

1.1 moves to amend H.F. No. 4374 as follows:

1.2 Page 1, before line 6, insert:

1.3 "Section 1. Minnesota Statutes 2024, section 115C.08, subdivision 4, is amended to read:

1.4 Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

1.5 (1) to administer the petroleum tank release cleanup program established in this chapter;

1.6 (2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03
1.7 to 115C.06, and costs of corrective action taken by the agency under section 115C.03,
1.8 including investigations;

1.9 (3) for costs of recovering expenses of corrective actions under section 115C.04;

1.10 (4) for training, certification, and rulemaking under sections 116.46 to 116.50;

1.11 (5) for agency administrative costs of enforcing rules governing the construction,
1.12 installation, operation, and closure of aboveground and underground petroleum storage
1.13 tanks;

1.14 (6) for reimbursement of the environmental response, compensation, and compliance
1.15 account under subdivision 5 and section 115B.26, subdivision 4;

1.16 (7) for administrative and staff costs as set by the board to administer the petroleum tank
1.17 release program established in this chapter;

1.18 (8) for corrective action performance audits under section 115C.093;

1.19 (9) for contamination cleanup grants, as provided in paragraph (c);

1.20 (10) to assess and remove abandoned underground storage tanks under section 115C.094
1.21 and, if a release is discovered, to pay for the specific consultant and contractor services
1.22 costs necessary to complete the tank removal project, including, but not limited to, excavation

2.1 soil sampling, groundwater sampling, soil disposal, and completion of an excavation report;
2.2 ~~and~~

2.3 (11) to acquire interests in real or personal property, including easements, environmental
2.4 covenants under chapter 114E, and leases, that the agency determines are necessary for
2.5 corrective actions or to ensure the protectiveness of corrective actions. A donation of an
2.6 interest in real property to the agency is not effective until the agency executes a certificate
2.7 of acceptance. The state is not liable under this chapter solely as a result of acquiring an
2.8 interest in real property under this clause. Agency approval of an environmental covenant
2.9 under chapter 114E is sufficient evidence of acceptance of an interest in real property when
2.10 the agency is expressly identified as a holder in the covenant. Acquisition of real property
2.11 under this clause, except environmental covenants under chapter 114E, is subject to approval
2.12 by the board; and

2.13 (12) to partially reimburse the cost of replacing pressurized single-walled steel piping
2.14 and related equipment in underground petroleum storage tank systems under section 115C.09,
2.15 subdivision 31.

2.16 (b) Except as provided in paragraph (c), money in the fund is appropriated to the board
2.17 to make reimbursements or payments under this section.

2.18 (c) In fiscal years 2010 and 2011, \$3,700,000 is annually appropriated from the fund to
2.19 the commissioner of employment and economic development for contamination cleanup
2.20 grants under section 116J.554. Beginning in fiscal year 2012 and each year thereafter,
2.21 \$6,200,000 is annually appropriated from the fund to the commissioner of employment and
2.22 economic development for contamination cleanup grants under section 116J.554. Of this
2.23 amount, the commissioner may spend up to \$225,000 annually for administration of the
2.24 contamination cleanup grant program. The appropriation does not cancel and is available
2.25 until expended. The appropriation shall not be withdrawn from the fund nor the fund balance
2.26 reduced until the funds are requested by the commissioner of employment and economic
2.27 development. The commissioner shall schedule requests for withdrawals from the fund to
2.28 minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise
2.29 provided, the appropriation in this paragraph may be used for:

2.30 (1) project costs at a qualifying site if a portion of the cleanup costs are attributable to
2.31 petroleum contamination or new and used tar and tar-like substances, including but not
2.32 limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist
2.33 primarily of hydrocarbons and are found in natural deposits in the earth or are distillates,

3.1 fractions, or residues from the processing of petroleum crude or petroleum products as
3.2 defined in section 296A.01; and

3.3 (2) the costs of performing contamination investigation if there is a reasonable basis to
3.4 suspect the contamination is attributable to petroleum or new and used tar and tar-like
3.5 substances, including but not limited to bitumen and asphalt, but excluding bituminous or
3.6 asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits
3.7 in the earth or are distillates, fractions, or residues from the processing of petroleum crude
3.8 or petroleum products as defined in section 296A.01.

3.9 Sec. 2. Minnesota Statutes 2024, section 115C.09, is amended by adding a subdivision to
3.10 read:

3.11 Subd. 31. Reimbursement; single-walled steel piping. (a) For the purposes of this
3.12 subdivision, the following terms have the meanings given:

3.13 (1) "eligible equipment" means all equipment between the underground petroleum storage
3.14 tank and the dispenser, including piping, probes, monitors, pumps, containment, and electrical
3.15 equipment to support such equipment. Eligible equipment does not include underground
3.16 petroleum storage tanks, dispensers, canopies, site improvements, or signage replacement;

3.17 (2) "eligible location" means an underground petroleum storage tank system that is
3.18 located in Minnesota, has pressurized single-walled steel piping, and was installed before
3.19 the effective date of this subdivision; and

3.20 (3) "qualified person" means someone who is registered as a contractor under sections
3.21 115C.11 to 115C.12 and, as part of the person's trade or business, installs or repairs
3.22 pressurized underground petroleum storage tank systems.

3.23 (b) Notwithstanding any other provision of this chapter or any rules adopted under this
3.24 chapter, for replacement projects beginning after January 1, 2027, the board must reimburse
3.25 an owner 50 percent of the cost of replacing existing eligible equipment at eligible locations
3.26 with eligible equipment that meets all current applicable federal and Minnesota regulations
3.27 and standards, provided that:

3.28 (1) the owner considered at least two bids and selected the bid with the lowest total cost;
3.29 and

3.30 (2) the board determines that the costs incurred were reasonable.

3.31 (c) The board must not reimburse costs that the board determines were unreasonable.

3.32 (d) Reimbursement under paragraph (b) may not exceed \$100,000 per eligible location.

4.1 (e) The maximum annual expenditure from the fund established under section 115C.08
 4.2 for the purposes of this subdivision may not exceed \$4,000,000.

