the board must:

380.23 (1) provide evidence of a commitment to the authority's purposes and goals; and

380.24 (2) not hold any personal or professional conflicts of interest related to the authority's  
380.25 activities, including with respect to the member's financial investments and employment or  
380.26 the financial investments and employment of the member's immediate family members.

380.27 (e) The governor must make the appointments required under this section no later than  
380.28 October 1, 2023.

244.16 (5) the chair of the Minnesota Indian Affairs Council, or the chair's designee; and

244.17 (6) six additional members appointed by the governor, as follows:

244.18 (i) one member, appointed after the governor consults with labor organizations in the  
244.19 state, must be a representative of a labor union with experience working on clean energy  
244.20 projects;

244.21 (ii) one member with expertise in the impact of climate change on Minnesota  
244.22 communities, particularly low-income communities;

244.23 (iii) one member with expertise in financing projects at a community bank, credit union,  
244.24 community development institution, or local government;

244.25 (iv) one member with expertise in sustainable development and energy conservation;

244.26 (v) one member with expertise in environmental justice; and

244.27 (vi) one member with expertise in investment fund management or financing and  
244.28 deploying clean energy technologies.

244.29 (b) At least two members appointed to the board must permanently reside outside the  
244.30 metropolitan area, as defined in section 473.121, subdivision 2. The board must collectively  
244.31 reflect the geographic and ethnic diversity of the state.

245.1 (c) Board members appointed under paragraph (a), clause (6), shall serve a term of four  
245.2 years.

257.9 (a) The initial appointments made under Minnesota Statutes, section 216C.441,  
257.10 subdivision 10, paragraph (a), clause (6), items (i) to (iii), shall be for two-year terms, and  
257.11 the initial appointments made under Minnesota Statutes, section 216C.441, subdivision 10,  
257.12 paragraph (a), clause (6), items (iv) to (vi), shall be for three-year terms.

245.3 (d) Members appointed to the board must:

245.4 (1) provide evidence of a commitment to the authority's purposes and goals; and

245.5 (2) not hold any personal or professional conflicts of interest related to the authority's  
245.6 activities, including with respect to the member's financial investments and employment or  
245.7 the financial investments and employment of the member's immediate family members.

257.13 (b) The governor must make the appointments required under this section no later than  
257.14 July 30, 2023.

380.29 (f) The initial meeting of the board of directors must be held no later than November  
380.30 17, 2023. At the initial meeting, the board shall elect a chair and vice-chair by majority vote  
380.31 of the members present.

381.1 (g) The authority shall contract with the department to provide administrative and  
381.2 technical services to the board and to prospective borrowers, especially those serving or  
381.3 located in environmental justice communities.

381.4 (h) Compensation of board members, removal of members, and filling of vacancies are  
381.5 governed by section 15.0575.

381.6 (i) Board members may be reappointed for up to two full terms.

381.7 (j) A majority of board members, excluding vacancies, constitutes a quorum for the  
381.8 purpose of conducting business and exercising powers, and for all other purposes. Action  
381.9 may be taken by the authority upon a vote of a majority of the quorum present.

381.10 (k) Board members and officers are not personally liable, either jointly or severally, for  
381.11 any debt or obligation created or incurred by the authority.

381.12 Subd. 11. **Account established.** (a) The Minnesota climate innovation authority account  
381.13 is established as a separate account in the special revenue fund in the state treasury. The  
381.14 authority's board of directors shall credit to the account appropriations and transfers to the  
381.15 account. Earnings, including interest, dividends, and any other earnings arising from assets  
381.16 of the account, must be credited to the account. Money remaining in the account at the end  
381.17 of a fiscal year does not cancel to the general fund, but remains in the account until expended.  
381.18 The authority's board of directors shall manage the account.

381.19 (b) Money in the account is appropriated to the board of directors of the Minnesota  
381.20 Climate Innovation Finance Authority for the purposes of this section and to reimburse the  
381.21 reasonable costs of the authority to administer this section.

381.22 Subd. 12. **Report; audit.** Beginning February 1, 2024, the authority must annually  
381.23 submit a comprehensive report on the authority's activities during the previous year to the  
381.24 governor and the chairs and ranking minority members of the legislative committees with  
381.25 primary jurisdiction over energy policy. The report must contain, at a minimum, information  
381.26 on:

381.27 (1) the amount of authority capital invested, by project type;

381.28 (2) the amount of private and public capital leveraged by authority investments, by  
381.29 project type;

381.30 (3) the number of qualified projects supported, by project type and location within  
381.31 Minnesota, including in environmental justice communities;

257.15 (c) The initial meeting of the board of directors must be held no later than September  
257.16 15, 2023. At the initial meeting, the board shall elect a chair and vice-chair by majority vote  
257.17 of the members present.

245.8 (e) The authority shall contract with the department to provide administrative and  
245.9 technical services to the board and to prospective borrowers, especially those serving or  
245.10 located in environmental justice communities.

245.11 (f) Compensation of board members, removal of members, and filling of vacancies are  
245.12 governed by section 15.0575.

245.13 (g) Board members may be reappointed for up to two full terms.

245.14 (h) A majority of board members, excluding vacancies, constitutes a quorum for the  
245.15 purpose of conducting business and exercising powers, and for all other purposes. Action  
245.16 may be taken by the authority upon a vote of a majority of the quorum present.

245.17 (i) Board members and officers are not personally liable, either jointly or severally, for  
245.18 any debt or obligation created or incurred by the authority.

245.19 Subd. 11. **Report; audit.** Beginning February 1, 2024, the authority must annually  
245.20 submit a comprehensive report on the authority's activities during the previous year to the  
245.21 governor and the chairs and ranking minority members of the legislative committees with  
245.22 primary jurisdiction over energy policy. The report must contain, at a minimum, information  
245.23 on:

245.24 (1) the amount of authority capital invested, by project type;

245.25 (2) the amount of private and public capital leveraged by authority investments, by  
245.26 project type;

245.27 (3) the number of qualified projects supported, by project type and location within  
245.28 Minnesota, including in environmental justice communities;

382.1 (4) the estimated number of jobs created for local workers and nonlocal workers, the  
382.2 ratio of projects subject to and exempt from prevailing wage requirements under subdivision  
382.3 6, paragraph (b), and tax revenue generated as a result of the authority's activities;

382.4 (5) estimated reductions in greenhouse gas emissions resulting from the authority's  
382.5 activities;

382.6 (6) the number of clean energy projects financed in low- and moderate-income  
382.7 households;

382.8 (7) a narrative describing the progress made toward the authority's equity, social, and  
382.9 labor standards goals; and

382.10 (8) a financial audit conducted by an independent party.

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

318.1 **Sec. 9. [216C.45] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANT**  
318.2 **PROGRAM.**

318.3 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have  
318.4 the meanings given.

318.5 (b) "Area median income" means the median income of the geographic area in which a  
318.6 single-family or multifamily building whose owner is applying for a grant under this section  
318.7 is located, as reported by the United States Department of Housing and Urban Development.

318.8 (c) "Automatic overcurrent protection device" means a device that protects against excess  
318.9 current by interrupting the flow of current.

318.10 (d) "Bus" means a metallic strip or bar that carries current.

318.11 (e) "Electric panel" means an enclosed box or cabinet containing a building's electric  
318.12 panels, including subpanels, that consists of buses, automatic overcurrent protection devices,  
318.13 and equipment, with or without switches to control light, heat, and power circuits. Electric  
318.14 panel includes a smart panel.

318.15 (f) "Electrical work" has the meaning given in section 326B.31, subdivision 17.

318.16 (g) "Eligible applicant" means:

318.17 (1) an owner of a single-family building whose occupants have an annual household  
318.18 income no greater than 150 percent of the area median income; or

318.19 (2) an owner of a multifamily building in which at least 50 percent of the units are  
318.20 occupied by households whose annual income is no greater than 150 percent of the area  
318.21 median income.

318.22 (h) "Multifamily building" means a building containing two or more units.

245.29 (4) the estimated number of jobs created for local workers and nonlocal workers, the  
245.30 ratio of projects subject to and exempt from prevailing wage requirements under subdivision  
245.31 6, paragraph (b), and tax revenue generated as a result of the authority's activities;

246.1 (5) estimated reductions in greenhouse gas emissions resulting from the authority's  
246.2 activities;

246.3 (6) the number of clean energy projects financed in low- and moderate-income  
246.4 households;

246.5 (7) a narrative describing the progress made toward the authority's equity, social, and  
246.6 labor standards goals; and

246.7 (8) a financial audit conducted by an independent party.

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

248.10 **Sec. 46. [216C.46] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANT**  
248.11 **PROGRAM.**

248.12 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have  
248.13 the meanings given.

248.14 (b) "Area median income" means the median income of the geographic area in which a  
248.15 single-family or multifamily building whose owner is applying for a grant under this section  
248.16 is located, as reported by the United States Department of Housing and Urban Development.

248.17 (c) "Electric panel" means a building's electric panel or group of panels, including any  
248.18 subpanels, consisting of buses and automatic overcurrent devices and equipment with or  
248.19 without switches for the control of light, heat, or power circuits placed in an enclosure,  
248.20 cabinet, or cutout box. Electric panel includes a smart panel.

248.21 (d) "Electrical work" has the meaning given in section 326B.31, subdivision 17.

248.22 (e) "Eligible applicant" means:

248.23 (1) an owner of a single-family building whose occupants have an annual household  
248.24 income no greater than 150 percent of the area median income; or

248.25 (2) an owner of a multifamily building in which at least 50 percent of the units are  
248.26 occupied by households whose annual income is no greater than 150 percent of the area  
248.27 median income.

248.28 (f) "Multifamily building" means a building containing two or more units.

318.23 (i) "Smart panel" means an electrical panel that may be electronically programmed to  
318.24 manage electricity use in a building automatically.

318.25 (j) "Unit" means a residential living space in a multifamily building occupied by an  
318.26 individual or a household.

318.27 (k) "Upgrade" means:

318.28 (1) for a single-family residence:

318.29 (i) the installation of equipment, devices, and wiring necessary to increase an electrical  
318.30 panel's capacity to a total rating:

318.31 (A) of not less than 200 amperes; or

319.1 (B) that allows all the building's energy needs to be provided solely by electricity, as  
319.2 calculated using the National Electrical Code adopted in Minnesota; or

319.3 (ii) the installation of a smart panel with or without additional equipment, devices, or  
319.4 wiring; and

319.5 (2) for a multifamily building, the installation of equipment, devices, and wiring necessary  
319.6 to increase the capacity of an electric panel, including feeder panels, to a total rating that  
319.7 allows all the building's energy needs to be provided solely by electricity, as calculated  
319.8 using the National Electrical Code adopted in Minnesota.

319.9 Subd. 2. **Program establishment.** A residential electric panel upgrade grant program  
319.10 is established in the department to provide financial assistance to owners of single-family  
319.11 residences and multifamily buildings to upgrade residential electric panels.

319.12 Subd. 3. **Account established.** (a) The residential electric panel upgrade grant account  
319.13 is established as a separate account in the special revenue fund in the state treasury. The  
319.14 commissioner shall credit to the account appropriations and transfers to the account. Earnings,  
319.15 including interest, dividends, and any other earnings arising from assets of the account,  
319.16 must be credited to the account. Money remaining in the account at the end of a fiscal year  
319.17 does not cancel to the general fund, but remains in the account until expended. The  
319.18 commissioner shall manage the account.

319.19 (b) Money in the account is appropriated to the commissioner to award electric panel  
319.20 upgrade grants and to reimburse the reasonable costs of the department to administer this  
319.21 section.

319.22 Subd. 4. **Application process.** An applicant seeking a grant under this section must  
319.23 submit an application to the commissioner on a form developed by the commissioner. The  
319.24 commissioner must develop administrative procedures to govern the application and grant  
319.25 award process. The commissioner may contract with a third party to conduct some or all of  
319.26 the program's operations.

248.29 (g) "Smart panel" means an electrical panel that may be electronically programmed to  
248.30 manage electricity use in a building automatically.

248.31 (h) "Unit" means a residential living space in a multifamily building occupied by an  
248.32 individual or a household.

249.1 (i) "Upgrade" means:

249.2 (1) for a single-family residence, the installation of equipment, devices, and wiring  
249.3 necessary to increase an electrical panel's capacity to a total rating of not less than 200  
249.4 amperes, or to a total rating that allows all the building's energy needs to be provided solely  
249.5 by electricity, as calculated using the most recent National Electrical Code as adopted in  
249.6 Minnesota;

249.7 (2) for a single-family residence, the installation of a smart panel; or

249.8 (3) for a multifamily building, the installation of equipment, devices, and wiring necessary  
249.9 to increase the capacity of an electric panel, including feeder panels, to a total rating that  
249.10 allows all the building's energy needs to be provided solely by electricity, as calculated  
249.11 using the National Electrical Code as adopted in Minnesota.

249.12 Subd. 2. **Program establishment.** A residential electric panel upgrade grant program  
249.13 is established in the Department of Commerce to provide financial assistance to owners of  
249.14 single-family residences and multifamily buildings to upgrade residential electric panels.

