

1.1 Section 1. Minnesota Statutes 2017 Supplement, section 116C.779, subdivision 1, is
1.2 amended to read:

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

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

1.18 (c) ~~Except as provided in subdivision 1a, Beginning January 15, 2018~~ 2019, and
1.19 continuing each January 15 thereafter, the public utility that owns the Prairie Island and
1.20 Monticello nuclear generating ~~plant~~ plants must transfer to the renewable development
1.21 account ~~\$500,000 each year for each dry cask containing spent fuel that is located at the~~
1.22 Prairie Island power plant for the following amounts each year the either plant is in operation;
1.23 ~~and \$7,500,000 each year the plant is not in operation: (1) \$23,000,000 in 2019; (2)~~
1.24 \$28,000,000 in 2020; (3) \$28,000,000 in 2021; and (4) \$20,000,000 beginning in 2022 and
1.25 each year thereafter. If ordered by the commission pursuant to paragraph ~~(i)~~ (h), the public
1.26 utility must transfer \$7,500,000 each year the Prairie Island plant is not in operation and
1.27 \$5,250,000 each year the Monticello plant is not in operation. The fund transfer must be
1.28 made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility
1.29 at Prairie Island or Monticello for any part of a year.

1.30 (d) ~~Except as provided in subdivision 1a, beginning January 15, 2018, and continuing~~
1.31 ~~each January 15 thereafter, the public utility that owns the Monticello nuclear generating~~
1.32 ~~plant must transfer to the renewable development account \$350,000 each year for each dry~~
1.33 ~~cask containing spent fuel that is located at the Monticello nuclear power plant for each~~
1.34 ~~year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered~~
1.35 ~~by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear~~

2.1 ~~waste is stored in a dry cask at the independent spent fuel storage facility at Monticello for~~
 2.2 ~~any part of a year.~~

2.3 ~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the
 2.4 renewable development account under ~~paragraphs~~ paragraph (c) and (d) the amount necessary
 2.5 to pay its obligations for that calendar year under paragraphs ~~(e), (f) and (g), (j), and (n),~~
 2.6 and sections 116C.7792 and 216C.41, ~~for that calendar year.~~

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

2.16 ~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the
 2.17 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
 2.18 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
 2.19 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
 2.20 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
 2.21 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
 2.22 30 days after the commission approves the new or amended power purchase agreement, or
 2.23 the termination of the power purchase agreement, and on each June 1 thereafter through
 2.24 2021, to assist the transition required by the new, amended, or terminated power purchase
 2.25 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
 2.26 to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

2.27 ~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs
 2.28 (e) and (f) and (g) is limited to the amount deposited into the renewable development account,
 2.29 and its predecessor, the renewable development account, established under this section, that
 2.30 was not required to be deposited into the account under Laws 1994, chapter 641, article 1,
 2.31 section 10.

2.32 ~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the
 2.33 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
 2.34 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for

3.1 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
 3.2 facility for any year in which the commission finds, by the preponderance of the evidence,
 3.3 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored
 3.4 at the facility to a permanent or interim storage site out of the state. This determination shall
 3.5 be made at least every two years.

3.6 (i) The public utility must annually file with the commission a petition to recover through
 3.7 a rider mechanism all funds it is required to transfer or withhold under paragraphs (c) to (f)
 3.8 for the next year. The commission must approve a reasonable cost recovery schedule for
 3.9 all funds under this paragraph.

3.10 (j) On or before January 15 of each year, the public utility must file a petition with the
 3.11 commission identifying the amounts withheld by the public utility the prior year under
 3.12 paragraph (d) and the amount actually paid the prior year for obligations identified in
 3.13 paragraph (d). If the amount actually paid is less than the amount withheld, the public utility
 3.14 must deduct the surplus from the amount withheld for the current year under paragraph (d).
 3.15 If the amount actually paid is more than the amount withheld, the public utility must add
 3.16 the deficiency amount to the amount withheld for the current year under paragraph (d). Any
 3.17 surplus remaining in the account after all programs identified in paragraph (d) are terminated
 3.18 must be returned to the public utility's customers.

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

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

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

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

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

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

3.30 ~~(k)~~ (l) For the purposes of paragraph ~~(j)~~ (k), the following terms have the meanings
 3.31 given:

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

4.1 (2) "grid modernization" means:

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

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

4.4 and

4.5 (iii) increasing energy conservation opportunities by facilitating communication between
4.6 the utility and its customers through the use of two-way meters, control technologies, energy
4.7 storage and microgrids, technologies to enable demand response, and other innovative
4.8 technologies.

4.9 ~~(j)~~ (m) A renewable development account advisory group that includes, among others,
4.10 representatives of the public utility and its ratepayers, and includes at least one representative
4.11 of the Prairie Island Indian community appointed by that community's tribal council, shall
4.12 develop recommendations on account expenditures. Members of the advisory group must
4.13 be chosen by the public utility. The advisory group must design a request for proposal and
4.14 evaluate projects submitted in response to a request for proposals. The advisory group must
4.15 utilize an independent third-party expert to evaluate proposals submitted in response to a
4.16 request for proposal, including all proposals made by the public utility. A request for proposal
4.17 for research and development under paragraph ~~(j)~~ (k), clause (1), may be limited to or include
4.18 a request to higher education institutions located in Minnesota for multiple projects authorized
4.19 under paragraph ~~(j)~~ (k), clause (1). The request for multiple projects may include a provision
4.20 that exempts the projects from the third-party expert review and instead provides for project
4.21 evaluation and selection by a merit peer review grant system. In the process of determining
4.22 request for proposal scope and subject and in evaluating responses to request for proposals,
4.23 the advisory group must strongly consider, where reasonable, potential benefit to Minnesota
4.24 citizens and businesses and the utility's ratepayers.