4.3 (f) An owner that owns or operates multiple eligible locations must not receive
 4.4 reimbursement for more than two eligible locations per calendar year.

4.5 (g) An owner may be reimbursed for the costs of:

4.6 (1) all eligible equipment;

4.7 (2) labor completed by a qualified person and associated with eligible equipment
 4.8 installation;

4.9 (3) labor completed by a qualified person and associated with dirt and concrete work
 4.10 directly associated with installing eligible equipment; and

4.11 (4) permits, freight, and shipping directly related to eligible equipment.

4.12 (h) Nothing in this subdivision prohibits an owner from receiving reimbursement from
 4.13 other sources for costs that are not reimbursed under this subdivision.

4.14 (i) This subdivision expires June 30, 2037.

4.15 Sec. 3. Minnesota Statutes 2024, section 216.13, is amended to read:

4.16 **216.13 COMMENCING PROCEEDINGS BEFORE COMMISSION.**

4.17 Proceedings before the commission ~~against any such carrier or public warehouse operator~~
 4.18 shall be instituted by a complaint, verified as a pleading in a civil action, stating or petition
 4.19 that states in ordinary language the facts constituting the alleged omission or offense or
 4.20 action requested. The filer must provide notice to the affected utilities. The parties to such
 4.21 proceedings shall be termed, respectively, "complainant" and "respondent."

4.22 Sec. 4. Minnesota Statutes 2024, section 216.16, is amended to read:

4.23 **216.16 HEARINGS BEFORE COMMISSION.**

4.24 If the ~~matter be~~ complaint or petition is not adjusted to the satisfaction of the commission,
 4.25 ~~it~~ the commission shall set a time and place of hearing, and give at least ten days' notice
 4.26 thereof to each party. The parties may appear either in person or by attorney. The commission
 4.27 shall hear evidence and otherwise investigate the matter, make findings of fact upon all
 4.28 matters involved, and such order or recommendation ~~in the premises~~ as may be just. A copy
 4.29 of such findings and order or recommendation shall forthwith be served upon each party.
 4.30 No proceedings shall be dismissed on account of want of pecuniary interest in the complaint.

5.1 Sec. 5. Minnesota Statutes 2024, section 216.161, is amended to read:

5.2 **216.161 CONTESTED CASES; NOTICE.**

5.3 Notwithstanding the provisions of any other law the commission in any contested case
5.4 shall give reasonable notice to representatives of associations or other interested groups or
5.5 persons who have registered their names with the executive secretary of the commission
5.6 for that purpose, to all parties and to cities and municipalities which the commission deems
5.7 to be interested in the proceeding. The commission may prescribe an annual fee to be paid
5.8 into the state treasury which shall be a charge to all registered groups or persons. This charge
5.9 is to cover the costs involved.

5.10 "~~Contested case~~" ~~means a proceeding before the commission in which the legal rights,~~
5.11 ~~duties or privileges of specific parties are required by law or constitutional right to be~~
5.12 ~~determined after a hearing~~ has the meaning given in section 14.02, subdivision 3.

5.13 Sec. 6. Minnesota Statutes 2024, section 216.17, subdivision 3, is amended to read:

5.14 Subd. 3. **Filings with commission; manner of filing.** ~~As of January 1, 2008,~~ Any
5.15 telephone company or telecommunications carrier subject to chapter 237; any public utility,
5.16 cooperative association, or municipal utility subject to chapter 216B; and state agencies,
5.17 shall file documents with the commission via the commission's electronic filing system.
5.18 The executive secretary may approve an exemption from this requirement if an affected
5.19 company or agency is unable to submit filings via the commission's electronic filing system.
5.20 All parties, participants, or other interested persons shall submit filings to the commission
5.21 via the commission's electronic filing system whenever practicable, but may also file by
5.22 personal delivery or by mail.

5.23 Sec. 7. Minnesota Statutes 2024, section 216A.01, is amended to read:

5.24 **216A.01 DEPARTMENT AND COMMISSION; POWERS AND DUTIES.**

5.25 The Department of Commerce shall have and possess all of the rights and powers and
5.26 perform all of the duties vested in it by this chapter. The Public Utilities Commission shall
5.27 have and possess all of the rights and powers and perform all of the duties vested in it by
5.28 ~~this chapter and those formerly vested by law in the Railroad and Warehouse Commission~~
5.29 chapters 216, 216A, 216B, 216C, 216G, 216H, 216I, and 237.

6.1 Sec. 8. Minnesota Statutes 2024, section 216A.03, subdivision 1, is amended to read:

6.2 Subdivision 1. **Members.** The Public Utilities Commission shall consist of five members.
6.3 The terms of members shall be six years and until their successors have been appointed and
6.4 qualified. Each commissioner shall be appointed by the governor by and with the advice
6.5 and consent of the senate. Not more than three commissioners shall belong to the same
6.6 political party. At least one commissioner must have been domiciled at the time of
6.7 appointment outside the seven-county metropolitan area. ~~If the membership of the~~
6.8 ~~commission after July 31, 1986, does not consist of at least one member domiciled at the~~
6.9 ~~time of appointment outside the seven-county metropolitan area, the membership shall~~
6.10 ~~conform to this requirement following normal attrition of the present commissioners.~~ The
6.11 governor when selecting commissioners shall give consideration to persons learned in the
6.12 law or persons who have engaged in the profession of engineering, public accounting,
6.13 property and utility valuation, finance, physical or natural sciences, production agriculture,
6.14 or natural resources as well as being representative of the general public.

6.15 For purposes of this subdivision, "seven-county metropolitan area" means Anoka, Carver,
6.16 Dakota, Hennepin, Ramsey, Scott, and Washington Counties.

6.17 Sec. 9. Minnesota Statutes 2024, section 216A.03, subdivision 6, is amended to read:

6.18 Subd. 6. **Record of proceedings.** An audio ~~magnetic or audio electronic~~ or video
6.19 recording device shall be used to keep a record of all proceedings before the commission.