249.15 Subd. 3. **Application process.** An applicant seeking a grant under this section must  
249.16 submit an application to the commissioner on a form developed by the commissioner. The  
249.17 commissioner must develop administrative procedures to govern the application and grant  
249.18 award process. The commissioner may contract with a third party to conduct some or all of  
249.19 the program's operations.

319.27 Subd. 5. **Grant awards.** A grant may be awarded under this section to:

319.28 (1) an eligible applicant; or

319.29 (2) with the written permission of an eligible applicant submitted to the commissioner,

319.30 a contractor performing an upgrade or a third party on behalf of the eligible applicant.

319.31 Subd. 6. **Grant amount.** (a) Subject to the limits of paragraphs (b) to (e), a grant awarded

319.32 under this section may be used to pay 100 percent of the equipment and installation costs

319.33 of an upgrade.

320.1 (b) The commissioner may not award a grant to an eligible applicant under this section

320.2 which, in combination with a federal grant awarded to the eligible applicant under the federal

320.3 Inflation Reduction Act of 2022, Public Law 117-189, for the same electric panel upgrade,

320.4 exceeds 100 percent of the equipment and installation costs of the upgrade.

320.5 (c) The maximum grant amount under this section that may be awarded to an eligible

320.6 applicant who owns a single-family residence is:

320.7 (1) \$3,000 for an owner whose annual household income is less than 80 percent of area

320.8 median income; and

320.9 (2) \$2,000 for an owner whose annual household income exceeds 80 percent but is not

320.10 greater than 150 percent of area median income.

320.11 (d) The maximum grant amount that may be awarded under this section to an eligible

320.12 applicant who owns a multifamily building is the sum of \$5,000, plus \$500 multiplied by

320.13 the number of units containing a separate electric panel receiving an upgrade in the

320.14 multifamily building, not to exceed \$50,000 per multifamily building.

320.15 (e) The commissioner may approve a grant amount that exceeds the maximum grant

320.16 amount in paragraph (c) or (d), up to 100 percent of the equipment and installation costs of

320.17 the upgrade, if the commissioner determines that a larger grant amount is necessary in order

320.18 to complete the upgrade.

320.19 Subd. 7. **Limitation.** No more than one grant may be awarded to an owner under this

320.20 section for work conducted at the same single-family residence or multifamily building.

320.21 Subd. 8. **Outreach.** The department must publicize the availability of grants under this

320.22 section to, at a minimum:

320.23 (1) income-eligible households;

320.24 (2) community action agencies and other public and private nonprofit organizations that

320.25 provide weatherization and other energy services to income-eligible households; and

320.26 (3) multifamily property owners and property managers.

249.20 Subd. 4. **Grant awards.** A grant may be awarded under this section to:

249.21 (1) an eligible applicant; or

249.22 (2) with the written permission of an eligible applicant submitted to the commissioner,

249.23 a contractor performing an upgrade or a third party on behalf of the eligible applicant.

249.24 Subd. 5. **Grant amount.** (a) Subject to the limits of paragraphs (b) to (d), a grant awarded

249.25 under this section may be used to pay 100 percent of the equipment and installation costs

249.26 of an upgrade.

249.27 (b) The commissioner may not award a grant to an eligible applicant under this section

249.28 which, in combination with a federal grant awarded to the eligible applicant under the federal

249.29 Inflation Reduction Act of 2022, Public Law 117-189, for the same electric panel upgrade,

249.30 exceeds 100 percent of the equipment and installation costs of the upgrade.

249.31 (c) The maximum grant amount under this section that may be awarded to an eligible

249.32 applicant who owns a single-family residence is:

250.1 (1) \$3,000 for an owner whose annual household income is less than 80 percent of area

250.2 median income; and

250.3 (2) \$2,000 for an owner whose annual household income exceeds 80 percent but is not

250.4 greater than 150 percent of area median income.

250.5 (d) The maximum grant amount that may be awarded under this section to an eligible

250.6 applicant who owns a multifamily building is the sum of \$5,000, plus \$500 multiplied by

250.7 the number of units containing a separate electric panel receiving an upgrade in the

250.8 multifamily building, not to exceed \$50,000 per multifamily building.

250.9 (e) The commissioner may approve grants over the maximum amounts in paragraphs

250.10 (c) and (d) up to 100 percent of the equipment and installation costs of the upgrade if

250.11 necessary to complete the upgrade.

250.12 Subd. 6. **Limitation.** No more than one grant may be awarded to an owner under this

250.13 section for work conducted at the same single-family residence or multifamily building.

250.14 Subd. 7. **Outreach.** The department must publicize the availability of grants under this

250.15 section to, at a minimum:

250.16 (1) income-eligible households;

250.17 (2) community action agencies and other public and private nonprofit organizations that

250.18 provide weatherization and other energy services to income-eligible households; and

250.19 (3) multifamily property owners and property managers.

320.27 Subd. 9. **Contractor or subcontractor requirements.** Contractors and subcontractors  
320.28 performing electrical work under a grant awarded under this section:

320.29 (1) must comply with the provisions of sections 326B.31 to 326B.399;

320.30 (2) must certify that the electrical work is performed by a licensed journeyworker  
320.31 electrician or a registered unlicensed individual under the direct supervision of a licensed  
321.1 journeyworker electrician or master electrician employed by the same licensed electrical  
321.2 contractor; and

321.3 (3) must pay workers the prevailing wage rate, as defined in section 177.42, and are  
321.4 subject to the requirements and enforcement provisions in sections 177.27, 177.30, 177.32,  
321.5 177.41 to 177.435, and 177.45.

321.6 Subd. 10. **Report.** Beginning January 1, 2025, and each January 1 through 2033, the  
321.7 department must submit a report to the chairs and ranking minority members of the legislative  
321.8 committees with primary jurisdiction over climate and energy policy describing the activities  
321.9 and expenditures under the program established in **this** section. The report must include, at  
321.10 a minimum:

321.11 (1) the number of units in multifamily buildings and the number of single-family  
321.12 residences whose owners received grants;

321.13 (2) the geographic distribution of grant recipients; and

321.14 (3) the average amount of grants awarded per building in multifamily buildings and in  
321.15 single-family residences.

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

343.17 Sec. 14. **[216C.46] RESIDENTIAL HEAT PUMP REBATE PROGRAM.**

343.18 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
343.19 the meanings given.

343.20 (b) "Eligible applicant" means a person who provides evidence to the commissioner's  
343.21 satisfaction demonstrating that the person has received or has applied for a heat pump rebate  
343.22 available from the federal Department of Energy under the Inflation Reduction Act of 2022,  
343.23 Public Law 117-189.

343.24 (c) "Heat pump" means a cold climate rated air-source heat pump composed of (1) a  
343.25 mechanism that heats and cools indoor air by transferring heat from outdoor or indoor air  
343.26 using a fan, (2) a refrigerant-filled heat exchanger, and (3) an inverter-driven compressor  
343.27 that varies the pressure of the refrigerant to warm or cool the refrigerant vapor.

343.28 Subd. 2. **Establishment.** A residential heat pump rebate program is established in the  
343.29 department to provide financial assistance to eligible applicants that purchase and install a  
343.30 heat pump in the applicant's Minnesota residence.

250.20 Subd. 8. **Contractor or subcontractor requirements.** Contractors and subcontractors  
250.21 performing electrical work under a grant awarded under this section:

250.22 (1) must comply with the provisions of sections 326B.31 to 326B.399;

250.23 (2) must certify that the electrical work is performed by a licensed journeyworker  
250.24 electrician or a registered unlicensed individual under the direct supervision of a licensed  
250.25 journeyworker electrician or master electrician employed by the same licensed electrical  
250.26 contractor; and

250.27 (3) must pay workers the prevailing wage rate, as defined in section 177.42, and are  
250.28 subject to the requirements and enforcement provisions in sections 177.27, 177.30, 177.32,  
250.29 177.41 to 177.435, and 177.45.

250.30 Subd. 9. **Report.** Beginning January 1, 2025, and each January 1 through 2033, the  
250.31 department must submit a report to the chairs and ranking minority members of the legislative  
250.32 committees with primary jurisdiction over climate and energy policy describing the activities  
251.1 and expenditures under the program established in **the** section. The report must include, at  
251.2 a minimum:

251.3 (1) the number of units in multifamily buildings and the number of single-family  
251.4 residences whose owners received grants;

251.5 (2) the geographic distribution of grant recipients; and

251.6 (3) the average amount of grants awarded per building in multifamily buildings and in  
251.7 single-family residences.

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

246.9 Sec. 45. **[216C.45] RESIDENTIAL HEAT PUMP REBATE PROGRAM.**

246.10 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
246.11 the meanings given.

246.12 (b) "Eligible applicant" means a person who provides evidence to the commissioner's  
246.13 satisfaction demonstrating that the person has received or has applied for a heat pump rebate  
246.14 available from the federal Department of Energy under the Inflation Reduction Act of 2022,  
246.15 Public Law 117-189.

246.16 (c) "Heat pump" means a cold climate rated air-source heat pump composed of (1) a  
246.17 mechanism that heats and cools indoor air by transferring heat from outdoor or indoor air  
246.18 using a fan, (2) a refrigerant-filled heat exchanger, and (3) an inverter-driven compressor  
246.19 that varies the pressure of the refrigerant to warm or cool the refrigerant vapor.

246.20 Subd. 2. **Establishment.** A residential heat pump rebate program is established in the  
246.21 department to provide financial assistance to eligible applicants that purchase and install a  
246.22 heat pump in the applicant's Minnesota residence.

344.1 Subd. 3. **Application.** (a) An application for a rebate under this section must be made  
344.2 to the commissioner on a form developed by the commissioner. The application must be  
344.3 accompanied by documentation, as required by the commissioner, demonstrating that:

344.4 (1) the applicant is an eligible applicant;  
344.5 (2) the applicant owns the Minnesota residence in which the heat pump is to be installed;

344.6 (3) the applicant has had an energy audit conducted of the residence in which the heat  
344.7 pump is to be installed within the last 18 months by a person with a Building Analyst  
344.8 Technician certification issued by the Building Performance Institute, Inc., or an equivalent  
344.9 certification, as determined by the commissioner;

344.10 (4) either:

344.11 (i) the applicant has installed in the applicant's residence, by a contractor with an Air  
344.12 Leakage Control Installer certification issued by the Building Performance Institute, Inc.,  
344.13 or an equivalent certification, as determined by the commissioner, the amount of insulation  
344.14 and the air sealing measures recommended by the auditor; or

344.15 (ii) the auditor has otherwise determined that the amount of insulation and air sealing  
344.16 measures in the residence are sufficient to enable effective heat pump performance;

344.17 (5) the applicant has purchased a heat pump of the capacity recommended by the auditor  
344.18 or contractor, and has had the heat pump installed by a contractor with sufficient training  
344.19 and experience in installing heat pumps, as determined by the commissioner; and

344.20 (6) the total cost to purchase and install the heat pump in the applicant's residence.

344.21 (b) The commissioner must develop administrative procedures governing the application  
344.22 and rebate award processes.

344.23 (c) The commissioner may modify program requirements under this section when  
344.24 necessary to align with comparable federal programs administered by the department under  
344.25 the federal Inflation Reduction Act of 2022, Public Law 117-189.

344.26 Subd. 4. **Rebate amount.** A rebate awarded under this section must not exceed the lesser  
344.27 of:

344.28 (1) \$4,000; or

344.29 (2) the total cost to purchase and install the heat pump in an eligible applicant's residence  
344.30 net of the rebate amount received for the heat pump from the federal Department of Energy  
344.31 under the Inflation Reduction Act of 2022, Public Law 117-189.

345.1 Subd. 5. **Assisting applicants.** The commissioner may issue a request for proposal  
345.2 seeking an entity to serve as an energy coordinator to interact directly with applicants and  
345.3 potential applicants to:

246.23 Subd. 3. **Application.** (a) An application for a rebate under this section must be made  
246.24 to the commissioner on a form developed by the commissioner. The application must be  
246.25 accompanied by documentation, as required by the commissioner, demonstrating that:

246.26 (1) the applicant is an eligible applicant;

246.27 (2) the applicant owns the Minnesota residence in which the heat pump is to be installed;

246.28 (3) the applicant has had an energy audit conducted of the residence in which the heat  
246.29 pump is to be installed within the last 18 months by a person with a Building Analyst  
246.30 Technician certification issued by the Building Performance Institute, Inc., or an equivalent  
246.31 certification, as determined by the commissioner;

247.1 (4) either:

247.2 (i) the applicant has installed in the applicant's residence, by a contractor with an Air  
247.3 Leakage Control Installer certification issued by the Building Performance Institute, Inc.,  
247.4 or an equivalent certification, as determined by the commissioner, the amount of insulation  
247.5 and the air sealing measures recommended by the auditor; or

247.6 (ii) the auditor has otherwise determined that the amount of insulation and air sealing  
247.7 measures in the residence are sufficient to enable effective heat pump performance;

247.8 (5) the applicant has purchased a heat pump of the capacity recommended by the auditor  
247.9 or contractor, and has had the heat pump installed by a contractor with sufficient training  
247.10 and experience in installing heat pumps, as determined by the commissioner; and

247.11 (6) the total cost to purchase and install the heat pump in the applicant's residence.