4.25 (n) The cost of acquiring the services of the independent third-party expert described in
4.26 paragraph (m) and any other reasonable costs incurred to administer the advisory group and
4.27 its actions required by this section must be paid from funds withheld by the public utility
4.28 under paragraph (d). The total amount withheld under this paragraph must not exceed
4.29 \$125,000 each year.

4.30 ~~(m)~~ (o) The advisory group shall submit funding recommendations to the public utility,
4.31 which has full and sole authority to determine which expenditures shall be submitted by
4.32 the advisory group to the legislature commission. The commission may approve proposed
4.33 expenditures, may disapprove proposed expenditures that it finds not to be in compliance
4.34 with this subdivision or otherwise not in the public interest, and may, if agreed to by the

5.1 public utility, modify proposed expenditures. The commission shall, by order, submit its
5.2 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (p).

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

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

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

5.11 ~~(o)~~ (q) A request for proposal for renewable energy generation projects must, when
5.12 feasible and reasonable, give preference to projects that are most cost-effective for a particular
5.13 energy source.

5.14 ~~(p)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking
5.15 minority members of the legislative committees with jurisdiction over energy policy on
5.16 projects funded by the account under paragraph (k) for the prior year and all previous years.
5.17 The report must, to the extent possible and reasonable, itemize the actual and projected
5.18 financial benefit to the public utility's ratepayers of each project.

5.19 (s) By June 1, 2018, and each June 1 thereafter, the public utility that owns the Prairie
5.20 Island Nuclear Electric Generating Plant must submit to the commissioner of management
5.21 and budget an estimate of the amount the public utility will deposit into the account the
5.22 following January 15, based on the provisions of paragraphs (c) to (h) and any appropriations
5.23 made from the fund during the most recent legislative session.

5.24 ~~(q)~~ (t) By February 1 June 30, 2018, and each February 1 June 30 thereafter, the
5.25 commissioner of management and budget shall must estimate the balance in the account as
5.26 of the following January 31, taking into account the balance in the account as of June 30
5.27 and the information provided under paragraph (r). By July 15, 2018, and each July 15
5.28 thereafter, the commissioner of management and budget must submit a written report
5.29 regarding the availability of funds in and obligations of the account to the chairs and ranking
5.30 minority members of the senate and house committees with jurisdiction over energy policy
5.31 and finance, the public utility, and the advisory group. If more than \$15,000,000 is estimated
5.32 to be available in the account as of January 31, the advisory group must, by January 31 the
5.33 next year, issue a request for proposals to initiate a grant cycle for the purposes of paragraph
5.34 (k).

6.1 ~~(t)~~ (u) A project receiving funds from the account must produce a written final report
 6.2 that includes sufficient detail for technical readers and a clearly written summary for
 6.3 nontechnical readers. The report must include an evaluation of the project's financial,
 6.4 environmental, and other benefits to the state and the public utility's ratepayers.

6.5 ~~(s)~~ (v) Final reports, any mid-project status reports, and renewable development account
 6.6 financial reports must be posted online on a public Web site designated by the commissioner
 6.7 of commerce.

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

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

6.13 **EFFECTIVE DATE.** This section is effective June 1, 2018.

6.14 Sec. 2. Minnesota Statutes 2017 Supplement, section 116C.7792, is amended to read:

6.15 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

6.16 (a) The utility subject to section 116C.779 ~~shall~~ must operate a program to provide solar
 6.17 energy production incentives for solar energy systems of no more than a total aggregate
 6.18 nameplate capacity of 20 40 kilowatts direct current per premises. The owner of a solar
 6.19 energy system installed before June 1, 2018, is eligible to receive a production incentive
 6.20 under this section for any additional solar energy systems constructed at the same customer
 6.21 location, provided the aggregate capacity of all systems at the customer location does not
 6.22 exceed 40 kilowatts.

6.23 (b) The program ~~shall~~ must be operated for eight consecutive calendar years commencing
 6.24 in 2014. \$5,000,000 ~~shall~~ must be allocated in each of the first four years, \$15,000,000 in
 6.25 the fifth year, \$10,000,000 in each of the sixth and seventh years, and \$5,000,000 in the
 6.26 eighth year from funds withheld from transfer to the renewable development account under
 6.27 section 116C.779, subdivision 1, ~~paragraphs (b) and (c)~~ paragraph (d), and placed in a
 6.28 separate account for ~~the purpose of~~ the solar production incentive program operated by the
 6.29 utility. Money in the separate account must not be used for any other program or purpose.
 6.30 Any unspent amount allocated in the fifth year is available until December 31 of the sixth
 6.31 year. Any unspent amount remaining at the end of an allocation year must be transferred
 6.32 to the renewable development account or returned to customers.

7.1 (c) The solar energy system must be sized to less than 120 percent of the customer's
 7.2 on-site annual energy consumption when combined with other distributed generation
 7.3 resources and subscriptions provided under section 216B.1641 associated with the premise.
 7.4 The production incentive must be paid for ten years commencing with the commissioning
 7.5 of the system.