6.20 Sec. 10. Minnesota Statutes 2024, section 216A.05, subdivision 2, is amended to read:

6.21 Subd. 2. **Powers generally.** The commission shall, to the extent prescribed by law:

6.22 (1) investigate the management of ~~all warehouse operators and telegraph companies~~
6.23 entities within its jurisdiction, the manner in which their businesses are conducted and the
6.24 adequacies of the services which they are affording to the public, and make all appropriate
6.25 orders relating to the continuation, termination, or modification of all services and facilities
6.26 ~~with a view to properly promoting~~ necessary to ensure the security and convenience of the
6.27 public;

6.28 (2) review and ascertain the reasonableness of tariffs of rates, fares, and charges, or any
6.29 part or classification thereof, and prescribe the form and manner of filing, posting, and
6.30 publication thereof;

6.31 (3) prescribe uniform systems of keeping and rendering accounts and the time within
6.32 which such systems shall be adopted;

7.1 (4) order the issuance of franchises, permits or certificates of ~~convenience and necessity~~
7.2 need.

7.3 Sec. 11. Minnesota Statutes 2024, section 216B.027, subdivision 7, is amended to read:

7.4 Subd. 7. **Optional referendum.** No cooperative shall be bound by the provisions of this
7.5 section unless adoption has been approved at referendum using the petition and election
7.6 procedures in section 216B.026. ~~Within 60 days of May 19, 1983, the board of directors of~~
7.7 ~~each cooperative electric association shall notify the stockholders of the provisions of this~~
7.8 ~~section and shall explain the process for ratification by petition and election as provided in~~
7.9 ~~this subdivision.~~

7.10 Sec. 12. Minnesota Statutes 2024, section 216B.06, is amended to read:

7.11 **216B.06 RECEIVING DIFFERENT COMPENSATION.**

7.12 No public utility shall directly or indirectly, by any device whatsoever, or in any manner,
7.13 charge, demand, collect, or receive from any person a greater or less compensation for any
7.14 service rendered or to be rendered by the utility than that prescribed in the schedules of
7.15 rates of the public utility applicable thereto when filed in the manner provided in Laws
7.16 1974, chapter 429, nor shall any person knowingly receive or accept any service from a
7.17 public utility for a compensation greater or less than that prescribed in the schedules, ~~provided~~
7.18 ~~that all rates being charged and collected by a public utility upon January 1, 1975, may be~~
7.19 ~~continued until schedules are filed.~~

7.20 Sec. 13. Minnesota Statutes 2024, section 216B.098, subdivision 2, is amended to read:

7.21 Subd. 2. **Budget billing plans.** A utility shall offer a customer a budget billing plan for
7.22 payment of charges for service, including adequate notice to customers prior to changing
7.23 budget payment amounts. Municipal utilities having 3,000 or fewer customers are exempt
7.24 from this requirement. ~~Municipal utilities having more than 3,000 customers shall implement~~
7.25 ~~this requirement before July 1, 2003.~~

7.26 Sec. 14. Minnesota Statutes 2024, section 216B.16, subdivision 19, is amended to read:

7.27 Subd. 19. **Multiyear rate plan.** (a) A public utility may propose, and the commission
7.28 may approve, approve as modified, or reject, a multiyear rate plan as provided in this
7.29 subdivision. The term "multiyear rate plan" refers to a plan establishing the rates the utility
7.30 may charge for each year of the specified period of years, which cannot exceed five years,
7.31 to be covered by the plan. A utility proposing a multiyear rate plan shall provide a general

8.1 description of the utility's major planned investments over the plan period. The commission
8.2 may also require the utility to provide a set of reasonable performance measures and
8.3 incentives that are quantifiable, verifiable, and consistent with state energy policies. The
8.4 commission may allow the utility to adjust recovery of its cost of capital or other costs in
8.5 a reasonable manner within the plan period. The utility may propose:

8.6 (1) recovery of the utility's forecasted rate base, based on a formula, a budget forecast,
8.7 or a fixed escalation rate, individually or in combination. The forecasted rate base must
8.8 include the utility's planned capital investments and investment-related costs, including
8.9 income tax impacts, depreciation, and property taxes, as well as forecasted capacity-related
8.10 costs from purchased power agreements that are not recovered through subdivision 7;

8.11 (2) recovery of operations and maintenance expenses, based on an electricity-related
8.12 price index or other formula;

8.13 (3) tariffs that expand the products and services available to customers, including, but
8.14 not limited to, an affordability rate for low-income residential customers; and

8.15 (4) adjustments to the rates approved under the multiyear plan for rate changes that the
8.16 commission determines to be just and reasonable, including, but not limited to, changes in
8.17 the utility's cost of operating its nuclear facilities, or other significant investments not
8.18 addressed in the plan.

8.19 (b) A utility that has filed a petition with the commission to approve a multiyear rate
8.20 plan may request to be allowed to implement interim rates for the first and second years of
8.21 the multiyear plan. If the commission approves the request, interim rates shall be implemented
8.22 in the same manner as allowed under subdivision 3.

8.23 (c) The commission may approve a multiyear rate plan only if it finds that the plan
8.24 establishes just and reasonable rates for the utility, applying the factors described in
8.25 subdivision 6. Consistent with subdivision 4, the burden of proof to demonstrate that the
8.26 multiyear rate plan is just and reasonable is on the public utility proposing the plan.

8.27 (d) Rates charged under the multiyear rate plan must be based only upon the utility's
8.28 reasonable and prudent costs of service over the term of the plan, as determined by the
8.29 commission, provided that the costs are not being recovered elsewhere in rates. Rate
8.30 adjustments authorized under subdivisions 6b and 7 may continue outside of a plan authorized
8.31 under this subdivision.

8.32 (e) The commission may, by order, establish terms, conditions, and procedures for a
8.33 multiyear rate plan necessary to implement this section and ensure that rates remain just

9.1 and reasonable during the course of the plan, including terms and procedures for rate
9.2 adjustment. At any time prior to conclusion of a multiyear rate plan, the commission, upon
9.3 its own motion or upon petition of any party, has the discretion to examine the reasonableness
9.4 of the utility's rates under the plan, and adjust rates as necessary.