247.12 (b) The commissioner must develop administrative procedures governing the application  
247.13 and rebate award processes.

247.14 Subd. 4. **Rebate amount.** A rebate awarded under this section must not exceed the lesser  
247.15 of:

247.16 (1) \$4,000; or

247.17 (2) the total cost to purchase and install the heat pump in an eligible applicant's residence  
247.18 net of the rebate amount received for the heat pump from the federal Department of Energy  
247.19 under the Inflation Reduction Act of 2022, Public Law 117-189.

247.20 Subd. 5. **Assisting applicants.** The commissioner must issue a request for proposals  
247.21 seeking an entity to serve as an energy coordinator to interact directly with applicants and  
247.22 potential applicants to:

345.4 (1) explain the technical aspects of heat pumps, energy audits, and energy conservation  
345.5 measures, and the energy and financial savings that can result from implementing each;

345.6 (2) identify federal, state, and utility programs available to homeowners to reduce the  
345.7 costs of energy audits, energy conservation, and heat pumps;

345.8 (3) explain the requirements and scheduling of the application process;

345.9 (4) provide access to certified contractors who can perform energy audits, install  
345.10 insulation and air sealing measures, and install heat pumps; and

345.11 (5) conduct outreach to make potential applicants aware of the program.

345.12 Subd. 6. **Contractor training and support.** The commissioner may issue a request for  
345.13 proposals seeking an entity to develop and organize programs to train contractors with  
345.14 respect to the technical aspects and installation of heat pumps in residences. The training  
345.15 curriculum must be at a level sufficient to provide contractors who complete training with  
345.16 the knowledge and skills necessary to install heat pumps to industry best practice standards,  
345.17 as determined by the commissioner. Training programs must: (1) be accessible in all regions  
345.18 of the state; and (2) provide mentoring and ongoing support, including continuing education  
345.19 and financial assistance, to trainees.

345.20 Subd. 7. **Account established.** (a) The residential heat pump rebate account is established  
345.21 as a separate account in the special revenue fund in the state treasury. The commissioner  
345.22 shall credit to the account appropriations and transfers to the account. Earnings, including  
345.23 interest, dividends, and any other earnings arising from assets of the account, must be  
345.24 credited to the account. Money remaining in the account at the end of a fiscal year does not  
345.25 cancel to the general fund, but remains in the account until expended. The commissioner  
345.26 shall manage the account.

345.27 (b) Money in the account is appropriated to the commissioner for the purposes of this  
345.28 section and to reimburse the reasonable costs of the department to administer this section.

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

430.11 Sec. 12. **[216C.51] UTILITY DIVERSITY REPORTING.**

430.12 Subdivision 1. **Public policy.** It is the public policy of this state to encourage each utility  
430.13 that serves Minnesota residents to focus on and improve the diversity of the utility's  
430.14 workforce and suppliers.

430.15 Subd. 2. **Definition.** As used in this section, "utility" means:

430.16 (1) a public utility;

430.17 (2) a generation and transmission electric cooperative association;

430.18 (3) a municipal power agency;

247.23 (1) explain the technical aspects of heat pumps, energy audits, and energy conservation  
247.24 measures, and the energy and financial savings that can result from implementing each;

247.25 (2) identify federal, state, and utility programs available to homeowners to reduce the  
247.26 costs of energy audits, energy conservation, and heat pumps;

247.27 (3) explain the requirements and scheduling of the application process;

247.28 (4) provide access to certified contractors who can perform energy audits, install  
247.29 insulation and air sealing measures, and install heat pumps; and

247.30 (5) conduct outreach to make potential applicants aware of the program.

248.1 Subd. 6. **Contractor training and support.** The commissioner must issue a request for  
248.2 proposals seeking an entity to develop and organize programs to train contractors with  
248.3 respect to the technical aspects and installation of heat pumps in residences. The training  
248.4 curriculum must be at a level sufficient to provide contractors who complete training with  
248.5 the knowledge and skills necessary to install heat pumps to industry best practice standards,  
248.6 as determined by the commissioner. Training programs must: (1) be accessible in all regions  
248.7 of the state; and (2) provide mentoring and ongoing support, including continuing education  
248.8 and financial assistance, to trainees.

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

251.9 Sec. 47. **[216C.51] UTILITY DIVERSITY REPORTING.**

251.10 Subdivision 1. **Public policy.** It is the public policy of this state to encourage each utility  
251.11 that serves Minnesota residents to focus on and improve the diversity of the utility's  
251.12 workforce and suppliers.

251.13 Subd. 2. **Definition.** As used in this section, "utility" has the meaning given to the term  
251.14 "public utility" in section 216B.02, subdivision 4.

430.19 (4) a municipal utility that provides electric service to 10,000 customers or more; or  
430.20 (5) a cooperative electric association that provides electric service to 10,000 members  
430.21 or more.

430.22 Subd. 3. **Annual report.** (a) Beginning March 15, 2024, and each March 15 thereafter,  
430.23 each utility authorized to do business in Minnesota must file an annual diversity report to  
430.24 the commissioner in the public eDockets system that describes:

430.25 (1) the utility's goals and efforts to increase diversity in the workplace, including current  
430.26 workforce representation numbers and percentages; and

430.27 (2) all procurement goals and actual spending for female-owned, minority-owned,  
430.28 veteran-owned, and small business enterprises during the previous calendar year.

430.29 (b) The goals under paragraph (a), clause (2), must be expressed as a percentage of the  
430.30 total work performed by the utility submitting the report. The actual spending for  
431.1 female-owned, minority-owned, veteran-owned, and small business enterprises must also  
431.2 be expressed as a percentage of the total work performed by the utility submitting the report.

431.3 Subd. 4. **Report elements.** Each utility required to report under this section must include  
431.4 the following in the annual report to the department:

431.5 (1) an explanation of the plan to increase diversity in the utility's workforce and suppliers  
431.6 during the next year;

431.7 (2) an explanation of the plan to increase the goals;

431.8 (3) an explanation of the challenges faced to increase workforce and supplier diversity,  
431.9 including suggestions regarding actions the department could take to help identify potential  
431.10 employees and vendors;

431.11 (4) a list of the certifications the company recognizes that must include the Minnesota  
431.12 Unified Certification Program; the Central Certification Program recognized by Hennepin  
431.13 County, Ramsey County, the city of St. Paul, and the city of Minneapolis Target Market  
431.14 program; and the Minnesota Office of State Procurement program for Targeted Group,  
431.15 Economically Disadvantaged and Veteran-Owned small businesses;

431.16 (5) a point of contact for a potential employee or vendor that wishes to work for or do  
431.17 business with the utility; and

431.18 (6) a list of successful actions taken to increase workforce and supplier diversity, in  
431.19 order to encourage other companies to emulate best practices.

431.20 Subd. 5. **State data.** Each annual report must include as much state-specific data as  
431.21 possible. If the submitting utility does not submit state-specific data, the utility must include  
431.22 any relevant national data the utility possesses, explain why the utility could not submit

251.15 Subd. 3. **Annual report.** (a) Beginning March 15, 2024, and each March 15 thereafter,  
251.16 each utility authorized to do business in Minnesota must file an annual diversity report to  
251.17 the commissioner that describes:

251.18 (1) the utility's goals and efforts to increase diversity in the workplace, including current  
251.19 workforce representation numbers and percentages; and

251.20 (2) all procurement goals and actual spending for female-owned, minority-owned,  
251.21 veteran-owned, and small business enterprises during the previous calendar year.

251.22 (b) The goals under paragraph (a), clause (2), must be expressed as a percentage of the  
251.23 total work performed by the utility submitting the report. The actual spending for  
251.24 female-owned, minority-owned, veteran-owned, and small business enterprises must also  
251.25 be expressed as a percentage of the total work performed by the utility submitting the report.

251.26 Subd. 4. **Report elements.** Each utility required to report under this section must include  
251.27 the following in the annual report to the department:

251.28 (1) an explanation of the plan to increase diversity in the utility's workforce and suppliers  
251.29 during the next year;

251.30 (2) an explanation of the plan to increase the goals;

252.1 (3) an explanation of the challenges faced to increase workforce and supplier diversity,  
252.2 including suggestions regarding actions the department could take to help identify potential  
252.3 employees and vendors;

252.4 (4) a list of the certifications the company recognizes;

252.5 (5) a point of contact for a potential employee or vendor that wishes to work for or do  
252.6 business with the utility; and

252.7 (6) a list of successful actions taken to increase workforce and supplier diversity, to  
252.8 encourage other companies to emulate best practices.

252.9 Subd. 5. **State data.** Each annual report must include as much state-specific data as  
252.10 possible. If the submitting utility does not submit state-specific data, the utility must include  
252.11 any relevant national data the utility possesses, explain why the utility could not submit

431.23 state-specific data, and detail how the utility intends to include state-specific data in future  
431.24 reports, if possible.

431.25 Subd. 6. **Publication; retention.** The department must publish an annual report on the  
431.26 department's website and file the report in the public eDockets system, and must maintain  
431.27 each annual report for at least five years.

431.28 Subd. 7. **Annual workshop.** Beginning in 2024, and continuing annually thereafter, the  
431.29 Minnesota Public Utilities Commission must organize a workshop for utilities that is open  
431.30 to members of the public and that focuses on utility efforts to (1) advance supplier diversity,  
431.31 and (2) collaboratively explore solutions to advance supplier diversity.

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

346.1 Sec. 15. Minnesota Statutes 2022, section 216E.01, is amended by adding a subdivision  
346.2 to read:

346.3 Subd. 3a. **Energy storage system.** "Energy storage system" means equipment and  
346.4 associated facilities designed with a nameplate capacity of 5,000 kilowatts or more that is  
346.5 capable of storing generated electricity for a period of time and delivering the electricity  
346.6 for use after storage.

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

346.8 Sec. 16. Minnesota Statutes 2022, section 216E.01, subdivision 6, is amended to read:

346.9 Subd. 6. **Large electric power facilities.** "Large electric power facilities" means high  
346.10 voltage transmission lines ~~and~~, large electric power generating plants, and energy storage  
346.11 systems.

346.12 Sec. 17. Minnesota Statutes 2022, section 216E.03, subdivision 1, is amended to read:

346.13 Subdivision 1. **Site permit.** No person may construct a large electric generating plant  
346.14 or an energy storage system without a site permit from the commission. A large electric  
346.15 generating plant or an energy storage system may be constructed only on a site approved  
346.16 by the commission. The commission must incorporate into one proceeding the route selection  
346.17 for a high-voltage transmission line that is directly associated with and necessary to  
346.18 interconnect the large electric generating plant to the transmission system and whose need  
346.19 is certified under section 216B.243.

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

346.21 Sec. 18. Minnesota Statutes 2022, section 216E.03, subdivision 3, is amended to read:

346.22 Subd. 3. **Application.** Any person seeking to construct a large electric power ~~generating~~  
346.23 plant or a high-voltage transmission line facility must apply to the commission for a site or  
346.24 route permit, as applicable. The application shall contain such information as the commission  
346.25 may require. The applicant shall propose at least two sites for a large electric power  
346.26 generating plant facility and two routes for a high-voltage transmission line. Neither of the

252.12 state-specific data, and detail how the utility intends to include state-specific data in future  
252.13 reports, if possible.

252.14 Subd. 6. **Publication; retention.** The department must publish an annual report on the  
252.15 department's website and must maintain each annual report for at least five years.

346.27 two proposed routes may be designated as a preferred route and all proposed routes must  
346.28 be numbered and designated as alternatives. The commission shall determine whether an  
346.29 application is complete and advise the applicant of any deficiencies within ten days of  
346.30 receipt. An application is not incomplete if information not in the application can be obtained  
346.31 from the applicant during the first phase of the process and that information is not essential  
346.32 for notice and initial public meetings.

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

347.2 Sec. 19. Minnesota Statutes 2022, section 216E.03, subdivision 5, as amended by Laws  
347.3 2023, chapter 7, section 25, is amended to read:

347.4 Subd. 5. **Environmental review.** (a) The commissioner of the Department of Commerce  
347.5 shall prepare for the commission an environmental impact statement on each proposed large  
347.6 electric power ~~generating plant or high-voltage transmission line~~ facility for which a complete  
347.7 application has been submitted. The commissioner shall not consider whether or not the  
347.8 project is needed. No other state environmental review documents shall be required. The  
347.9 commissioner shall study and evaluate any site or route proposed by an applicant and any  
347.10 other site or route the commission deems necessary that was proposed in a manner consistent  
347.11 with rules concerning the form, content, and timeliness of proposals for alternate sites or  
347.12 routes, excluding any alternate site for a solar energy generating system that was not proposed  
347.13 by an applicant.