7.6 (d) The utility must file a plan to operate the program with the commissioner of
 7.7 commerce. The utility may not operate the program until it is approved by the commissioner.
 7.8 A change to the program to include projects up to a nameplate capacity of 40 kilowatts does
 7.9 not require the utility to file an amended plan with the commissioner. Any plan approved
 7.10 by the commissioner of commerce must not provide an increased incentive over prior years
 7.11 unless the commissioner demonstrates that changes in the market for solar energy facilities
 7.12 require an increase.

7.13 **EFFECTIVE DATE.** This section is effective June 1, 2018.

7.14 Sec. 3. **[116C.7793] PRAIRIE ISLAND NET ZERO PROJECT.**

7.15 Subdivision 1. **Program established.** The Prairie Island Net Zero Project is established
 7.16 with the goal of the Prairie Island Indian Community developing an energy system that
 7.17 results in net zero emissions.

7.18 Subd. 2. **Grant.** The commissioner of employment and economic development must
 7.19 enter into a grant contract with the Prairie Island Indian Community to provide the amounts
 7.20 appropriated each year under subdivision 4 to stimulate research, development, and
 7.21 implementation of renewable energy projects benefiting the Prairie Island Indian Community
 7.22 or its members.

7.23 Subd. 3. **Plan; report.** The Prairie Island Indian Community must file a plan with the
 7.24 commissioner of employment and economic development no later than July 1, 2019,
 7.25 describing the Prairie Island Net Zero Project elements and implementation strategy. The
 7.26 Prairie Island Indian Community must file a report on July 1, 2020, and each July 1 thereafter
 7.27 through 2025, describing the progress made in implementing the project and the uses of
 7.28 expended funds.

7.29 Subd. 4. **Appropriation.** Notwithstanding section 116C.779, subdivision 1, paragraph
 7.30 (k), \$3,000,000 in fiscal year 2019, \$7,000,000 in fiscal year 2020, \$4,500,000 in fiscal
 7.31 year 2021, \$9,000,000 in fiscal year 2022, \$8,000,000 in fiscal year 2023, and \$8,500,000
 7.32 in fiscal year 2024 are appropriated from the renewable development account under section
 7.33 116C.779, subdivision 1, to the commissioner of employment and economic development

8.1 for a grant to the Prairie Island Indian Community for the purposes of this section. Funds
 8.2 appropriated in fiscal year 2019 must be released to the community for purposes authorized
 8.3 by this section, regardless of whether a grant agreement with the commissioner has been
 8.4 executed at the time of the request. Funds appropriated in fiscal year 2020 and thereafter
 8.5 may only be released pursuant to an executed grant agreement that meets the requirements
 8.6 of section 16B.98, subdivision 5. Any funds remaining at the end of a fiscal year do not
 8.7 cancel to the renewable development account but remain available until spent. This
 8.8 subdivision expires the day after the last transfer of funds to the commissioner.

8.9 Subd. 5. **Transfer.** (a) Any funds appropriated under section 216C.417, subdivision 2,
 8.10 that are unexpended at the end of a fiscal year are transferred to the commissioner of
 8.11 employment and economic development for a grant to the Prairie Island Indian Community
 8.12 for the purposes of this section.

8.13 (b) Beginning in fiscal year 2019 and continuing each year thereafter, on the day
 8.14 following the public release of the February state budget forecast the commissioner of
 8.15 management and budget must compare the obligation forecasted in each fiscal year for the
 8.16 Made in Minnesota solar production incentive program under section 216C.417 with the
 8.17 obligations forecasted under that program in the previous year's February state budget
 8.18 forecast. If the amount in the most recent forecast in any one fiscal year is less than the
 8.19 amount of the obligation forecasted for the same fiscal year in the previous February forecast,
 8.20 the commissioner of management and budget must transfer the difference from the renewable
 8.21 development account established in section 116C.779 to the commissioner of employment
 8.22 and economic development for a grant to the Prairie Island Indian Community for the Prairie
 8.23 Island Net Zero Project in section 116C.7793.

8.24 (c) The total amount appropriated and transferred from the renewable development
 8.25 account under this subdivision and subdivision 4 must not exceed \$45,000,000.

8.26 (d) This subdivision expires the day following the day that the total amount appropriated
 8.27 and transferred from the renewable development account under this subdivision and
 8.28 subdivision 4 equals \$45,000,000.

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

8.30 Sec. 4. Minnesota Statutes 2016, section 216A.03, is amended by adding a subdivision to
 8.31 read:

8.32 Subd. 10. **Offices.** The Public Utilities Commission's offices must be located in Virginia,
 8.33 Minnesota.

9.1 **EFFECTIVE DATE.** This section is effective June 1, 2018.

9.2 Sec. 5. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to
9.3 read:

9.4 Subd. 7e. **Energy storage system pilot projects.** (a) A public utility may petition the
9.5 commission under this section to recover costs associated with the implementation of an
9.6 energy storage system pilot project. As part of the petition, the public utility must submit a
9.7 report to the commission containing, at a minimum, the following information regarding
9.8 the proposed energy storage system pilot project:

9.9 (1) the storage technology utilized;

9.10 (2) the energy storage capacity and the duration of output at that capacity;

9.11 (3) the proposed location;

9.12 (4) the purchase and installation costs;

9.13 (5) how the project will interact with existing distributed generation resources on the
9.14 utility's grid; and

9.15 (6) the goals the project proposes to achieve, which may include controlling frequency
9.16 or voltage, mitigating transmission congestion, providing emergency power supplies during
9.17 outages, reducing curtailment of existing renewable energy generators, and reducing peak
9.18 power costs.