9.5 (f) In reviewing a multiyear rate plan proposed in a general rate case under this section,
9.6 the commission may extend the time requirements for issuance of a final determination
9.7 prescribed in this section by an additional 90 days beyond its existing authority under
9.8 subdivision 2, paragraph (f).

9.9 ~~(g) A utility may not file a multiyear rate plan that would establish rates under the terms~~
9.10 ~~of the plan until after May 31, 2012.~~

9.11 ~~(h)~~ (g) The commission may initiate a proceeding to determine a set of performance
9.12 measures that can be used to assess a utility operating under a multiyear rate plan.

9.13 Sec. 15. Minnesota Statutes 2024, section 216B.1611, subdivision 3a, is amended to read:

9.14 Subd. 3a. **Project information.** (a) ~~Beginning July 1, 2014,~~ Each electric utility shall
9.15 request an applicant for interconnection of distributed renewable energy generation to
9.16 provide the following information, in a format prescribed by the commissioner:

9.17 (1) the nameplate capacity of the facility in the application;

9.18 (2) the preincentive installed cost and cost components of the generation system at the
9.19 facility;

9.20 (3) the energy source of the facility; and

9.21 (4) the zip code in which the facility is to be located.

9.22 (b) The commissioner shall develop or identify a system to collect and process the
9.23 information under this subdivision for each utility, and make non-project-specific data
9.24 available to the public on a periodic basis as determined by the commissioner, and in a
9.25 format determined by the commissioner. The commissioner may solicit proposals from
9.26 outside parties to develop the system. The commissioner may only collect data authorized
9.27 in paragraph (a), and may not require submission of any additional data that could be used
9.28 to personally identify any individual applicant or utility customer.

9.29 (c) Electric utilities collecting and transferring data under this subdivision are not
9.30 responsible for the accuracy, completeness, or quality of the information under this
9.31 subdivision.

10.1 (d) Except as provided in paragraph (b), any information provided by an applicant to
10.2 the commissioner under this subdivision is nonpublic data as defined in section 13.02,
10.3 subdivision 9.

10.4 Sec. 16. Minnesota Statutes 2024, section 216B.2403, subdivision 5, is amended to read:

10.5 **Subd. 5. Energy conservation programs for low-income households.** (a) A
10.6 consumer-owned utility subject to this section must provide energy conservation programs
10.7 to low-income households. The commissioner must evaluate a consumer-owned utility's
10.8 plans under this section by considering the consumer-owned utility's historic spending on
10.9 energy conservation programs directed to low-income households, the rate of customer
10.10 participation in and the energy savings resulting from those programs, and the number of
10.11 low-income persons residing in the consumer-owned utility's service territory. A municipal
10.12 utility that furnishes natural gas service must spend at least 0.2 percent of the municipal
10.13 utility's most recent three-year average gross operating revenue from residential customers
10.14 in Minnesota on ~~energy conservation programs for low-income households~~ programs. A
10.15 consumer-owned utility that furnishes electric service must spend at least 0.2 percent of the
10.16 consumer-owned utility's gross operating revenue from residential customers in Minnesota
10.17 on ~~energy conservation programs for low-income households~~ programs. The requirement
10.18 under this paragraph applies to each generation and transmission cooperative association's
10.19 aggregate gross operating revenue from the sale of electricity to residential customers in
10.20 Minnesota by all of the association's member distribution cooperatives.

10.21 (b) To meet all or part of the spending requirements of paragraph (a), a consumer-owned
10.22 utility may contribute money to the energy and conservation account established in section
10.23 216B.241, subdivision 2a. An energy conservation optimization plan must state the amount
10.24 of contributions the consumer-owned utility plans to make to the energy and conservation
10.25 account. Contributions to the account must be used for energy conservation programs serving
10.26 low-income households, including renters, located in the service area of the consumer-owned
10.27 utility making the contribution. Contributions must be remitted to the commissioner by
10.28 February 1 each year.

10.29 (c) The commissioner must establish energy conservation programs for low-income
10.30 households funded through contributions to the energy and conservation account under
10.31 paragraph (b). When establishing energy conservation programs for low-income households,
10.32 the commissioner must consult political subdivisions, utilities, and nonprofit and community
10.33 organizations, including organizations providing energy and weatherization assistance to
10.34 low-income households. The commissioner must record and report expenditures and energy

11.1 savings achieved as a result of energy conservation programs for low-income households
11.2 funded through the energy and conservation account in the report required under section
11.3 216B.241, subdivision 1c, paragraph (f). The commissioner may contract with a political
11.4 subdivision, nonprofit or community organization, public utility, municipality, or
11.5 consumer-owned utility to implement low-income programs funded through the energy and
11.6 conservation account.

11.7 (d) A consumer-owned utility may petition the commissioner to modify the required
11.8 spending under this subdivision if the consumer-owned utility and the commissioner were
11.9 unable to expend the amount required for three consecutive years.

11.10 (e) The commissioner must develop and establish guidelines for determining the eligibility
11.11 of multifamily buildings to participate in energy conservation programs provided to
11.12 low-income households. Notwithstanding the definition of low-income household in section
11.13 216B.2402, a consumer-owned utility or association may apply the most recent guidelines
11.14 published by the department for purposes of determining the eligibility of multifamily
11.15 buildings to participate in low-income programs. The commissioner must convene a
11.16 stakeholder group to review and update these guidelines by August 1, 2021, and at least
11.17 once every five years thereafter. The stakeholder group must include but is not limited to
11.18 representatives of public utilities; municipal electric or gas utilities; electric cooperative
11.19 associations; multifamily housing owners and developers; and low-income advocates.

11.20 (f) Up to 15 percent of a consumer-owned utility's spending on low-income energy
11.21 conservation programs may be spent on preweatherization measures. A consumer-owned
11.22 utility is prohibited from claiming energy savings from preweatherization measures toward
11.23 the consumer-owned utility's energy savings goal.