347.14 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a  
347.15 large electric power generating plant and is not proposed by a utility, the commissioner  
347.16 must make a finding in the environmental impact statement whether the project is likely to  
347.17 result in a net reduction of carbon dioxide emissions, considering both the utility providing  
347.18 electric service to the proposed cogeneration facility and any reduction in carbon dioxide  
347.19 emissions as a result of increased efficiency from the production of thermal energy on the  
347.20 part of the customer operating or owning the proposed cogeneration facility.

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

347.22 Sec. 20. Minnesota Statutes 2022, section 216E.03, subdivision 6, is amended to read:

347.23 Subd. 6. **Public hearing.** The commission shall hold a public hearing on an application  
347.24 for a site or route permit for a large electric power ~~generating plant or a route permit for a~~  
347.25 ~~high-voltage transmission line~~ facility. All hearings held for designating a site or route shall  
347.26 be conducted by an administrative law judge from the Office of Administrative Hearings  
347.27 pursuant to the contested case procedures of chapter 14. Notice of the hearing shall be given  
347.28 by the commission at least ten days in advance but no earlier than 45 days prior to the  
347.29 commencement of the hearing. Notice shall be by publication in a legal newspaper of general  
347.30 circulation in the county in which the public hearing is to be held and by certified mail to  
347.31 chief executives of the regional development commissions, counties, organized towns,  
347.32 townships, and the incorporated municipalities in which a site or route is proposed. Any  
347.33 person may appear at the hearings and offer testimony and exhibits without the necessity

348.1 of intervening as a formal party to the proceedings. The administrative law judge may allow  
348.2 any person to ask questions of other witnesses. The administrative law judge shall hold a  
348.3 portion of the hearing in the area where the power plant or transmission line is proposed to  
348.4 be located.

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

348.6 Sec. 21. Minnesota Statutes 2022, section 216E.03, subdivision 7, as amended by Laws  
348.7 2023, chapter 7, section 26, is amended to read:

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

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

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

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

348.24 (3) evaluation of the effects of new electric power generation and transmission  
348.25 technologies and systems related to power plants designed to minimize adverse environmental  
348.26 effects;

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

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

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

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

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

- 349.5 (9) evaluation of governmental survey lines and other natural division lines of agricultural  
349.6 land so as to minimize interference with agricultural operations;
- 349.7 (10) evaluation of the future needs for additional high-voltage transmission lines in the  
349.8 same general area as any proposed route, and the advisability of ordering the construction  
349.9 of structures capable of expansion in transmission capacity through multiple circuiting or  
349.10 design modifications;
- 349.11 (11) evaluation of irreversible and irretrievable commitments of resources should the  
349.12 proposed site or route be approved;
- 349.13 (12) when appropriate, consideration of problems raised by other state and federal  
349.14 agencies and local entities;
- 349.15 (13) evaluation of the benefits of the proposed facility with respect to (i) the protection  
349.16 and enhancement of environmental quality, and (ii) the reliability of state and regional  
349.17 energy supplies;
- 349.18 (14) evaluation of the proposed facility's impact on socioeconomic factors; and
- 349.19 (15) evaluation of the proposed facility's employment and economic impacts in the  
349.20 vicinity of the facility site and throughout Minnesota, including the quantity and quality of  
349.21 construction and permanent jobs and their compensation levels. The commission must  
349.22 consider a facility's local employment and economic impacts, and may reject or place  
349.23 conditions on a site or route permit based on the local employment and economic impacts.
- 349.24 (c) If the commission's rules are substantially similar to existing regulations of a federal  
349.25 agency to which the utility in the state is subject, the federal regulations must be applied by  
349.26 the commission.
- 349.27 (d) No site or route shall be designated which violates state agency rules.
- 349.28 (e) The commission must make specific findings that it has considered locating a route  
349.29 for a high-voltage transmission line on an existing high-voltage transmission route and the  
349.30 use of parallel existing highway right-of-way and, to the extent those are not used for the  
349.31 route, the commission must state the reasons.
- 349.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 350.1 Sec. 22. Minnesota Statutes 2022, section 216E.04, subdivision 2, as amended by Laws  
350.2 2023, chapter 7, section 29, is amended to read:
- 350.3 Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to  
350.4 the following projects:
- 350.5 (1) large electric power generating plants with a capacity of less than 80 megawatts;
- 350.6 (2) large electric power generating plants that are fueled by natural gas;
- 350.7 (3) high-voltage transmission lines of between 100 and 200 kilovolts;

- 350.8 (4) high-voltage transmission lines in excess of 200 kilovolts and less than 30 miles in  
350.9 length in Minnesota;
- 350.10 (5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of  
350.11 the distance of the line in Minnesota will be located along existing high-voltage transmission  
350.12 line right-of-way;
- 350.13 (6) a high-voltage transmission line service extension to a single customer between 200  
350.14 and 300 kilovolts and less than ten miles in length;
- 350.15 (7) a high-voltage transmission line rerouting to serve the demand of a single customer  
350.16 when the rerouted line will be located at least 80 percent on property owned or controlled  
350.17 by the customer or the owner of the transmission line; ~~and~~
- 350.18 (8) large electric power generating plants that are powered by solar energy; and  
350.19 (9) energy storage systems.
- 350.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 350.21 Sec. 23. Minnesota Statutes 2022, section 216E.05, subdivision 2, is amended to read:
- 350.22 Subd. 2. **Applicable projects.** Applicants may seek approval from local units of  
350.23 government to construct the following projects:
- 350.24 (1) large electric power generating plants with a capacity of less than 80 megawatts;
- 350.25 (2) large electric power generating plants of any size that burn natural gas and are intended  
350.26 to be a peaking plant;
- 350.27 (3) high-voltage transmission lines of between 100 and 200 kilovolts;
- 350.28 (4) substations with a voltage designed for and capable of operation at a nominal voltage  
350.29 of 100 kilovolts or more;
- 351.1 (5) a high-voltage transmission line service extension to a single customer between 200  
351.2 and 300 kilovolts and less than ten miles in length; ~~and~~
- 351.3 (6) a high-voltage transmission line rerouting to serve the demand of a single customer  
351.4 when the rerouted line will be located at least 80 percent on property owned or controlled  
351.5 by the customer or the owner of the transmission line; and
- 351.6 (7) energy storage systems.
- 351.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

351.8 Sec. 24. Minnesota Statutes 2022, section 216E.06, is amended to read:

351.9 **216E.06 EMERGENCY PERMIT.**

351.10 (a) Any utility whose electric power system requires the immediate construction of a  
351.11 large electric power generating plant or high-voltage transmission line facility due to a major  
351.12 unforeseen event may apply to the commission for an emergency permit. The application  
351.13 shall provide notice in writing of the major unforeseen event and the need for immediate  
351.14 construction. The permit must be issued in a timely manner, no later than 195 days after  
351.15 the commission's acceptance of the application and upon a finding by the commission that  
351.16 (1) a demonstrable emergency exists, (2) the emergency requires immediate construction,  
351.17 and (3) adherence to the procedures and time schedules specified in section 216E.03 would  
351.18 jeopardize the utility's electric power system or would jeopardize the utility's ability to meet  
351.19 the electric needs of its customers in an orderly and timely manner.

351.20 (b) A public hearing to determine if an emergency exists must be held within 90 days  
351.21 of the application. The commission, after notice and hearing, shall adopt rules specifying  
351.22 the criteria for emergency certification.

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

351.24 Sec. 25. Minnesota Statutes 2022, section 216E.07, is amended to read:

351.25 **216E.07 ANNUAL HEARING.**

351.26 The commission shall hold an annual public hearing at a time and place prescribed by  
351.27 rule in order to afford interested persons an opportunity to be heard regarding any matters  
351.28 relating to the siting and routing of large electric generating power plants and routing of  
351.29 high-voltage transmission lines facilities. At the meeting, the commission shall advise the  
351.30 public of the permits issued by the commission in the past year. The commission shall  
351.31 provide at least ten days but no more than 45 days' notice of the annual meeting by mailing  
351.32 or serving electronically, as provided in section 216.17, a notice to those persons who have  
352.1 requested notice and by publication in the EQB Monitor and the commission's weekly  
352.2 calendar.

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

352.4 Sec. 26. Minnesota Statutes 2022, section 216E.10, is amended to read:

352.5 **216E.10 APPLICATION TO LOCAL REGULATION AND OTHER STATE**  
352.6 **PERMITS.**

352.7 Subdivision 1. **Site or route permit prevails over local provisions.** To assure the  
352.8 paramount and controlling effect of the provisions herein over other state agencies, regional,  
352.9 county, and local governments, and special purpose government districts, the issuance of a  
352.10 site permit or route permit and subsequent purchase and use of such site or route locations  
352.11 for large electric power generating plant and high-voltage transmission line facility purposes  
352.12 shall be the sole site or route approval required to be obtained by the utility. Such permit

352.13 shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances  
352.14 promulgated by regional, county, local and special purpose government.

352.15 Subd. 2. **Other state permits.** Notwithstanding anything herein to the contrary, utilities  
352.16 shall obtain state permits that may be required to construct and operate large electric power  
352.17 generating plants and high-voltage transmission lines facilities. A state agency in processing  
352.18 a utility's facility permit application shall be bound to the decisions of the commission, with  
352.19 respect to the site or route designation, and with respect to other matters for which authority  
352.20 has been granted to the commission by this chapter.

352.21 Subd. 3. **State agency participation.** (a) State agencies authorized to issue permits  
352.22 required for construction or operation of large electric power generating plants or high-voltage  
352.23 transmission lines shall participate during routing and siting at public hearings and all other  
352.24 activities of the commission on specific site or route designations and design considerations  
352.25 of the commission, and shall clearly state whether the site or route being considered for  
352.26 designation or permit and other design matters under consideration for approval will be in  
352.27 compliance with state agency standards, rules, or policies.

352.28 (b) An applicant for a permit under this section or under chapter 216G shall notify the  
352.29 commissioner of agriculture if the proposed project will impact cultivated agricultural land,  
352.30 as that term is defined in section 216G.01, subdivision 4. The commissioner may participate  
352.31 and advise the commission as to whether to grant a permit for the project and the best options  
352.32 for mitigating adverse impacts to agricultural lands if the permit is granted. The Department  
353.1 of Agriculture shall be the lead agency on the development of any agricultural mitigation  
353.2 plan required for the project.

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

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23.27 Sec. 18. Minnesota Statutes 2022, section 216G.02, subdivision 1, is amended to read:

23.28 Subdivision 1. **Definition.** (a) For purposes of this section ~~and~~, the following terms  
23.29 defined in this subdivision have the meanings given.

23.30 (b) "Gas" means natural gas, flammable gas, carbon dioxide, gas that is toxic, or gas  
23.31 that is corrosive, regardless of whether the material has been compressed or cooled to a  
23.32 liquid or supercritical state.

24.1 (c) "Hazardous liquid" means petroleum, petroleum products, anhydrous ammonia, or  
24.2 a substance included in the definition of hazardous liquid under Code of Federal Regulations,  
24.3 title 49, section 195.2, as amended.

24.4 (d) Notwithstanding section 216G.01, subdivision 3, "pipeline" means:

382.12 Sec. 3. Minnesota Statutes 2022, section 216H.02, subdivision 1, is amended to read:

382.13 Subdivision 1. **Greenhouse gas emissions-reduction goal.** (a) It is the goal of the state  
382.14 to reduce statewide greenhouse gas emissions across all sectors producing those greenhouse  
382.15 gas emissions to a level at least 15 percent below 2005 levels by 2015, to a level at least 30  
382.16 percent below 2005 levels by 2025, and to a level at least 80 percent below 2005 levels by  
382.17 2050, by at least the following amounts, compared with the level of emissions in 2005:

382.18 (1) 15 percent by 2015;

382.19 (2) 30 percent by 2025;

382.20 (3) 50 percent by 2030; and

382.21 (4) to net zero by 2050.

382.22 (b) To the maximum extent practicable, actions taken to achieve these goals must avoid  
382.23 causing disproportionate adverse impacts to residents of communities that are or have been  
382.24 incommensurately exposed to pollution affecting human health and environmental quality.

382.25 (c) The levels shall targets must be reviewed based on the climate change action plan  
382.26 study annually by the commissioner of the Pollution Control Agency, taking into account  
382.27 the latest scientific research on the impacts of climate change and strategies to reduce  
382.28 greenhouse gas emissions published by the Intergovernmental Panel on Climate Change.  
382.29 The commissioner must forward any recommended changes to the targets to the chairs and  
382.30 ranking minority members of legislative committees with primary jurisdiction over climate  
382.31 change and environmental policy.

383.1 (d) For the purposes of the subdivision, "net zero" means:

383.2 (1) statewide greenhouse gas emissions equal to zero; or

383.3 (2) the balance of annual statewide greenhouse gas emissions, minus any terrestrial  
383.4 sequestration of statewide greenhouse gas emissions, equals zero or less.

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

24.5 (1) pipe with a nominal diameter of six inches or more that is designed to transport  
24.6 hazardous liquids, but does not include pipe designed to transport a hazardous liquid by  
24.7 gravity, and pipe designed to transport or store a hazardous liquid within a refining, storage,  
24.8 or manufacturing facility; or

24.9 (2) pipe designed to be operated at a pressure of more than 275 pounds per square inch  
24.10 and to carry gas.