9.19 (b) A utility may petition the commission to approve a rate schedule that provides for
9.20 the automatic adjustment of charges to recover prudently incurred investments, expenses,
9.21 or costs associated with energy storage system pilot projects approved by the commission
9.22 under this subdivision. A petition filed under this subdivision must include the elements
9.23 listed in section 216B.1645, subdivision 2a, paragraph (b), clauses (1) to (4), and must
9.24 describe the benefits of the pilot project.

9.25 (c) The commission may approve, or approve as modified, a rate schedule filed under
9.26 this subdivision if it determines the proposed energy storage system pilot project is in the
9.27 public interest. A rate schedule filed under this subdivision may include the elements listed
9.28 in section 216B.1645, subdivision 2a, paragraph (a), clauses (1) to (5).

9.29 (d) The commission must make its determination under paragraph (c) within 90 days of
9.30 the filing under paragraph (a).

9.31 (e) Nothing in this subdivision prohibits or deters the deployment of energy storage
9.32 systems.

10.1 (f) For the purposes of this subdivision:

10.2 (1) "energy storage system" has the meaning given in section 216B.2422, subdivision
 10.3 1; and

10.4 (2) "pilot project" means a project that is owned, operated, and controlled by a public
 10.5 utility to optimize safe and reliable system operations and is deployed at a limited number
 10.6 of locations in order to assess the technical and economic effectiveness of its operations.

10.7 **EFFECTIVE DATE.** This section is effective June 1, 2018.

10.8 Sec. 6. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to
 10.9 read:

10.10 Subd. 13a. **Pension and other benefits rate base.** The commission must allow a public
 10.11 utility to include in the rate base and recover from ratepayers combined pension and other
 10.12 postemployment benefit costs. Postemployment benefit costs include retiree medical,
 10.13 determined as the difference between accumulated contributions and accumulated expenses,
 10.14 offset by related accumulated deferred income tax. A public utility is authorized to track
 10.15 for future recovery any unrecovered return of pension and other postemployment rate base
 10.16 costs and investments at the return on investment level established in the public utility's last
 10.17 general rate case.

10.18 Sec. 7. Minnesota Statutes 2016, section 216B.1641, is amended to read:

10.19 **216B.1641 COMMUNITY SOLAR GARDEN.**

10.20 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a
 10.21 plan with the commission to operate a community solar garden program which shall begin
 10.22 operations within 90 days after commission approval of the plan. Other public utilities may
 10.23 file an application at their election. The community solar garden program must be designed
 10.24 to offset the energy use of not less than five subscribers in each community solar garden
 10.25 facility of which no single subscriber has more than a 40 percent interest. The owner of the
 10.26 community solar garden may be a public utility or any other entity or organization that
 10.27 contracts to sell the output from the community solar garden to the utility under section
 10.28 216B.164. There shall be no limitation on the number or cumulative generating capacity of
 10.29 community solar garden facilities other than the limitations imposed under section 216B.164,
 10.30 subdivision 4c, or other limitations provided in law or regulations.

10.31 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
 10.32 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the

11.1 electricity generated in proportion to the size of their subscription. The solar garden must
11.2 have a nameplate capacity of no more than one megawatt. Each subscription shall be sized
11.3 to represent at least 200 watts of the community solar garden's generating capacity and to
11.4 supply, when combined with other distributed generation resources serving the premises,
11.5 no more than 120 percent of the average annual consumption of electricity by each subscriber
11.6 at the premises to which the subscription is attributed.

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

11.10 (d) The public utility must purchase from the community solar garden all energy generated
11.11 by the solar garden. The purchase shall be at the rate calculated under section 216B.164,
11.12 subdivision 10, or, until that rate for the public utility has been approved by the commission,
11.13 the applicable retail rate. A solar garden is eligible for any incentive programs offered under
11.14 either section 116C.7792 or section 216C.415. A subscriber's portion of the purchase shall
11.15 be provided by a credit on the subscriber's bill.

11.16 (e) The commission may approve, disapprove, or modify a community solar garden
11.17 program. Any plan approved by the commission must:

11.18 (1) reasonably allow for the creation, ~~financing~~, and accessibility of community solar
11.19 gardens;

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

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

11.25 (4) be consistent with the public interest;

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

11.28 (6) include a program implementation schedule;

11.29 (7) identify all proposed rules, fees, and charges; and

11.30 (8) identify the means by which the program will be promoted.

12.1 (f) Notwithstanding any other law, neither the manager of nor the subscribers to a
 12.2 community solar garden facility shall be considered a utility solely as a result of their
 12.3 participation in the community solar garden facility.

12.4 (g) Within 180 days of commission approval of a plan under this section, a utility shall
 12.5 begin crediting subscriber accounts for each community solar garden facility in its service
 12.6 territory, and shall file with the commissioner of commerce a description of its crediting
 12.7 system.

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

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

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

12.12 Sec. 8. Minnesota Statutes 2017 Supplement, section 216B.1691, subdivision 2f, is amended
 12.13 to read:

12.14 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a
 12.15 and 2b, each public utility shall generate or procure sufficient electricity generated by solar
 12.16 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at
 12.17 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is
 12.18 generated by solar energy.