11.24 (g) The commissioner must, by order, establish a list of preweatherization measures
11.25 eligible for inclusion in low-income energy conservation programs no later than March 15,
11.26 2022.

11.27 (h) A Healthy AIR (Asbestos Insulation Removal) account is established as a separate
11.28 account in the special revenue fund in the state treasury. A consumer-owned utility may
11.29 elect to contribute money to the Healthy AIR account to provide preweatherization measures
11.30 for households eligible for weatherization assistance from the state weatherization assistance
11.31 program in section 216C.264. Remediation activities must be executed in conjunction with
11.32 federal weatherization assistance program services. Money contributed to the account by a
11.33 consumer-owned utility counts toward: (1) the minimum low-income spending requirement
11.34 under paragraph (a); and (2) the cap on preweatherization measures under paragraph (f).

12.1 Money in the account is annually appropriated to the commissioner of commerce to pay for
12.2 Healthy AIR-related activities.

12.3 (i) This paragraph applies to a consumer-owned utility that supplies electricity to a
12.4 low-income household whose primary heating fuel is supplied by an entity other than a
12.5 public utility. Any spending on space and water heating energy conservation improvements
12.6 and efficient fuel-switching by the consumer-owned utility on behalf of the low-income
12.7 household may be applied to the consumer owned utility's spending requirement under
12.8 paragraph (a). To the maximum extent possible, a consumer-owned utility providing services
12.9 under this paragraph must offer the services in conjunction with weatherization services
12.10 provided under section 216C.264.

12.11 **EFFECTIVE DATE.** This section is effective the day following final enactment and
12.12 applies to efficient fuel-switching improvements installed on or after that date.

12.13 Sec. 17. Minnesota Statutes 2024, section 216B.2412, is amended by adding a subdivision
12.14 to read:

12.15 Subd. 4. **Decoupling plans.** A public utility may file a decoupling plan. The commission
12.16 may approve, deny, or modify the decoupling plan consistent with the public interest.

12.17 Sec. 18. Minnesota Statutes 2024, section 216B.2422, subdivision 3, is amended to read:

12.18 Subd. 3. **Environmental costs.** (a) The commission shall, to the extent practicable,
12.19 quantify and establish a range of environmental costs associated with each method of
12.20 electricity generation. A utility shall use the values established by the commission in
12.21 conjunction with other external factors, including socioeconomic costs, when evaluating
12.22 and selecting resource options in all proceedings before the commission, including resource
12.23 plan and certificate of need proceedings.

12.24 (b) The commission shall provisionally adopt and apply the draft cost of greenhouse gas
12.25 emissions valuations presented in the United States Environmental Protection Agency's
12.26 EPA External Review Draft of Report on the Social Cost of Greenhouse Gases: Estimates
12.27 Incorporating Recent Scientific Advances, released in September 2022, including the time
12.28 horizon, global estimates of damages, and the full range of discount rates from 2.5 to 1.5
12.29 percent, with two percent as the central estimate. The commission shall adopt the estimates
12.30 contained in the final version of the external review draft report when it becomes available.

12.31 (c) If, at any time, the estimates adopted by the commission under paragraph (a) are
12.32 exceeded by estimates released by the federal Interagency Working Group on the Social

13.1 Cost of Greenhouse Gases or its successors, the commission shall adopt the working group
13.2 estimates.

13.3 ~~(d) The commission shall establish interim environmental cost values associated with~~
13.4 ~~each method of electricity generation by March 1, 1994. These values expire on the date~~
13.5 ~~the commission establishes environmental cost values under paragraph (a).~~

13.6 Sec. 19. Minnesota Statutes 2024, section 216B.27, subdivision 1, is amended to read:

13.7 Subdivision 1. **Applying for rehearing or reconsideration.** Within 20 days after the
13.8 service by the commission of any decision constituting an order or determination, any party
13.9 to the proceeding and any other person, aggrieved by the decision and directly affected
13.10 thereby, may apply to the commission for a rehearing or reconsideration in respect to any
13.11 matters determined in the decision. The commission may grant and hold a rehearing or
13.12 reconsideration on the matters, or upon any of them as it may specify in the order granting
13.13 the rehearing or reconsideration, if in its judgment sufficient reason therefor exists.

13.14 Sec. 20. Minnesota Statutes 2024, section 216B.27, subdivision 2, is amended to read:

13.15 Subd. 2. **Contents of application; condition precedent for review.** The application
13.16 for a rehearing or reconsideration shall set forth specifically the grounds on which the
13.17 applicant contends the decision is unlawful or unreasonable. No cause of action arising out
13.18 of any decision constituting an order or determination of the commission or any proceeding
13.19 for the judicial review thereof shall accrue in any court to any person or corporation unless
13.20 the plaintiff or petitioner in the action or proceeding within 20 days after the service of the
13.21 decision, shall have made application to the commission for a rehearing or reconsideration
13.22 in the proceeding in which the decision was made. No person or corporation shall in any
13.23 court urge or rely on any ground not so set forth in the application for rehearing or
13.24 reconsideration.

13.25 Sec. 21. Minnesota Statutes 2024, section 216B.27, subdivision 3, is amended to read:

13.26 Subd. 3. **Rules; procedural requirements; commission's authority.** Applications for
13.27 rehearing or reconsideration shall be governed by general rules which the commission may
13.28 establish. In case a rehearing or reconsideration is granted the proceedings shall conform
13.29 as nearly as may be to the proceedings in an original hearing, except as the commission
13.30 may otherwise direct. If in the commission's judgment, after the rehearing or reconsideration,
13.31 it shall appear that the original decision, order, or determination is in any respect unlawful
13.32 or unreasonable, the commission may reverse, change, modify, or suspend the original

14.1 action accordingly. Any decision, order, or determination made after the rehearing or
14.2 reconsideration reversing, changing, modifying, or suspending the original determination
14.3 shall have the same force and effect as an original decision, order, or determination. Only
14.4 one rehearing or reconsideration shall be granted by the commission; but this shall not be
14.5 construed to prevent any party from filing a new application or complaint. No order of the
14.6 commission shall become effective while an application for a rehearing or reconsideration,
14.7 or a rehearing or reconsideration proceeding, is pending and until ten days after the
14.8 application for a rehearing or reconsideration is either denied, expressly or by implication,
14.9 or the commission has announced its final determination on rehearing or reconsideration.