432.1 Sec. 13. Minnesota Statutes 2022, section 237.55, is amended to read:

432.2 **237.55 ANNUAL REPORT ON TELECOMMUNICATIONS ACCESS.**

432.3 The commissioner of commerce must prepare a report for presentation to the Public  
432.4 Utilities Commission by ~~January~~ March 31 of each year. Each report must review the  
432.5 accessibility of telecommunications services to persons who have communication disabilities,  
432.6 describe services provided, account for annual revenues and expenditures for each aspect  
432.7 of the fund to date, and include ~~predicted program~~ anticipated future operation program  
432.8 operations.

353.4 Sec. 27. Minnesota Statutes 2022, section 326B.106, subdivision 1, is amended to read:

353.5 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections  
353.6 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the  
353.7 Construction Codes Advisory Council establish a code of standards for the construction,  
353.8 reconstruction, alteration, and repair of buildings, governing matters of structural materials,  
353.9 design and construction, fire protection, health, sanitation, and safety, including design and  
353.10 construction standards regarding heat loss control, illumination, and climate control. The  
353.11 code must also include duties and responsibilities for code administration, including  
353.12 procedures for administrative action, penalties, and suspension and revocation of certification.  
353.13 The code must conform insofar as practicable to model building codes generally accepted  
353.14 and in use throughout the United States, including a code for building conservation. In the  
353.15 preparation of the code, consideration must be given to the existing statewide specialty  
353.16 codes presently in use in the state. Model codes with necessary modifications and statewide  
353.17 specialty codes may be adopted by reference. The code must be based on the application  
353.18 of scientific principles, approved tests, and professional judgment. To the extent possible,  
353.19 the code must be adopted in terms of desired results instead of the means of achieving those  
353.20 results, avoiding wherever possible the incorporation of specifications of particular methods  
353.21 or materials. To that end the code must encourage the use of new methods and new materials.  
353.22 Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall  
353.23 administer and enforce the provisions of those sections.

353.24 (b) The commissioner shall develop rules addressing the plan review fee assessed to  
353.25 similar buildings without significant modifications including provisions for use of building  
353.26 systems as specified in the industrial/modular program specified in section 326B.194.  
353.27 Additional plan review fees associated with similar plans must be based on costs  
353.28 commensurate with the direct and indirect costs of the service.

353.29 (c) Beginning with the 2018 edition of the model building codes and every six years  
353.30 thereafter, the commissioner shall review the new model building codes and adopt the model  
353.31 codes as amended for use in Minnesota, within two years of the published edition date. The  
353.32 commissioner may adopt amendments to the building codes prior to the adoption of the  
353.33 new building codes to advance construction methods, technology, or materials, or, where  
354.1 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency  
354.2 or the use of a building.

354.3 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model  
354.4 residential energy code and the new model commercial energy code in accordance with  
354.5 federal law for which the United States Department of Energy has issued an affirmative  
354.6 determination in compliance with United States Code, title 42, section 6833. The  
354.7 commissioner shall consider amendments to the model energy codes that mitigate the impact  
354.8 of climate change and reduce greenhouse gas emissions by increasing and optimizing energy  
354.9 efficiency and improving resiliency of new buildings and existing buildings undergoing  
354.10 additions, alterations, and changes of use. The commissioner may adopt amendments prior  
354.11 to adoption of the new energy codes, as amended for use in Minnesota, to advance  
354.12 construction methods, technology, or materials, or, where necessary to protect the health,  
354.13 safety, and welfare of the public, or to improve the efficiency or use of a building.

354.14 (e) Beginning in 2024, the commissioner shall act on the new model commercial energy  
354.15 code by adopting each new published edition of ASHRAE 90.1 or a more efficient standard.  
354.16 The commercial energy code in effect in 2036 and thereafter must achieve an 80 percent  
354.17 reduction in annual net energy consumption or greater, using the ASHRAE 90.1-2004 as a  
354.18 baseline. The commissioner shall adopt commercial energy codes from 2024 to 2036 that  
354.19 incrementally move toward achieving the 80 percent reduction in annual net energy  
354.20 consumption. By January 15 of the year following each new code adoption, the commissioner  
354.21 shall report on the progress made under this section to the legislative committees with  
354.22 jurisdiction over the energy code.

354.23 (f) Nothing in this section limits the ability of a public utility to offer code support  
354.24 programs, or to claim energy savings resulting from code support programs, through the  
354.25 public utility's energy conservation and optimization plans approved by the commissioner  
354.26 of commerce under section 216B.241.

407.1 Sec. 10. **[500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY**  
407.2 **SYSTEMS PROHIBITED.**

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

407.5 (b) "Private entity" means a homeowners association, community association, or other  
407.6 association that is subject to a homeowners association document.

407.7 (c) "Homeowners association document" means a document containing the declaration,  
407.8 articles of incorporation, bylaws, or rules and regulations of:

407.9 (1) a common interest community, as defined in section 515B.1-103, regardless of  
407.10 whether the common interest community is subject to chapter 515B; and

407.11 (2) a residential community that is not a common interest community.

407.12 (d) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

407.13 Subd. 2. **Applicability.** This section applies to:

24.11 Sec. 19. **[500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY**  
24.12 **SYSTEMS PROHIBITED.**

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

24.15 (b) "Private entity" means a homeowners association, community association, or other  
24.16 association that is subject to a homeowners association document.

24.17 (c) "Homeowners association document" means a document containing the declaration,  
24.18 articles of incorporation, bylaws, or rules and regulations of:

24.19 (1) a common interest community, as defined in section 515B.1-103, regardless of  
24.20 whether the common interest community is subject to chapter 515B; and

24.21 (2) a residential community that is not a common interest community.

24.22 (d) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

24.23 Subd. 2. **Applicability.** This section applies to:

407.14 (1) single-family detached dwellings whose owner is the sole owner of the entire building  
407.15 in which the dwelling is located and who is solely responsible for the maintenance, repair,  
407.16 replacement, and insurance of the entire building; and

407.17 (2) multifamily attached dwellings whose owner is the sole owner of the entire building  
407.18 in which the dwelling is located and who is solely responsible for the maintenance, repair,  
407.19 replacement, and insurance of the entire building.

407.20 Subd. 3. **General rule.** Except as otherwise provided in this section and notwithstanding  
407.21 any covenant, restriction, or condition contained in a deed, security instrument, homeowners  
407.22 association document, or any other instrument affecting the transfer, sale of, or an interest  
407.23 in real property, a private entity must not prohibit or refuse to permit the owner of a  
407.24 single-family dwelling to install, maintain, or use a roof-mounted solar energy system.

407.25 Subd. 4. **Allowable conditions.** (a) A private entity may require that:

407.26 (1) a licensed contractor install a solar energy system;

407.27 (2) a roof-mounted solar energy system not extend above the peak of a pitched roof or  
407.28 beyond the edge of the roof;

407.29 (3) the owner or installer of a solar energy system indemnify or reimburse the private  
407.30 entity or the private entity's members for loss or damage caused by the installation,  
407.31 maintenance, use, repair, or removal of a solar energy system;

408.1 (4) the owner and each successive owner of a solar energy system list the private entity  
408.2 as a certificate holder on the homeowner's insurance policy; or

408.3 (5) the owner and each successive owner of a solar energy system be responsible for  
408.4 removing the system if reasonably necessary to repair, perform maintenance, or replace  
408.5 common elements or limited common elements, as defined in section 515B.1-103.

408.6 (b) A private entity may impose other reasonable restrictions on installing, maintaining,  
408.7 or using solar energy systems, provided that the restrictions do not: (1) decrease the solar  
408.8 energy system's projected energy generation by more than ten percent; or (2) increase the  
408.9 solar energy system's cost by more than (i) 20 percent for a solar water heater, or (ii) \$1,000  
408.10 for a solar photovoltaic system, when compared with the solar energy system's energy  
408.11 generation and the cost of labor and materials originally proposed without the restrictions,  
408.12 as certified by the solar energy system's designer or installer. A private entity may obtain  
408.13 an alternative bid and design from a solar energy system designer or installer for the purposes  
408.14 of this paragraph.

408.15 (c) A solar energy system must meet applicable standards and requirements imposed by  
408.16 the state and by governmental units, as defined in section 462.384.

408.17 (d) A solar energy system for heating water must be certified by the Solar Rating  
408.18 Certification Corporation or an equivalent certification agency. A solar energy system for  
408.19 producing electricity must meet: (1) all applicable safety and performance standards

24.24 (1) single family detached dwellings for which the dwelling owner or owners each wholly  
24.25 owns the entire building in which the dwelling is located and is wholly responsible for the  
24.26 maintenance, repair, replacement, and insurance of the entire building; and

24.27 (2) multifamily attached dwellings for which the dwelling owner or owners each wholly  
24.28 owns the entire building in which the dwelling is located and is wholly responsible for the  
24.29 maintenance, repair, replacement, and insurance of the entire building.

24.30 Subd. 3. **General rule.** Except as otherwise provided in this section and notwithstanding  
24.31 any covenant, restriction, or condition contained in a deed, security instrument, homeowners  
25.1 association document, or any other instrument affecting the transfer, sale of, or an interest  
25.2 in real property, a private entity must not prohibit or refuse to permit the owner of a  
25.3 single-family dwelling to install, maintain, or use a roof-mounted solar energy system.

25.4 Subd. 4. **Allowable conditions.** (a) A private entity may require that:

25.5 (1) a licensed contractor install a solar energy system;

25.6 (2) a roof-mounted solar energy system not extend above the peak of a pitched roof or  
25.7 beyond the edge of the roof;

25.8 (3) the owner or installer of a solar energy system indemnify or reimburse the private  
25.9 entity or the private entity's members for loss or damage caused by the installation,  
25.10 maintenance, use, repair, or removal of a solar energy system;

25.11 (4) the owner and each successive owner of a solar energy system list the private entity  
25.12 as a certificate holder on the homeowner's insurance policy; or

25.13 (5) the owner and each successive owner of a solar energy system be responsible for  
25.14 removing the system if reasonably necessary to repair, perform maintenance, or replace  
25.15 common elements or limited common elements, as defined in section 515B.1-103.

25.16 (b) A private entity may impose other reasonable restrictions on installing, maintaining,  
25.17 or using solar energy systems, provided that the restrictions do not (1) decrease the solar  
25.18 energy system's projected energy generation by more than ten percent; or (2) increase the  
25.19 solar energy system's cost by more than (i) 20 percent for a solar water heater, or (ii) \$1,000  
25.20 for a solar photovoltaic system, when compared with the solar energy system's energy  
25.21 generation and the cost of labor and materials as originally proposed without the restrictions,  
25.22 as certified by the solar energy system's designer or installer. A private entity may obtain  
25.23 an alternative bid and design from a solar energy system designer or installer for the purposes  
25.24 of this paragraph.

25.25 (c) A solar energy system must meet applicable standards and requirements imposed by  
25.26 the state and by governmental units, as defined in section 462.384.

25.27 (d) A solar energy system for heating water must be certified by the Solar Rating  
25.28 Certification Corporation or an equivalent certification agency. A solar energy system for  
25.29 producing electricity must meet (1) all applicable safety and performance standards

408.20 established by the National Electrical Code, the Institute of Electrical and Electronics  
408.21 Engineers, and accredited testing laboratories, including but not limited to Underwriters  
408.22 Laboratories; and (2) where applicable, rules of the Public Utilities Commission regarding  
408.23 safety and reliability.

408.24 (e) If approval by a private entity is required prior to installing or using a solar energy  
408.25 system, the application for approval (1) must be processed and approved in the same manner  
408.26 as an application for approval of an architectural modification to the property, and (2) must  
408.27 not be willfully avoided or delayed. In no event ~~does~~ a private entity have less than 60 days  
408.28 to approve or disapprove an application for a solar energy system.

408.29 (f) An application for approval must be made in writing and must contain certification  
408.30 that the applicant must meet any conditions required by a private entity under subdivision  
408.31 4. An application must include a copy of the interconnection application submitted to the  
408.32 applicable electric utility.

408.33 (g) A private entity must approve or deny an application in writing. If an application is  
408.34 not denied in writing within 60 days of the date the application was received, the application  
409.1 is deemed approved unless the delay is the result of a reasonable request for additional  
409.2 information. If a private entity determines that additional information ~~is needed~~ from the  
409.3 applicant in order to approve or disapprove the application, the private entity must request  
409.4 the additional information in writing within 60 days from the date of receipt of the  
409.5 application. If the private entity makes a request for additional information within 15 days  
409.6 from the date the private entity initially received the application, the private entity shall  
409.7 have 60 days from the date of receipt of the additional information in which to approve or  
409.8 ~~disapprove~~ the application. If the private entity makes a written request to the applicant for  
409.9 additional information more than 15 days after the private entity initially received the  
409.10 application, the private entity ~~has~~ 15 days after the private entity receives the additional  
409.11 information requested from the applicant in which to approve or disapprove the application,  
409.12 but in no event ~~does~~ the private entity have less than 60 days from the date the private entity  
409.13 initially received the application in which to approve or disapprove the application.