12.19 (b) For a public utility with more than 200,000 retail electric customers, at least ten
 12.20 percent of the 1.5 percent goal must be met by solar energy generated by or procured from
 12.21 solar photovoltaic devices with a nameplate capacity of ~~20~~ 40 kilowatts or less.

12.22 (c) A public utility with between 50,000 and 200,000 retail electric customers:

12.23 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by
 12.24 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or
 12.25 less; and

12.26 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions
 12.27 of 40 kilowatts or less to a community solar garden program operated by the public utility
 12.28 that has been approved by the commission.

12.29 (d) The solar energy standard established in this subdivision is subject to all the provisions
 12.30 of this section governing a utility's standard obligation under subdivision 2a.

12.31 (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail
 12.32 electric sales in Minnesota be generated by solar energy.

13.1 (f) For the purposes of calculating the total retail electric sales of a public utility under
13.2 this subdivision, there shall be excluded retail electric sales to customers that are:

13.3 (1) an iron mining extraction and processing facility, including a scam mining facility
13.4 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

13.5 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board
13.6 manufacturer.

13.7 Those customers may not have included in the rates charged to them by the public utility
13.8 any costs of satisfying the solar standard specified by this subdivision.

13.9 (g) A public utility may not use energy used to satisfy the solar energy standard under
13.10 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may
13.11 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the
13.12 solar standard under this subdivision.

13.13 (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated
13.14 with a solar photovoltaic device installed and generating electricity in Minnesota after
13.15 August 1, 2013, but before 2020 may be used to meet the solar energy standard established
13.16 under this subdivision.

13.17 (i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file
13.18 a report with the commission reporting its progress in achieving the solar energy standard
13.19 established under this subdivision.

13.20 **EFFECTIVE DATE.** This section is effective June 1, 2018.

13.21 Sec. 9. Minnesota Statutes 2017 Supplement, section 216B.241, subdivision 1d, is amended
13.22 to read:

13.23 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation
13.24 improvement programs on the basis of cost-effectiveness and the reliability of the
13.25 technologies employed. The commissioner shall, by order, establish, maintain, and update
13.26 energy-savings assumptions that must be used when filing energy conservation improvement
13.27 programs. The commissioner shall establish an inventory of the most effective energy
13.28 conservation programs, techniques, and technologies, and encourage all Minnesota utilities
13.29 to implement them, where appropriate, in their service territories. The commissioner shall
13.30 describe these programs in sufficient detail to provide a utility reasonable guidance
13.31 concerning implementation. The commissioner shall prioritize the opportunities in order of
13.32 potential energy savings and in order of cost-effectiveness. The commissioner may contract
13.33 with a third party to carry out any of the commissioner's duties under this subdivision, and

14.1 to obtain technical assistance to evaluate the effectiveness of any conservation improvement
 14.2 program. The commissioner may assess up to \$850,000 annually for the purposes of this
 14.3 subdivision. The assessments must be deposited in the state treasury and credited to the
 14.4 energy and conservation account created under subdivision 2a. An assessment made under
 14.5 this subdivision is not subject to the cap on assessments provided by section 216B.62, or
 14.6 any other law.

14.7 (b) Of the assessment authorized under paragraph (a), the commissioner may expend
 14.8 ~~up to \$400,000 annually~~ \$800,000 for the purpose of developing, operating, maintaining,
 14.9 and providing technical support for a uniform electronic data reporting and tracking system
 14.10 available to all utilities subject to this section, in order to enable accurate measurement of
 14.11 the cost and energy savings of the energy conservation improvements required by this
 14.12 section. This paragraph expires June 30, ~~2018~~ 2019.

14.13 (c) The commissioner must establish a utility stakeholder group to direct development
 14.14 and maintenance of the tracking system available to all utilities. The utility stakeholder
 14.15 group will direct 50 percent of the biennium expenditures. The utility stakeholder group
 14.16 must include but is not limited to stakeholders representative of the Minnesota Rural Electric
 14.17 Association, the Minnesota Municipal Utility Association, investor-owned utilities, municipal
 14.18 power agencies, energy conservation organizations, and businesses that work in energy
 14.19 efficiency. One of the stakeholder members must serve as chair. The utility stakeholder
 14.20 group must develop and submit its work plan to the commissioner. The utility stakeholder
 14.21 group must study alternative tracking system options, which must be submitted to the
 14.22 commissioner with the work plan by January 15, 2020. The utility stakeholder group must
 14.23 meet regularly at the call of the chair. Meetings of the utility stakeholder group are subject
 14.24 to chapter 13D.

14.25 Sec. 10. Minnesota Statutes 2016, section 216B.2422, subdivision 1, is amended to read:

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

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

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

14.33 (1) wind;

15.1 (2) solar;

15.2 (3) geothermal;

15.3 (4) hydro;

15.4 (5) trees or other vegetation;

15.5 (6) landfill gas; or

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

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

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

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

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

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

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

15.23 (2) is composed of stationary equipment;

15.24 (3) if being used for electric grid benefits, is operationally visible to the distribution or
15.25 transmission entity managing it, to enable and optimize the safe and reliable operation of
15.26 the electric system; and

15.27 (4) achieves any of the following:

15.28 (i) reduces peak or electrical demand;

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

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

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

16.5 **EFFECTIVE DATE.** This section is effective June 1, 2018.