14.10 Sec. 22. Minnesota Statutes 2024, section 216B.27, subdivision 4, is amended to read:

14.11 Subd. 4. **Deadline to grant application.** Any application for a rehearing or
14.12 reconsideration not granted within 60 days from the date of filing thereof, shall be deemed
14.13 denied.

14.14 Sec. 23. Minnesota Statutes 2024, section 216B.27, subdivision 5, is amended to read:

14.15 Subd. 5. **Effect of decision on application.** It is hereby declared that the legislative
14.16 powers of the state, insofar as they are involved in the issuance of orders and decisions by
14.17 the commission, have not been completely exercised until the commission has acted upon
14.18 an application for rehearing or reconsideration, as provided for by this section and by the
14.19 rules of the commission, or until the application for rehearing or reconsideration has been
14.20 denied by implication, as above provided for.

14.21 Sec. 24. Minnesota Statutes 2024, section 216B.43, is amended to read:

14.22 **216B.43 HEARING ON COMPLAINT.**

14.23 Upon the filing of an application under section 216B.42 or upon complaint by an affected
14.24 utility that the provisions of sections 216B.39 to 216B.42 have been violated, the commission
14.25 shall hold a hearing, upon notice, within ~~30~~ 60 days after the filing of the complaint, and
14.26 shall render its decision within 30 days after the hearing.

14.27 Sec. 25. Minnesota Statutes 2024, section 216B.62, subdivision 3a, is amended to read:

14.28 Subd. 3a. **Supplemental staffing assessment.** In addition to other assessments in
14.29 subdivision 3, the commission may assess up to \$800,000 per year for supplemental staffing
14.30 to implement requirements of this chapter. The amount in this subdivision shall be assessed
14.31 to the several public utilities in proportion to their respective gross operating revenues from

15.1 retail sales of gas or electric service within the state during the last calendar year and shall
15.2 be deposited into an account in the special revenue fund and appropriated to the commission.
15.3 An assessment made under this subdivision is not subject to the cap on assessments provided
15.4 in subdivision 3 or any other law.

15.5 Sec. 26. Minnesota Statutes 2024, section 216C.02, subdivision 1, is amended to read:

15.6 Subdivision 1. **Powers.** (a) The commissioner may:

15.7 (1) apply for, receive, and spend money received from federal, municipal, county,
15.8 regional, and other government agencies and private sources;

15.9 (2) apply for, accept, and disburse grants and other aids from public and private sources;

15.10 (3) contract for professional services if work or services required or authorized to be
15.11 carried out by the commissioner cannot be satisfactorily performed by employees of the
15.12 department or by another state agency;

15.13 (4) enter into interstate or intrastate partnerships or compacts to carry out research and
15.14 planning jointly with other states or the federal government, private entities, or
15.15 nongovernmental organizations when appropriate;

15.16 (5) upon reasonable request, distribute informational material at no cost to the public;
15.17 and

15.18 (6) enter into contracts for the performance of the commissioner's duties with federal,
15.19 state, regional, metropolitan, local, and other agencies or units of government and educational
15.20 institutions, including the University of Minnesota, without regard to the competitive bidding
15.21 requirements of chapters 16A and 16C.

15.22 (b) The commissioner shall collect information on conservation and other energy-related
15.23 programs carried on by other agencies, by public utilities, by cooperative electric associations,
15.24 by municipal power agencies, by other fuel suppliers, by political subdivisions, and by
15.25 private organizations. Other agencies, cooperative electric associations, municipal power
15.26 agencies, and political subdivisions shall cooperate with the commissioner by providing
15.27 information requested by the commissioner. The commissioner may by rule require the
15.28 submission of information by other program operators. The commissioner shall make the
15.29 information available to other agencies and to the public and, as necessary, shall recommend
15.30 to the legislature changes in the laws governing conservation and other energy-related
15.31 programs to ensure that:

15.32 (1) expenditures on the programs are adequate to meet identified needs;

16.1 (2) the needs of low-income energy users are being adequately addressed;

16.2 (3) duplication of effort is avoided or eliminated;

16.3 (4) a program that is ineffective is improved or eliminated; and

16.4 (5) voluntary efforts are encouraged through incentives for their operators.

16.5 (c) By January 15 of each year, the commissioner shall report to the legislature on the
16.6 projected amount of federal money likely to be available to the state during the next fiscal
16.7 year, including grant money and money received by the state as a result of litigation or
16.8 settlements of alleged violations of federal petroleum-pricing regulations. The report must
16.9 also estimate the amount of money projected as needed during the next fiscal year to finance
16.10 a level of conservation and other energy-related programs adequate to meet projected needs,
16.11 particularly the needs of low-income persons and households, and must recommend the
16.12 amount of state appropriations needed to cover the difference between the projected
16.13 availability of federal money and the projected needs.

16.14 Sec. 27. Minnesota Statutes 2024, section 216C.05, subdivision 1, is amended to read:

16.15 Subdivision 1. **Energy planning.** The legislature finds and declares that continued
16.16 growth in demand for energy will cause severe social and economic dislocations, and that
16.17 the state has a vital interest in providing for: increased efficiency in energy consumption,
16.18 the development and use of renewable energy resources wherever possible, a secure and
16.19 resilient energy system infrastructure, and the creation of an effective energy forecasting,
16.20 planning, and education program.

16.21 The legislature further finds and declares that the protection of life, safety, and financial
16.22 security for citizens during an energy crisis is of paramount importance.

16.23 Therefore, the legislature finds that it is in the public interest to review, analyze, and
16.24 encourage those energy programs that will minimize the need for annual increases in fossil
16.25 fuel consumption ~~by 1990~~ and the need for additional ~~electrical generating plants~~ electric
16.26 generation, distribution, and storage, and provide for an optimum combination of energy
16.27 sources and energy conservation consistent with environmental protection and the protection
16.28 of citizens.