409.14 Sec. 11. Minnesota Statutes 2022, section 515B.2-103, is amended to read:

409.15 **515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND**  
409.16 **BYLAWS.**

409.17 (a) All provisions of the declaration and bylaws are severable.

409.18 (b) The rule against perpetuities may not be applied to defeat any provision of the  
409.19 declaration or this chapter, or any instrument executed pursuant to the declaration or this  
409.20 chapter.

409.21 (c) In the event of a conflict between the provisions of the declaration and the bylaws,  
409.22 the declaration prevails except to the extent that the declaration is inconsistent with this  
409.23 chapter.

25.30 established by the National Electrical Code, the Institute of Electrical and Electronics  
25.31 Engineers, and accredited testing laboratories, including but not limited to Underwriters  
25.32 Laboratories; and (2) where applicable, rules of the Public Utilities Commission regarding  
25.33 safety and reliability.

26.1 (e) If approval by a private entity is required prior to installing or using a solar energy  
26.2 system, the application for approval (1) must be processed and approved in the same manner  
26.3 as an application for approval of an architectural modification to the property, and (2) must  
26.4 not be willfully avoided or delayed. In no event ~~will~~ a private entity have less than 60 days  
26.5 to approve or disapprove an application for a solar energy system.

26.6 (f) An application for approval must be made in writing and must contain certification  
26.7 that the applicant must meet any conditions required by a private entity under subdivision  
26.8 4. An application must include a copy of the interconnection application submitted to the  
26.9 applicable electric utility.

26.10 (g) A private entity must approve or deny an application in writing. If an application is  
26.11 not denied in writing within 60 days of the date the application was received, the application  
26.12 is deemed approved unless the delay is the result of a reasonable request for additional  
26.13 information. If a private entity determines that ~~it needs~~ additional information from the  
26.14 applicant in order to approve or disapprove the application, the private entity must request  
26.15 the additional information in writing within 60 days from the date of receipt of the  
26.16 application. If the private entity makes a request for additional information within 15 days  
26.17 from the date the private entity initially received the application, the private entity shall  
26.18 have 60 days from the date of receipt of the additional information in which to approve or  
26.19 ~~deny~~ the application. If the private entity makes a written request to the applicant for  
26.20 additional information more than 15 days after the private entity initially received the  
26.21 application, the private entity ~~shall have~~ 15 days after the private entity receives the additional  
26.22 information ~~it~~ requested from the applicant in which to approve or disapprove the application,  
26.23 but in no event ~~shall~~ the private entity have less than 60 days from the date the private entity  
26.24 initially received the application in which to approve or disapprove the application.

26.25 Sec. 20. Minnesota Statutes 2022, section 515B.2-103, is amended to read:

26.26 **515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND**  
26.27 **BYLAWS.**

26.28 (a) All provisions of the declaration and bylaws are severable.

26.29 (b) The rule against perpetuities may not be applied to defeat any provision of the  
26.30 declaration or this chapter, or any instrument executed pursuant to the declaration or this  
26.31 chapter.

27.1 (c) In the event of a conflict between the provisions of the declaration and the bylaws,  
27.2 the declaration prevails except to the extent that the declaration is inconsistent with this  
27.3 chapter.

409.24 (d) The declaration and bylaws must comply with ~~section~~ sections 500.215 and 500.216.

409.25 Sec. 12. Minnesota Statutes 2022, section 515B.3-102, is amended to read:

409.26 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

409.27 (a) Except as provided in subsections (b), (c), (d), and (e), and subject to the provisions  
409.28 of the declaration or bylaws, the association shall have the power to:

409.29 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles of  
409.30 incorporation, bylaws and declaration, as follows: (i) regulating the use of the common  
409.31 elements; (ii) regulating the use of the units, and conduct of unit occupants, which may  
409.32 jeopardize the health, safety or welfare of other occupants, which involves noise or other  
410.1 disturbing activity, or which may damage the common elements or other units; (iii) regulating  
410.2 or prohibiting animals; (iv) regulating changes in the appearance of the common elements  
410.3 and conduct which may damage the common interest community; (v) regulating the exterior  
410.4 appearance of the common interest community, including, for example, balconies and patios,  
410.5 window treatments, and signs and other displays, regardless of whether inside a unit; (vi)  
410.6 implementing the articles of incorporation, declaration and bylaws, and exercising the  
410.7 powers granted by this section; and (vii) otherwise facilitating the operation of the common  
410.8 interest community;

410.9 (2) adopt and amend budgets for revenues, expenditures and reserves, and levy and  
410.10 collect assessments for common expenses from unit owners;

410.11 (3) hire and discharge managing agents and other employees, agents, and independent  
410.12 contractors;

410.13 (4) institute, defend, or intervene in litigation or administrative proceedings (i) in its  
410.14 own name on behalf of itself or two or more unit owners on matters affecting the common  
410.15 elements or other matters affecting the common interest community or, (ii) with the consent  
410.16 of the owners of the affected units on matters affecting only those units;

410.17 (5) make contracts and incur liabilities;

410.18 (6) regulate the use, maintenance, repair, replacement, and modification of the common  
410.19 elements and the units;

410.20 (7) cause improvements to be made as a part of the common elements, and, in the case  
410.21 of a cooperative, the units;

410.22 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to  
410.23 real estate or personal property, but (i) common elements in a condominium or planned  
410.24 community may be conveyed or subjected to a security interest only pursuant to section  
410.25 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative  
410.26 may be subjected to a security interest, only pursuant to section 515B.3-112;

27.4 (d) The declaration and bylaws must comply with ~~section~~ sections 500.215 and 500.216.

27.5 Sec. 21. Minnesota Statutes 2022, section 515B.3-102, is amended to read:

27.6 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

27.7 (a) Except as provided in subsections (b), (c), (d), and (e), and subject to the provisions  
27.8 of the declaration or bylaws, the association shall have the power to:

27.9 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles of  
27.10 incorporation, bylaws and declaration, as follows: (i) regulating the use of the common  
27.11 elements; (ii) regulating the use of the units, and conduct of unit occupants, which may  
27.12 jeopardize the health, safety or welfare of other occupants, which involves noise or other  
27.13 disturbing activity, or which may damage the common elements or other units; (iii) regulating  
27.14 or prohibiting animals; (iv) regulating changes in the appearance of the common elements  
27.15 and conduct which may damage the common interest community; (v) regulating the exterior  
27.16 appearance of the common interest community, including, for example, balconies and patios,  
27.17 window treatments, and signs and other displays, regardless of whether inside a unit; (vi)  
27.18 implementing the articles of incorporation, declaration and bylaws, and exercising the  
27.19 powers granted by this section; and (vii) otherwise facilitating the operation of the common  
27.20 interest community;

27.21 (2) adopt and amend budgets for revenues, expenditures and reserves, and levy and  
27.22 collect assessments for common expenses from unit owners;

27.23 (3) hire and discharge managing agents and other employees, agents, and independent  
27.24 contractors;

27.25 (4) institute, defend, or intervene in litigation or administrative proceedings (i) in its  
27.26 own name on behalf of itself or two or more unit owners on matters affecting the common  
27.27 elements or other matters affecting the common interest community or, (ii) with the consent  
27.28 of the owners of the affected units on matters affecting only those units;

27.29 (5) make contracts and incur liabilities;

27.30 (6) regulate the use, maintenance, repair, replacement, and modification of the common  
27.31 elements and the units;

28.1 (7) cause improvements to be made as a part of the common elements, and, in the case  
28.2 of a cooperative, the units;

28.3 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to  
28.4 real estate or personal property, but (i) common elements in a condominium or planned  
28.5 community may be conveyed or subjected to a security interest only pursuant to section  
28.6 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative  
28.7 may be subjected to a security interest, only pursuant to section 515B.3-112;

410.27 (9) grant or amend easements for public utilities, public rights-of-way or other public  
410.28 purposes, and cable television or other communications, through, over or under the common  
410.29 elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized  
410.30 by the declaration; and, subject to approval by a vote of unit owners other than declarant  
410.31 or its affiliates, grant or amend other easements, leases, and licenses through, over or under  
410.32 the common elements;

411.1 (10) impose and receive any payments, fees, or charges for the use, rental, or operation  
411.2 of the common elements, other than limited common elements, and for services provided  
411.3 to unit owners;

411.4 (11) impose interest and late charges for late payment of assessments and, after notice  
411.5 and an opportunity to be heard before the board or a committee appointed by it, levy  
411.6 reasonable fines for violations of the declaration, bylaws, and rules and regulations of the  
411.7 association;

411.8 (12) impose reasonable charges for the review, preparation and recordation of  
411.9 amendments to the declaration, resale certificates required by section 515B.4-107, statements  
411.10 of unpaid assessments, or furnishing copies of association records;

411.11 (13) provide for the indemnification of its officers and directors, and maintain directors'  
411.12 and officers' liability insurance;

411.13 (14) provide for reasonable procedures governing the conduct of meetings and election  
411.14 of directors;

411.15 (15) exercise any other powers conferred by law, or by the declaration, articles of  
411.16 incorporation or bylaws; and

411.17 (16) exercise any other powers necessary and proper for the governance and operation  
411.18 of the association.

411.19 (b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations  
411.20 on the power of the association to deal with the declarant which are more restrictive than  
411.21 the limitations imposed on the power of the association to deal with other persons.

411.22 (c) Notwithstanding subsection (a), powers exercised under this section must comply  
411.23 with ~~section~~ sections 500.215 and 500.216.

411.24 (d) Notwithstanding subsection (a)(4) or any other provision of this chapter, the  
411.25 association, before instituting litigation or arbitration involving construction defect claims  
411.26 against a development party, shall:

411.27 (1) mail or deliver written notice of the anticipated commencement of the action to each  
411.28 unit owner at the addresses, if any, established for notices to owners in the declaration and,  
411.29 if the declaration does not state how notices are to be given to owners, to the owner's last  
411.30 known address. The notice shall specify the nature of the construction defect claims to be

28.8 (9) grant or amend easements for public utilities, public rights-of-way or other public  
28.9 purposes, and cable television or other communications, through, over or under the common  
28.10 elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized  
28.11 by the declaration; and, subject to approval by a vote of unit owners other than declarant  
28.12 or its affiliates, grant or amend other easements, leases, and licenses through, over or under  
28.13 the common elements;

28.14 (10) impose and receive any payments, fees, or charges for the use, rental, or operation  
28.15 of the common elements, other than limited common elements, and for services provided  
28.16 to unit owners;

28.17 (11) impose interest and late charges for late payment of assessments and, after notice  
28.18 and an opportunity to be heard before the board or a committee appointed by it, levy  
28.19 reasonable fines for violations of the declaration, bylaws, and rules and regulations of the  
28.20 association;

28.21 (12) impose reasonable charges for the review, preparation and recordation of  
28.22 amendments to the declaration, resale certificates required by section 515B.4-107, statements  
28.23 of unpaid assessments, or furnishing copies of association records;

28.24 (13) provide for the indemnification of its officers and directors, and maintain directors'  
28.25 and officers' liability insurance;

28.26 (14) provide for reasonable procedures governing the conduct of meetings and election  
28.27 of directors;

28.28 (15) exercise any other powers conferred by law, or by the declaration, articles of  
28.29 incorporation or bylaws; and

28.30 (16) exercise any other powers necessary and proper for the governance and operation  
28.31 of the association.

29.1 (b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations  
29.2 on the power of the association to deal with the declarant which are more restrictive than  
29.3 the limitations imposed on the power of the association to deal with other persons.

29.4 (c) Notwithstanding subsection (a), powers exercised under this section must comply  
29.5 with ~~section~~ sections 500.215 and 500.216.

29.6 (d) Notwithstanding subsection (a)(4) or any other provision of this chapter, the  
29.7 association, before instituting litigation or arbitration involving construction defect claims  
29.8 against a development party, shall:

29.9 (1) mail or deliver written notice of the anticipated commencement of the action to each  
29.10 unit owner at the addresses, if any, established for notices to owners in the declaration and,  
29.11 if the declaration does not state how notices are to be given to owners, to the owner's last  
29.12 known address. The notice shall specify the nature of the construction defect claims to be

411.31 alleged, the relief sought, and the manner in which the association proposes to fund the cost  
411.32 of pursuing the construction defect claims; and

412.1 (2) obtain the approval of owners of units to which a majority of the total votes in the  
412.2 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the  
412.3 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale  
412.4 are excluded. The association may obtain the required approval by a vote at an annual or  
412.5 special meeting of the members or, if authorized by the statute under which the association  
412.6 is created and taken in compliance with that statute, by a vote of the members taken by  
412.7 electronic means or mailed ballots. If the association holds a meeting and voting by electronic  
412.8 means or mailed ballots is authorized by that statute, the association shall also provide for  
412.9 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means  
412.10 or mailed ballots, except that the votes must be used in combination with the vote taken at  
412.11 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered  
412.12 for purposes of determining whether a quorum was present. Proxies may not be used for a  
412.13 vote taken under this paragraph unless the unit owner executes the proxy after receipt of  
412.14 the notice required under subsection (d)(1) and the proxy expressly references this notice.