16.6 Sec. 11. Minnesota Statutes 2016, section 216B.2422, is amended by adding a subdivision
 16.7 to read:

16.8 **Subd. 7. Energy storage systems assessment.** (a) Each utility required to file a resource
 16.9 plan under subdivision 2 must include in the filing an assessment of energy storage systems
 16.10 that analyzes how the deployment of energy storage systems contributes to:

16.11 (1) meeting identified generation and capacity needs; and

16.12 (2) evaluating ancillary services.

16.13 (b) The assessment must employ appropriate modeling methods to enable the analysis
 16.14 required in paragraph (a).

16.15 **EFFECTIVE DATE.** This section is effective June 1, 2018.

16.16 Sec. 12. Minnesota Statutes 2017 Supplement, section 216C.417, subdivision 2, is amended
 16.17 to read:

16.18 **Subd. 2. Appropriation.** (a) Unspent money remaining in the account established under
 16.19 Minnesota Statutes 2016, section 216C.412, on July 1, 2017, must be transferred to the
 16.20 renewable development account in the special revenue fund established under Minnesota
 16.21 Statutes, section 116C.779, subdivision 1.

16.22 (b) There is annually appropriated from the renewable development account in the special
 16.23 revenue fund established in Minnesota Statutes, section 116C.779, to the commissioner of
 16.24 commerce money sufficient to make the incentive payments required under Minnesota
 16.25 Statutes 2016, section 216C.415. Any funds appropriated under this paragraph that are
 16.26 unexpended at the end of a fiscal year must be transferred to the commissioner of employment
 16.27 and economic development as provided under section 116C.7793, subdivision 5. Any funds
 16.28 remaining after the transfer under this paragraph cancel to the renewable development
 16.29 account.

16.30 (c) Notwithstanding Minnesota Statutes 2016, section 216C.412, subdivision 1, none of
 16.31 this appropriation may be used for administrative costs.

17.1 Sec. 13. Minnesota Statutes 2016, section 216D.04, is amended by adding a subdivision
17.2 to read:

17.3 Subd. 5. **Contact information required.** (a) An operator must furnish accurate contact
17.4 information necessary for underground facility damage prevention and damage response
17.5 requested by the notification center.

17.6 (b) The contact information for each affected operator must be available to the excavator
17.7 that provided notice under subdivision 1.

17.8 Sec. 14. Minnesota Statutes 2016, section 216E.03, subdivision 9, is amended to read:

17.9 Subd. 9. **Timing.** The commission shall make a final decision on an application within
17.10 60 days after receipt of the report of the administrative law judge. A final decision on the
17.11 request for a site permit or route permit shall be made within one year after the commission's
17.12 determination that an application is complete. The commission may extend this time limit
17.13 for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

17.14 **EFFECTIVE DATE.** This section is effective June 1, 2018, and applies to any
17.15 application filed with the commission on or after that date.

17.16 Sec. 15. Minnesota Statutes 2016, section 216E.04, subdivision 7, is amended to read:

17.17 Subd. 7. **Timing.** The commission shall make a final decision on an application within
17.18 60 days after completion of the public hearing. A final decision on the request for a site
17.19 permit or route permit under this section shall be made within six months after the
17.20 commission's determination that an application is complete. The commission may extend
17.21 this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the
17.22 applicant.

17.23 **EFFECTIVE DATE.** This section is effective June 1, 2018, and applies to any
17.24 application filed with the commission on or after that date.

17.25 Sec. 16. Laws 2017, chapter 94, article 10, section 28, is amended to read:

17.26 Sec. 28. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**
17.27 **THERMAL REBATES.**

17.28 (a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner
17.29 of a solar thermal system whose application was approved by the commissioner of commerce
17.30 after the effective date of this act.

18.1 (b) Unspent money remaining in the account established under Minnesota Statutes 2014,
 18.2 section 216C.416, as of July 2, 2017, must be transferred to the ~~C-LEAF~~ renewable
 18.3 development account established under Minnesota Statutes 2016, section 116C.779,
 18.4 subdivision 1.

18.5 **EFFECTIVE DATE.** This section is effective June 1, 2018.

18.6 Sec. 17. Laws 2017, chapter 94, article 10, section 29, is amended to read:

18.7 Sec. 29. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF**
 18.8 **UNEXPENDED GRANT FUNDS.**

18.9 (a) No later than 30 days after the effective date of this section, the utility subject to
 18.10 Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person
 18.11 who received a grant funded from the renewable development account ~~previously~~ established
 18.12 under that subdivision:

18.13 (1) after January 1, 2012; and

18.14 (2) before January 1, 2012, if the funded project remains incomplete as of the effective
 18.15 date of this section.

18.16 The notice must contain the provisions of this section and instructions directing grant
 18.17 recipients how unexpended funds can be transferred to the ~~clean energy advancement fund~~
 18.18 renewable development account.

18.19 (b) A recipient of a grant from the renewable development account ~~previously~~ established
 18.20 under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after
 18.21 receiving the notice required under paragraph (a), transfer any grant funds that remain
 18.22 unexpended as of the effective date of this section to the ~~clean energy advancement fund~~
 18.23 renewable development account if, by that effective date, all of the following conditions
 18.24 are met:

18.25 (1) the grant was awarded more than five years before the effective date of this section;

18.26 (2) the grant recipient has failed to obtain control of the site on which the project is to
 18.27 be constructed;

18.28 (3) the grant recipient has failed to secure all necessary permits or approvals from any
 18.29 unit of government with respect to the project; and

18.30 (4) construction of the project has not begun.