16.29 The legislature further finds that maintaining an energy security plan that addresses (1)
16.30 all sources of regulated and unregulated energy, (2) a statewide risk assessment, (3) an
16.31 all-hazards threat assessment, (4) analysis of cross-sector critical infrastructure
16.32 interdependencies, (5) risk mitigation strategies, and (6) multistate and regional coordination
16.33 is in the public interest. The responsibilities pursuant to the energy security plan must be

17.1 executed under a planning, preparedness, and response framework, and in consultation with
17.2 state agencies, local units of government, energy providers, community-based organizations,
17.3 and others as appropriate.

17.4 The legislature intends to monitor, through energy policy planning and implementation,
17.5 the transition from historic growth in energy demand to a period when demand for traditional
17.6 fuels becomes stable and the supply of renewable energy resources is readily available and
17.7 adequately utilized.

17.8 The legislature further finds that for economic growth, environmental improvement,
17.9 and protection of citizens, it is in the public interest to encourage ~~those~~ energy programs
17.10 and planning processes that ~~will~~ provide an optimum combination of energy resources,
17.11 including energy savings.

17.12 Therefore, the legislature, through its committees, must monitor and evaluate progress
17.13 toward greater reliance on cost-effective energy efficiency and renewable energy and lesser
17.14 dependence on fossil fuels in order to reduce the economic burden of fuel imports, diversify
17.15 utility-owned and consumer-owned energy resources, reduce utility costs for businesses
17.16 and residents, improve the competitiveness and profitability of Minnesota businesses,
17.17 increase energy security, create more energy-related jobs that contribute to the Minnesota
17.18 economy, and reduce pollution and emissions that cause climate change.

17.19 Sec. 28. Minnesota Statutes 2024, section 216C.374, subdivision 3, is amended to read:

17.20 Subd. 3. **Establishment of account.** An electric school bus program account is established
17.21 as a separate account in the special revenue fund in the state treasury. The commissioner
17.22 shall credit to the account appropriations and transfers to the account. Earnings, including
17.23 interest, dividends, and any other earnings arising from assets of the account, must be
17.24 credited to the account. Money in the account at the end of a fiscal year does not cancel to
17.25 the general fund but remains available in the account until June 30, ~~2027~~ 2028. The
17.26 commissioner shall manage the account.

17.27 Sec. 29. Minnesota Statutes 2024, section 216C.377, subdivision 10, is amended to read:

17.28 Subd. 10. **Application deadline.** An application must not be submitted under this section
17.29 after June 30, ~~2026~~ 2028.

17.30 **EFFECTIVE DATE.** This section is effective June 1, 2026.

18.1 Sec. 30. Minnesota Statutes 2024, section 216C.377, subdivision 13, is amended to read:

18.2 Subd. 13. **Reporting.** Beginning January 15, 2025, and each year thereafter until January
18.3 15, ~~2027~~ 2029, the commissioner must report to the chairs and ranking minority members
18.4 of the legislative committees with jurisdiction over energy finance and policy regarding
18.5 grants and amounts awarded to local units of government under this section during the
18.6 previous year and any remaining balances available in the account established under this
18.7 section.

18.8 Sec. 31. Minnesota Statutes 2024, section 216C.391, subdivision 6, is amended to read:

18.9 Subd. 6. **Grant awards; administration.** (a) An eligible entity seeking a grant award
18.10 under subdivision 3 or an entity seeking a grant award under subdivision 4 must submit an
18.11 application to the commissioner on a form prescribed by the commissioner. The
18.12 commissioner is responsible for receiving and reviewing grant applications and awarding
18.13 grants under this section, and shall develop administrative procedures governing the
18.14 application, evaluation, and award process. The commissioner may not make a grant award
18.15 under this section unless the commissioner has determined, and has notified the applicant
18.16 in writing, that the application is complete. In awarding grants under this section, the
18.17 commissioner shall endeavor to make awards to applicants from all regions of the state.

18.18 (b) The department must provide technical assistance to applicants. Applicants may also
18.19 receive grant development assistance at no cost from entities awarded grants for that purpose
18.20 under subdivision 4.

18.21 (c) Within ten business days of determining a grant award amount to an applicant, the
18.22 commissioner must:

18.23 (1) reserve that amount for that specific grant in the state competitiveness fund account;
18.24 and

18.25 (2) notify the Legislative Advisory Commission in writing of the reserved amount, the
18.26 name of the applicant, the purpose of the project, and the unreserved balance of funds
18.27 remaining in the account.

18.28 (d) Reserved funds are committed to the grant and use specified in the notice provided
18.29 under paragraph (c) and are unavailable for reservation or appropriation for other applications
18.30 unless and until the commissioner receives written notice from the applicant that the
18.31 application for federal funds has been withdrawn or from the federal grantor that the
18.32 application for which funds from the account were reserved has been denied federal funds.

19.1 (e) Reserved funds may only be expended upon presentation of written notice from the
19.2 federal grantor to the commissioner stating that the applicant will receive federal funds for
19.3 the project described in the application. If the amount of federal funds awarded to an applicant
19.4 differs from the amount requested in the application, the commissioner may adjust the award
19.5 made under this section accordingly. Notwithstanding sections 16B.98, subdivisions 5 and
19.6 7, and 16C.05, a reimbursement may cover cost sharing expenses incurred after the start of
19.7 the federal award agreement but before the date the contract with the state of Minnesota is
19.8 effective, to ensure the applicant's compliance with federal award schedule requirements.

19.9 (f) Reserved funds must be made for projects that demonstrate they will help meet the
19.10 state's clean energy and energy-related climate goals through renewable energy development,
19.11 energy conservation, efficiency, or energy-related greenhouse gas reduction benefits.