412.15 (e) The association may intervene in a litigation or arbitration involving a construction  
412.16 defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party  
412.17 claim before complying with subsections (d)(1) and (d)(2) but the association's complaint  
412.18 in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without  
412.19 prejudice unless the association has complied with the requirements of subsection (d) within  
412.20 90 days of the association's commencement of the complaint in an intervention or the  
412.21 assertion of the counterclaim, crossclaim, or third-party claim.

432.9 Sec. 14. Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter  
432.10 85, article 7, section 9, is amended to read:

432.11 Sec. 3. **SUNSET.**

432.12 Sections 1 and 2 shall expire on June 30, ~~2023~~ 2028.

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

29.13 alleged, the relief sought, and the manner in which the association proposes to fund the cost  
29.14 of pursuing the construction defect claims; and

29.15 (2) obtain the approval of owners of units to which a majority of the total votes in the  
29.16 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the  
29.17 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale  
29.18 are excluded. The association may obtain the required approval by a vote at an annual or  
29.19 special meeting of the members or, if authorized by the statute under which the association  
29.20 is created and taken in compliance with that statute, by a vote of the members taken by  
29.21 electronic means or mailed ballots. If the association holds a meeting and voting by electronic  
29.22 means or mailed ballots is authorized by that statute, the association shall also provide for  
29.23 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means  
29.24 or mailed ballots, except that the votes must be used in combination with the vote taken at  
29.25 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered  
29.26 for purposes of determining whether a quorum was present. Proxies may not be used for a  
29.27 vote taken under this paragraph unless the unit owner executes the proxy after receipt of  
29.28 the notice required under subsection (d)(1) and the proxy expressly references this notice.

29.29 (e) The association may intervene in a litigation or arbitration involving a construction  
29.30 defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party  
29.31 claim before complying with subsections (d)(1) and (d)(2) but the association's complaint  
29.32 in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without  
29.33 prejudice unless the association has complied with the requirements of subsection (d) within  
30.1 90 days of the association's commencement of the complaint in an intervention or the  
30.2 assertion of the counterclaim, crossclaim, or third-party claim.

30.3 Sec. 22. Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter  
30.4 85, article 7, section 9, is amended to read:

30.5 Sec. 3. **SUNSET.**

30.6 Sections 1 and 2 shall expire on June 30, ~~2023~~ 2028.

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

UEH2310-2

252.16 Sec. 48. Laws 2023, chapter 7, section 10, is amended to read:

252.17 Sec. 10. Minnesota Statutes 2022, section 216B.1691, is amended by adding a subdivision  
252.18 to read:

252.19 Subd. 2g. **Carbon-free standard.** (a) In addition to the requirements under subdivisions  
252.20 2a and 2f, each electric utility must generate or procure sufficient electricity generated from  
252.21 a carbon-free energy technology to provide the electric utility's retail customers in Minnesota,  
252.22 or the retail customers of a distribution utility to which the electric utility provides wholesale  
252.23 electric service, so that the electric utility generates or procures an amount of electricity  
252.24 from carbon-free energy technologies that is equivalent to at least the following standard

252.25 percentages of the electric utility's total retail electric sales to retail customers in Minnesota  
252.26 by the end of the year indicated:

252.27 (1) 2030 80 percent for public utilities; 60 percent for  
252.28 other electric utilities

252.29 (2) 2035 90 percent for all electric utilities

252.30 (3) 2040 100 percent for all electric utilities.

252.31 (b) For purposes of this section, electricity generated from a carbon-free technology  
252.32 includes electricity generated by a peaking facility that uses only biodiesel fuel, as defined  
253.1 in section 239.77, subdivision 1, paragraph (b), for the first 400 hours each year in which  
253.2 the peaking facility uses only biodiesel fuel.

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

253.4 Sec. 49. Laws 2023, chapter 24, section 3, is amended to read:

253.5 Sec. 3. **APPROPRIATION.**

253.6 (a) \$115,000,000 in fiscal year 2023 is appropriated transferred from the general fund  
253.7 to the commissioner of commerce for the purposes of state competitiveness fund account  
253.8 under Minnesota Statutes, section 216C.391. This is a onetime appropriation transfer. Of  
253.9 this amount:

253.10 (1) \$100,000,000 is for grant awards made under Minnesota Statutes, section 216C.391,  
253.11 subdivision 3, of which at least \$75,000,000 is for grant awards of less than \$1,000,000;

253.12 (2) \$6,000,000 is for grant awards made under Minnesota Statutes, section 216C.391,  
253.13 subdivision 4;

253.14 (3) \$750,000 is for the reports and audits under Minnesota Statutes, section 216C.391,  
253.15 subdivision 7;

253.16 (4) \$1,500,000 is for information system development improvements necessary to carry  
253.17 out Minnesota Statutes, section 216C.391, and to improve digital access and reporting;

253.18 (5) \$6,750,000 is for technical assistance to applicants and administration of Minnesota  
253.19 Statutes, section 216C.391, by the Department of Commerce; and

253.20 (6) the commissioner may transfer money from clause (2) to clause (1) if less than 75  
253.21 percent of the money in clause (2) has been awarded by June 30, 2028.

253.22 (b) To the extent that federal funds for energy projects under the Infrastructure Investment  
253.23 and Jobs Act, Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law  
253.24 117-169, become permanently unavailable to be matched with funds appropriated under  
253.25 this section, the commissioner of management and budget must certify the proportional

321.17 Sec. 10. **TRANSPORTATION ELECTRIFICATION FACILITY UPGRADES;**  
321.18 **TARIFF FILING.**

321.19 No later than November 1, 2023, each public utility must file with the Public Utilities  
321.20 Commission revised tariffs for charges related to the extension, enlargement, or other  
321.21 modifications to the public utility's distribution system that are necessary to support  
321.22 transportation electrification.

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

354.27 Sec. 28. **RULEMAKING AUTHORIZED.**

354.28 (a) The commission is authorized to develop and adopt rules for siting energy storage  
354.29 systems and to reflect the provisions of this act.

354.30 (b) Until the commission adopts rules under this section, the commission shall utilize  
354.31 applicable provisions of Minnesota Rules, chapter 7850, to site energy storage systems.  
354.32 except that Minnesota Rules, part 7850.4400, subpart 4, does not apply to energy storage  
354.33 systems.

355.1 (c) For the purposes of this section, "energy storage system" has the meaning given in  
355.2 Minnesota Statutes, section 216E.01, subdivision 3a.

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

383.6 Sec. 4. **LOCAL CLIMATE ACTION GRANT PROGRAM.**

383.7 Subdivision 1. **Definitions.** For the purpose of this section, the following terms have  
383.8 the meanings given:

383.9 (1) "climate change" means a change in global or regional climate patterns associated  
383.10 with increased levels of greenhouse gas emissions entering the atmosphere largely as a  
383.11 result of human activity;

383.12 (2) "commissioner" means the commissioner of the Pollution Control Agency;

383.13 (3) "eligible applicant" means a political subdivision, an organization exempt from  
383.14 taxation under section 501(c)(3) of the Internal Revenue Code, or an educational institution;

383.15 (4) "greenhouse gas emission" means an emission of carbon dioxide, methane, nitrous  
383.16 oxide, chlorofluorocarbons, hydrofluorocarbons, sulfur hexafluoride, and other gases that  
383.17 trap heat in the atmosphere;

253.26 amount of unencumbered funds remaining in the account established under Minnesota  
253.27 Statutes, section 216C.391, and those unencumbered funds cancel to the general fund.

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

383.18 (5) "local jurisdiction" means the geographic area in which grant activities take place;  
383.19 and

383.20 (6) "political subdivision" means:

383.21 (i) a county; home rule charter or statutory city or town; regional development  
383.22 commission established under Minnesota Statutes, section 462.387; or any other local  
383.23 political subdivision; or

383.24 (ii) a Tribal government, as defined in Minnesota Statutes, section 116J.64, subdivision  
383.25 4.

383.26 Subd. 2. **Establishment.** The commissioner must establish a local climate action grant  
383.27 program in the Pollution Control Agency. The purpose of the program is to provide grants  
383.28 to support local jurisdictions to address climate change by developing and implementing  
383.29 plans of action or creating new organizations and institutions to devise policies and programs  
383.30 that:

384.1 (1) enable local jurisdictions to adapt to extreme weather events and a changing climate;  
384.2 or

384.3 (2) reduce the local jurisdiction's contributions to the causes of climate change.

384.4 Subd. 3. **Account established.** (a) The local climate action grant account is established  
384.5 as a separate account in the special revenue fund in the state treasury. The commissioner  
384.6 shall credit to the account appropriations and transfers to the account. Earnings, including  
384.7 interest, dividends, and any other earnings arising from assets of the account, must be  
384.8 credited to the account. Money remaining in the account at the end of a fiscal year  
384.9 does not cancel to the general fund, but remains in the account until expended. The  
384.10 commissioner shall manage the account.

384.11 (b) Money in the account is appropriated to the agency for the purposes of this section  
384.12 and to reimburse the reasonable costs of the department to administer this section.

384.13 Subd. 4. **Application.** (a) Application for a grant under this section must be made to the  
384.14 commissioner on a form developed by the commissioner. The commissioner must develop  
384.15 procedures for soliciting and reviewing applications and for awarding grants under this  
384.16 section.

384.17 (b) Eligible applicants for a grant under this section must be located in or conduct the  
384.18 preponderance of the applicant's work in the local jurisdiction where the proposed grant  
384.19 activities take place.

384.20 Subd. 5. **Awarding grants.** (a) In awarding grants under this section, the commissioner  
384.21 must give preference to proposals that seek to involve a broad array of community residents,  
384.22 organizations, and institutions in the local jurisdiction's efforts to address climate change.

384.23 (b) The commissioner shall endeavor to award grants under this section to applicants in  
384.24 all regions of the state.

384.25 Subd. 6. **Grant amounts.** (a) A grant awarded under this section must not exceed  
384.26 \$50,000.

384.27 (b) A grant awarded under this section for activities taking place in a local jurisdiction  
384.28 whose population equals or exceeds 20,000 must be matched 50 percent with local funds.

384.29 (c) A grant awarded under this section for activities taking place in a local jurisdiction  
384.30 whose population is under 20,000 must be matched a minimum of five percent with local  
384.31 funds or equivalent in-kind services.

385.1 Subd. 7. **Contract; greenhouse gas emissions data.** The commissioner shall contract  
385.2 with an independent consultant to estimate the annual amount of greenhouse gas emissions  
385.3 generated within political subdivisions awarded a grant under this section that the  
385.4 commissioner determines need the data in order to carry out the proposed grant activities.  
385.5 The information must contain emissions data for the most recent three years available, and  
385.6 must conform with the ICLEI United States Community Protocol for Accounting and  
385.7 Reporting of Greenhouse Gas Emissions, including, at a minimum, the Basic Emissions  
385.8 Generating Activities described in the protocol.

385.9 Subd. 8. **Technical assistance.** The Pollution Control Agency shall provide directly or  
385.10 contract with an entity outside the agency to provide technical assistance to applicants  
385.11 proposing to develop an action plan under this section, including greenhouse gas emissions  
385.12 estimates developed under subdivision 7, and examples of actions taken and plans developed  
385.13 by other local communities in Minnesota and elsewhere.

385.14 Subd. 9. **Eligible expenditures.** Appropriations made to support the activities of this  
385.15 section may be used only to:

385.16 (1) provide grants as specified in this section;

385.17 (2) pay a consultant for contracted services provided under subdivisions 7 and 8; and

385.18 (3) reimburse the reasonable expenses incurred by the Pollution Control Agency to  
385.19 provide technical assistance to applicants and to administer the grant program.

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

412.22 Sec. 13. **TRANSFER OF UNENCUMBERED WITHHELD FUNDS.**

412.23 Any unencumbered funds withheld by the public utility subject to Minnesota Statutes,  
412.24 section 116C.779, subdivision 1, to provide financial assistance to schools to purchase and  
412.25 install solar energy systems, as required under Minnesota Statutes 2022, section 216C.376,  
412.26 subdivision 5, paragraph (a), that are unexpended as of the effective date of this act must

412.27 be transferred to the solar for schools program account established under Minnesota Statutes,  
412.28 section 216C.375, subdivision 3.

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

432.14 **Sec. 15. DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED**  
432.15 **PLANT.**

432.16 The public utility that owns an electric generation facility powered by coal that is located  
432.17 within the St. Croix National Scenic Riverway and is scheduled for retirement in 2028 must  
432.18 develop a plan and detailed schedule of activities that it proposes to undertake to  
432.19 decommission and demolish the electric generation facility and to remediate pollution at  
432.20 the electric generation facility site. The public utility must file the plan with the Minnesota  
432.21 Public Utilities Commission as part of the public utility's next resource plan filing under  
432.22 Minnesota Statutes, section 216B.2422, or in a separate filing by December 31, 2025,  
432.23 whichever is earlier. A copy of the plan and schedule must be filed on the same date with  
432.24 the governing body of the municipality where the electric generation facility is located.