19.1 (c) A recipient of a grant from the renewable development account ~~previously~~ established
 19.2 under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds
 19.3 that remain unexpended five years after the grant funds are received by the grant recipient
 19.4 if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant
 19.5 recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary
 19.6 of the receipt of the grant funds.

19.7 (d) A person who transfers funds to the ~~clean energy advancement fund~~ renewable
 19.8 development account under this section is eligible to apply for funding from the ~~clean energy~~
 19.9 ~~advancement fund~~ renewable development account.

19.10 **EFFECTIVE DATE.** This section is effective June 1, 2018.

19.11 Sec. 18. **BIOMASS BUSINESS COMPENSATION.**

19.12 **Subdivision 1. Office of Administrative Hearings; claims process.** The chief
 19.13 administrative law judge of the Office of Administrative Hearings must name an
 19.14 administrative law judge to administer a claims award process to compensate businesses
 19.15 negatively affected by the sale and closure of the biomass plant identified under Minnesota
 19.16 Statutes, section 116C.779, subdivision 1, paragraph (e). The administrative law judge may
 19.17 establish a process, including the development of application forms, to consider claims for
 19.18 affected businesses and issue awards to eligible businesses. An application form developed
 19.19 for the process must, at a minimum, require the name of the business, the business address
 19.20 and telephone number, and the name of a contact person.

19.21 **Subd. 2. Eligibility.** To be eligible for compensation, an affected business must verify
 19.22 that as of May 1, 2017, it was operating under the terms of a valid contract or provide other
 19.23 documentation demonstrating an ongoing business relationship of preparing, supplying, or
 19.24 transporting products, fuel, or by-products to or from either the company operating the
 19.25 biomass plant identified under Minnesota Statutes, section 116C.779, subdivision 1,
 19.26 paragraph (e), or a fertilizer plant integrated with the biomass plant identified under
 19.27 Minnesota Statutes, section 116C.779, subdivision 1, paragraph (e).

19.28 **Subd. 3. Calculating award.** (a) An eligible business may make a claim for compensation
 19.29 based on decreased net revenue and the loss of value of investments in real or personal
 19.30 property essential to business operations with the biomass plant identified under Minnesota
 19.31 Statutes, section 116C.779, subdivision 1, paragraph (e). All such losses must be attributable
 19.32 to the termination of the contract under Minnesota Statutes, section 216B.2424, subdivision
 19.33 9.

20.1 (b) When filing a claim of decreased net revenue, an eligible business must demonstrate
20.2 the extent of its decreased business activity by providing copies of any contracts or other
20.3 documentation under subdivision 2, including financial statements showing the eligible
20.4 business's financial performance over the past five years for supplying or managing material
20.5 for, or receiving material from, the biomass plant identified under Minnesota Statutes,
20.6 section 116C.779, subdivision 1, paragraph (e). The business must also present evidence
20.7 of any alternative business opportunities it has pursued or could pursue to mitigate the loss
20.8 of revenue from the termination of the contract, as the value of alternative opportunities
20.9 offsets compensation provided under this section.

20.10 (c) In filing a claim of loss of value of investments in real or personal property, an eligible
20.11 business must provide:

20.12 (1) evidence that the property was essential to fulfilling the contract with the biomass
20.13 plant identified under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (e);

20.14 (2) evidence that the eligible business is unable to fully repurpose the property to another
20.15 productive use after the termination of the contract under Minnesota Statutes, section
20.16 216B.2424, subdivision 9; and

20.17 (3) documentation of the eligible business's investment in the property, minus any
20.18 economic depreciation.

20.19 An eligible business must also provide a valuation of the use, sales, salvage, or scrap value
20.20 of the property for which the loss is claimed, as the value of the property offsets compensation
20.21 provided under this section.

20.22 (d) A business seeking compensation under this section must report any payment received
20.23 from business interruption insurance policies, settlements, or other forms of compensation
20.24 related to the termination of the contract of the biomass plant identified under Minnesota
20.25 Statutes, section 116C.779, subdivision 1, paragraph (e). All payments identified in this
20.26 paragraph offset compensation provided under this section.

20.27 (e) A business seeking compensation under this section must provide any other
20.28 documentation it deems appropriate, or as required by the administrative law judge, to
20.29 support its claim, including a narrative of the facts of the business claim that gives rise to
20.30 the request for compensation.

20.31 (f) Regardless of actual losses, an award of compensation must not exceed the average
20.32 of the eligible business's annual net revenue generated from a contract or business relationship

21.1 with the biomass plant identified under Minnesota Statutes, section 116C.779, subdivision
21.2 1, paragraph (e), for the past five years, multiplied by two.

21.3 (g) Minnesota Statutes, section 13.591, applies to data submitted by a business requesting
21.4 compensation under this section.

21.5 Subd. 4. **Priority.** (a) The administrative law judge may give priority to claims by eligible
21.6 businesses that demonstrate a significant effort to:

21.7 (1) mitigate losses resulting from the closure of the biomass plant identified under
21.8 Minnesota Statutes, section 116C.779, subdivision 1, paragraph (e); or

21.9 (2) repurpose the business for another use through retasking and retooling.

21.10 (b) The administrative law judge must consider whether a business requests compensation
21.11 for a total business loss without mitigation efforts when determining awards under this
21.12 section.

21.13 Subd. 5. **Amount of claim.** Any claim is limited by and proportional to the amount
21.14 provided for compensation in the biomass business compensation fund established in section
21.15 19, and the number of claimants.