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

432.26 **Sec. 16. TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF**  
432.27 **COMMERCE SUPPORT.**

432.28 (a) The Department of Commerce must provide technical support and subject matter  
432.29 expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian  
432.30 Tribes in Minnesota to establish a Tribal advocacy council on energy.

433.1 (b) When providing support to a Tribal advocacy council on energy, the Department of  
433.2 Commerce may assist the council to:

433.3 (1) assess and evaluate common Tribal energy issues, including (i) identifying and  
433.4 prioritizing energy issues, (ii) facilitating idea sharing between the Tribes to generate  
433.5 solutions to energy issues, and (iii) assisting decision making with respect to resolving  
433.6 energy issues;

433.7 (2) develop new statewide energy policies or proposed legislation, including (i) organizing  
433.8 stakeholder meetings, (ii) gathering input and other relevant information, (iii) assisting with  
433.9 policy proposal development, evaluation, and decision making, and (iv) helping facilitate

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30.8 **Sec. 23. DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED**  
30.9 **PLANT.**

30.10 (a) As a part of the next resource plan filing under Minnesota Statutes, section 216B.2422,  
30.11 subdivision 2, but no later than December 31, 2025, the public utility that owns an electric  
30.12 generation facility that is powered by coal, scheduled for retirement in 2028, and located  
30.13 within the St. Croix National Scenic Riverway must provide, to the extent known, the public  
30.14 utility's plan and a detailed timeline to decommission and demolish the electric generation  
30.15 facility and remediate pollution at the electric generation facility site.

30.16 (b) The public utility must also provide a copy of the plan and timeline to the governing  
30.17 body of the municipality where the electric generation facility is located on the same date  
30.18 the plan and timeline are submitted to the Public Utilities Commission.

30.19 (c) If a resource plan is not filed or required before December 31, 2025, the plan and  
30.20 timeline must be submitted to the Public Utilities Commission and the municipality as a  
30.21 separate filing by December 31, 2025.

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

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255.4 **Sec. 52. TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF**  
255.5 **COMMERCE SUPPORT.**

255.6 (a) The Department of Commerce must provide technical support and subject matter  
255.7 expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian  
255.8 Tribes in Minnesota to establish a Tribal advocacy council on energy.

255.9 (b) When providing support to a Tribal advocacy council on energy, the Department of  
255.10 Commerce may assist the council to:

255.11 (1) assess and evaluate common Tribal energy issues, including (i) identifying and  
255.12 prioritizing energy issues, (ii) facilitating idea sharing between the Tribes to generate  
255.13 solutions to energy issues, and (iii) assisting decision making with respect to resolving  
255.14 energy issues;

255.15 (2) develop new statewide energy policies or proposed legislation, including (i) organizing  
255.16 stakeholder meetings, (ii) gathering input and other relevant information, (iii) assisting with  
255.17 policy proposal development, evaluation, and decision making, and (iv) helping facilitate

433.10 actions taken to submit, and obtain approval for or have enacted, policies or legislation  
433.11 approved by the council;  
433.12 (3) make efforts to raise awareness and provide educational opportunities with respect  
433.13 to Tribal energy issues by (i) identifying information resources, (ii) gathering feedback on  
433.14 issues and topics the council identifies as areas of interest, and (iii) identifying topics for  
433.15 educational forums and helping facilitate the forum process; and  
433.16 (4) identify, evaluate, and disseminate successful energy-related practices, and develop  
433.17 mechanisms or opportunities to implement the successful practices.  
433.18 (c) Nothing in this section requires or otherwise obligates the 11 federally recognized  
433.19 Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it  
433.20 require or obligate any one of the 11 federally recognized Indian Tribes in Minnesota to  
433.21 participate in or implement a decision or support an effort made by an established Tribal  
433.22 advocacy council on energy.  
433.23 (d) Any support provided by the Department of Commerce to a Tribal advocacy council  
433.24 on energy under this section may be provided only upon request of the council and is limited  
433.25 to issues and areas where the Department of Commerce's expertise and assistance is  
433.26 requested.

255.18 actions taken to submit, and obtain approval for or have enacted, policies or legislation  
255.19 approved by the council;  
255.20 (3) make efforts to raise awareness and provide educational opportunities with respect  
255.21 to Tribal energy issues by (i) identifying information resources, (ii) gathering feedback on  
255.22 issues and topics the council identifies as areas of interest, and (iii) identifying topics for  
255.23 educational forums and helping facilitate the forum process; and  
255.24 (4) identify, evaluate, and disseminate successful energy-related practices, and develop  
255.25 mechanisms or opportunities to implement the successful practices.  
255.26 (c) Nothing in this section requires or otherwise obligates the 11 federally recognized  
255.27 Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it  
255.28 require or obligate any one of the 11 federally recognized Indian Tribes in Minnesota to  
255.29 participate in or implement a decision or support an effort made by an established Tribal  
255.30 advocacy council on energy.  
255.31 (d) Any support provided by the Department of Commerce to a Tribal advocacy council  
255.32 on energy under this section may be provided only upon request of the council and is limited  
256.1 to issues and areas where the Department of Commerce's expertise and assistance is  
256.2 requested.  
254.1 Sec. 50. **COMMISSION ORDER.**  
254.2 Within 180 days of the filing by the public utility subject to Minnesota Statutes, section  
254.3 116C.779, of the plan required by Minnesota Statutes, section 216B.1641, subdivision 4,  
254.4 as amended by this act, the Public Utilities Commission must issue an order addressing the  
254.5 requirements of Minnesota Statutes, section 216B.1641, as amended by this act.  
254.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.  
254.7 Sec. 51. **ADVANCED NUCLEAR STUDY.**  
254.8 Subdivision 1. **Study required.** (a) The commissioner of commerce must conduct a  
254.9 study evaluating the potential costs, benefits, and impacts of advanced nuclear technology  
254.10 reactor power generation in Minnesota.  
254.11 (b) At a minimum, the study must address the potential costs, benefits, and impacts of  
254.12 advanced nuclear technology reactor power generation on:  
254.13 (1) Minnesota's greenhouse gas emissions reduction goals under the Next Generation  
254.14 Energy Act, Laws 2007, chapter 136;  
254.15 (2) system costs for ratepayers;  
254.16 (3) system reliability;  
254.17 (4) the environment;  
254.18 (5) local jobs;

- 254.19 (6) local economic development;
- 254.20 (7) Minnesota's eligible energy technology standard under Minnesota Statutes, section
- 254.21 216B.1691, subdivision 2a; and
- 254.22 (8) Minnesota's carbon-free standard under Minnesota Statutes, section 216B.1691,
- 254.23 subdivision 2g.
- 254.24 (c) The study must also evaluate:
- 254.25 (1) current Minnesota statutes and administrative rules that would require modifications
- 254.26 in order to enable the construction and operation of advanced nuclear reactors;
- 254.27 (2) the economic feasibility of replacing coal-fired boilers with advanced nuclear reactors,
- 254.28 while accounting for the avoided costs that result from the closure of coal-fired plants; and
- 254.29 (3) the technologies and methods most likely to minimize the environmental impacts of
- 254.30 nuclear waste and the costs of managing nuclear waste.
- 255.1 Subd. 2. **Report.** The commissioner of commerce must submit the results of the study
- 255.2 under subdivision 1 to the chairs and ranking minority members of the legislative committees
- 255.3 having jurisdiction over energy finance and policy no later than January 31, 2025.
- 256.3 Sec. 53. **ELECTRIC GRID RESILIENCY GRANTS.**
- 256.4 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
- 256.5 the meanings given.
- 256.6 (b) "Commissioner" means the commissioner of commerce.
- 256.7 (c) "Department" means the Department of Commerce.
- 256.8 (d) "Consumer-owned utility" has the meaning given in Minnesota Statutes, section
- 256.9 216B.2402, subdivision 2.
- 256.10 Subd. 2. **Grant awards.** Grants may be awarded under this section to consumer-owned
- 256.11 utilities or associated trade associations, or to generation and transmission cooperative
- 256.12 electric associations, municipal power agencies, or power districts serving one or more
- 256.13 consumer-owned utilities, for projects that:
- 256.14 (1) develop or improve distributed energy resources in the state;
- 256.15 (2) demonstrate the project helps provide flexibility to electric utilities or consumers,
- 256.16 lead to lower rates, provide environmental benefits, or increase the resilience of an electric
- 256.17 grid;
- 256.18 (3) are power generation or storage resources located near load centers; or

256.19 (4) develop programs to enhance the safety of personnel performing duties exposing the  
256.20 personnel to potential electrical hazards, including power system restoration, by incorporating  
256.21 whole person safety concepts into safety programs.

256.22 Subd. 3. **Grant awards; administration.** (a) An entity seeking a grant award under  
256.23 subdivision 2 must submit an application to the commissioner on a form prescribed by the  
256.24 commissioner. The commissioner is responsible for receiving and reviewing grant  
256.25 applications and awarding grants under this subdivision, and must develop administrative  
256.26 procedures governing the application, evaluation, and award process. In awarding grants  
256.27 under this subdivision, the commissioner must endeavor to make awards assisting entities  
256.28 from all regions of the state. The maximum grant award for each entity awarded a grant  
256.29 under this subdivision is \$250,000.

256.30 (b) The department must provide technical assistance to applicants.

257.1 Subd. 4. **Report.** Beginning February 15, 2024, and each February 15 thereafter until  
257.2 the appropriation under article 2, section 2, subdivision 2, paragraph (y), has been expended,  
257.3 the commissioner must submit a written report to the chairs and ranking minority members  
257.4 of the legislative committees with jurisdiction over energy policy and finance on the activities  
257.5 taken and expenditures made under this section. The report must, at a minimum, include  
257.6 each grant awarded in the most recent calendar year and the remaining balance of the  
257.7 appropriation under this section.

257.18 Sec. 55. **SUPPORTING INVESTMENT IN GREEN FERTILIZER PRODUCTION.**

257.19 (a) The commissioner of agriculture may award a grant under this section to a cooperative  
257.20 to invest in green fertilizer production facilities. A grant under this section must include a  
257.21 long-term agreement to purchase nitrogen fertilizer for cooperative members. Renewable  
257.22 energy, hydrogen, and ammonia may be produced elsewhere, but the final production of  
257.23 nitrogen fertilizer must occur within Minnesota.

257.24 (b) For purposes of this section:

257.25 (1) "cooperative" includes an agricultural or rural electric cooperative organized under  
257.26 Minnesota Statutes, chapter 308A or 308B;

257.27 (2) "green fertilizer production facilities" means facilities that use renewable energy to  
257.28 produce anhydrous ammonia, urea, or hydrogen;

257.29 (3) "green hydrogen" means hydrogen produced by splitting water molecules using:

257.30 (i) grid-based electrolyzers that have matched their electricity consumption with wind  
257.31 or solar; or

258.1 (ii) electrolyzers connected directly to a wind or solar facility; and

258.2 (4) "green fertilizer" means a nitrogen-based fertilizer produced from green hydrogen.

- 355.4 Sec. 29. **REVISOR INSTRUCTION.**
- 355.5 The revisor of statutes shall make any necessary changes in Minnesota Rules resulting
- 355.6 from the changes made to Minnesota Statutes, chapter 216E, in this act.
- 355.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 321.24 Sec. 11. **REPEALER.**
- 321.25 Minnesota Statutes 2022, section 16B.24, subdivision 13, is repealed.
- 412.30 Sec. 14. **REPEALER.**
- 412.31 Minnesota Statutes 2022, section 216C.376, is repealed.
- 412.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

- 258.3 (c) The commissioner of agriculture must develop criteria and scoring procedures for
- 258.4 evaluating and awarding grants. The maximum grant award for a cooperative is \$7,000,000.
- 258.5 (d) Up to five percent of the amount in paragraph (a) may be used by the Department
- 258.6 of Agriculture to administer this section.
- 258.7 (e) By December 15 each year, the commissioner of agriculture must report to the chairs
- 258.8 and ranking minority members of the legislative committees with jurisdiction over agriculture
- 258.9 to provide an update on the progress of projects funded by this program. Each report must
- 258.10 include how much of the amount appropriated has been used, including the amount used
- 258.11 for administration. The commissioner may include additional information of interest or
- 258.12 relevance to the legislature. This paragraph expires December 31, 2031.
- 258.13 (f) By December 15, 2032, the commissioner of agriculture must complete a final report
- 258.14 to the chairs and ranking minority members of the legislative committees with jurisdiction
- 258.15 over agriculture regarding the uses and impacts of this program. The final report must
- 258.16 include a list of the grants awarded, the amount of the appropriation used for administration,
- 258.17 the amount of green fertilizer produced, and a summary of the economic and environmental
- 258.18 impacts of this production compared to the production and purchase of conventionally
- 258.19 produced fertilizer. The commissioner of agriculture may include additional information
- 258.20 of interest or relevance to the legislature. This paragraph expires December 31, 2032.
- 258.21 Sec. 56. **REPEALER.**
- 258.22 Minnesota Statutes 2022, section 16B.24, subdivision 13, is repealed.