21.16 Subd. 6. **Deadlines.** The administrative law judge must make an application process for
21.17 compensation available by August 1, 2018. A business seeking to submit a request for
21.18 compensation under this section must file claims with the administrative law judge within
21.19 60 days following closure of the biomass plant. The administrative law judge must issue
21.20 award determination orders within 180 days after the deadline for filing claims.

21.21 Subd. 7. **Appeals.** Orders issued by the administrative law judge under this section are
21.22 final. An order denying compensation claimed under this section is subject to the contested
21.23 case review procedures under Minnesota Statutes, chapter 14.

21.24 Subd. 8. **Expiration.** This section expires June 30, 2021.

21.25 **EFFECTIVE DATE.** This section is effective June 1, 2018.

21.26 Sec. 19. **BIOMASS BUSINESS COMPENSATION ACCOUNT.**

21.27 Subdivision 1. **Account established.** A biomass business compensation account is
21.28 established as a separate account in the special revenue fund in the state treasury.
21.29 Appropriations and transfers to the account must be credited to the account. Earnings, such
21.30 as interest, and any other earnings arising from the assets of the account are credited to the
21.31 account. Funds remaining in the account as of December 31, 2020, must be transferred to
21.32 the renewable development account established under Minnesota Statutes, section 116C.779.

22.1 Subd. 2. **Funding for the special account.** Notwithstanding Minnesota Statutes, section
 22.2 116C.2770, subdivision 1, paragraph (k), on July 1, 2019, \$25,000,000 must be transferred
 22.3 from the renewable development account under Minnesota Statutes, section 116C.779, to
 22.4 the biomass business compensation account established under subdivision 1. Notwithstanding
 22.5 Minnesota Statutes, section 116C.2770, subdivision 1, paragraph (k), on July 1, 2020,
 22.6 \$15,000,000 must be transferred from the renewable development account under Minnesota
 22.7 Statutes, section 116C.779, to the biomass business compensation account established under
 22.8 subdivision 1. The transferred funds are appropriated to pay eligible obligations under the
 22.9 biomass business compensation program established under section 18.

22.10 Subd. 3. **Payment of expenses.** Beginning on July 1, 2019, the chief administrative law
 22.11 judge must certify to the commissioner of management and budget the total costs incurred
 22.12 to administer the biomass business compensation claims process. The commissioner of
 22.13 management and budget must transfer an amount equal to the certified costs incurred for
 22.14 biomass business compensation claim activities from the renewable development account
 22.15 under Minnesota Statutes, section 116C.779, and deposit it to the administrative hearings
 22.16 account under Minnesota Statutes, section 14.54. Transfers may occur quarterly, based on
 22.17 quarterly cost and revenue reports, throughout the fiscal year, with final certification and
 22.18 reconciliation after each fiscal year. The total amount transferred under this subdivision
 22.19 must not exceed \$200,000.

22.20 Subd. 4. **Expiration.** This section expires June 30, 2021.

22.21 **EFFECTIVE DATE.** This section is effective June 1, 2018.

22.22 Sec. 20. **REPORT; COST-BENEFIT ANALYSIS OF ENERGY STORAGE**
 22.23 **SYSTEMS.**

22.24 (a) The commissioner of commerce must contract with an independent consultant selected
 22.25 through a request for proposal process to produce a report analyzing the potential costs and
 22.26 benefits of energy storage systems, as defined in Minnesota Statutes, section 216B.2422,
 22.27 subdivision 1, in Minnesota. The study may also include scenarios examining energy storage
 22.28 systems that are not capable of being controlled by a utility. The commissioner must engage
 22.29 a broad group of Minnesota stakeholders, including electric utilities and others, to develop
 22.30 and provide information for the report. The study must:

22.31 (1) identify and measure the different potential costs and savings produced by energy
 22.32 storage system deployment, including but not limited to:

22.33 (i) generation, transmission, and distribution facilities asset deferral or substitution;

- 23.1 (ii) impacts on ancillary services costs;
- 23.2 (iii) impacts on transmission and distribution congestion;
- 23.3 (iv) impacts on peak power costs;
- 23.4 (v) impacts on emergency power supplies during outages;
- 23.5 (vi) impacts on curtailment of renewable energy generators; and
- 23.6 (vii) reduced greenhouse gas emissions;
- 23.7 (2) analyze and estimate the:
- 23.8 (i) direct costs and savings to customers that deploy energy storage systems;
- 23.9 (ii) impact on the utility's ability to integrate renewable resources;
- 23.10 (iii) impact on grid reliability and power quality; and
- 23.11 (iv) effect on retail electric rates over the useful life of a given energy storage system
- 23.12 compared to providing the same services using other facilities or resources;
- 23.13 (3) consider the findings of analysis conducted by the Midcontinent Independent System
- 23.14 Operator on energy storage capacity accreditation and participation in regional energy
- 23.15 markets, including updates of the analysis; and
- 23.16 (4) include case studies of existing energy storage applications currently providing the
- 23.17 benefits described in clauses (1) and (2).
- 23.18 (b) By May 1, 2019, the commissioner of commerce must submit the study to the chairs
- 23.19 and ranking minority members of the senate and house of representatives committees with
- 23.20 jurisdiction over energy policy and finance.
- 23.21 **Sec. 21. REPEALER.**
- 23.22 Minnesota Statutes 2016, section 216B.2423, is repealed.
- 23.23 **EFFECTIVE DATE.** This section is effective June 1, 2018.