19.12 (g) The commissioner must notify the chairs and ranking minority members of the
19.13 legislative committees with jurisdiction over energy finance when the unreserved balance
19.14 of the competitiveness fund account reaches the following amounts: 50 percent, unreserved;
19.15 25 percent, unreserved; 15 percent, unreserved; and five percent. The notification must be
19.16 within ten days after each level of unreserved balance is reached.

19.17 Sec. 32. Minnesota Statutes 2024, section 216C.391, subdivision 7, is amended to read:

19.18 Subd. 7. **Report; audit.** ~~Beginning February 15, 2024, and each~~ By February 15 thereafter
19.19 each year until February 15, 2035, the commissioner must submit a written report to the
19.20 chairs and ranking minority members of the legislative committees with jurisdiction over
19.21 energy finance on the activities taken and expenditures made under this section. The report
19.22 must, at a minimum, include the following information for the most recent calendar year:

19.23 (1) the number of applications for grants filed with the commissioner and the total amount
19.24 of grant funds requested;

19.25 (2) each grant awarded;

19.26 (3) the number of additional personnel hired for the purposes of this section;

19.27 (4) expenditures on activities conducted under this section, reported separately for these
19.28 areas:

19.29 (i) the provision of technical assistance;

19.30 (ii) grants made under subdivision 4 to entities to assist applicants with grant
19.31 development;

20.1 (iii) application review and evaluation, including applicants that were denied federal or
20.2 state grant awards and the reason for the denial;

20.3 (iv) information technology activities; and

20.4 (v) other expenditures;

20.5 (5) the unreserved balance remaining in the state competitiveness fund account;

20.6 (6) a copy of a financial audit of the department's expenditures under this section for the
20.7 previous fiscal year, conducted by an independent auditor;

20.8 (7) recommendations for legislation to enhance the ability of eligible entities to
20.9 successfully compete for federal funds;

20.10 (8) additional available funding opportunities to obtain energy-related funding from
20.11 federal agencies; and

20.12 (9) federal grant program changes that would affect the federal funds available to the
20.13 state and eligible applicants, including changes that would affect the required match for
20.14 receiving federal funds."

20.15 Page 2, after line 7, insert:

20.16 "(12) borrow money or other property for any purpose pertaining to the authority's
20.17 activities;"

20.18 Page 2, line 8, strike "(12)" and insert "(13)"

20.19 Page 2, line 9, strike "and"

20.20 Page 2, after line 9, insert:

20.21 "(14) sell at a public or private sale a note, mortgage, or other interest or obligation that
20.22 evidences or secures a loan; and"

20.23 Page 2, line 10, strike "(13)" and insert "(15)"

20.24 Page 2, after line 12, insert:

20.25 "Sec. 33. Minnesota Statutes 2024, section 216C.441, subdivision 4, is amended to read:

20.26 Subd. 4. **Authority duties.** (a) The authority must:

20.27 (1) serve as a financial resource to reduce the upfront and total costs of implementing
20.28 qualified projects;

20.29 (2) ensure that all financed projects reduce greenhouse gas emissions;

- 21.1 (3) ensure that financing terms and conditions offered are well-suited to qualified projects;
- 21.2 (4) strategically prioritize the use of the authority's funds to leverage private investment
21.3 in qualified projects, with the aim of achieving a high ratio of private to public money
21.4 invested through funding mechanisms that support, enhance, and complement private lending
21.5 and investment;
- 21.6 (5) coordinate with existing federal, state, local, utility, and other programs to ensure
21.7 that the authority's resources are being used most effectively to add to and complement
21.8 those programs;
- 21.9 (6) stimulate demand for qualified projects by:
- 21.10 (i) contracting with the department to provide, including through subcontracts with
21.11 community navigators, information to project participants about federal, state, local, utility,
21.12 and other authority financial assistance for qualifying projects, and technical information
21.13 on energy conservation and renewable energy measures;
- 21.14 (ii) forming partnerships with contractors and informing contractors about the authority's
21.15 financing programs;
- 21.16 (iii) developing innovative marketing strategies to stimulate project owner interest,
21.17 especially in underserved communities; and
- 21.18 (iv) incentivizing financing entities to increase activity in underserved markets;
- 21.19 (7) finance projects in all regions of the state;
- 21.20 (8) develop participant eligibility standards and other terms and conditions for financial
21.21 support provided by the authority;
- 21.22 (9) develop and administer:
- 21.23 (i) policies to collect reasonable fees for authority services; and
21.24 (ii) risk management activities to support ongoing authority activities;
- 21.25 (10) develop consumer protection standards governing the authority's investments to
21.26 ensure that financial support is provided responsibly and transparently and is in the financial
21.27 interest of participating project owners;
- 21.28 (11) develop methods to accurately measure the impact of the authority's activities,
21.29 particularly on low-income communities and on greenhouse gas emissions reductions;
- 21.30 (12) hire an executive director and sufficient staff with the appropriate skills and
21.31 qualifications to carry out the authority's programs, making an affirmative effort to recruit

22.1 and hire a director and staff who are from, or share the interests of, the communities the
22.2 authority must serve;

22.3 (13) apply for, either as a direct or subgrantee applicant, and accept Greenhouse Gas
22.4 Reduction Fund grants authorized by the federal Clean Air Act, United States Code, title
22.5 42, section 7434, paragraph (a), clauses (1), (2), and (3). Until the Climate Innovation
22.6 Finance Authority is established, the commissioner shall apply for and receive funding
22.7 through Public Law 117-169 in order to leverage state investment, on behalf of the authority.
22.8 To the extent practicable, applications for these funds by or on behalf of the authority should
22.9 be made in coordination with other Minnesota applicants;

22.10 (14) acting under its powers as a state energy financing institution under United States
22.11 Code, title 42, section 16511, collaborate with the United States Department of Energy Loan
22.12 Programs Office to ensure that authorities made available under the Inflation Reduction
22.13 Act of 2022, Public Law 117-169, maximally benefit Minnesotans. Until the Climate
22.14 Innovation Finance Authority is established, the commissioner may engage with the United
22.15 States Department of Energy Loan Programs Office on behalf of the authority; and

22.16 (15) ensure that authority contracts with all third-party administrators, contractors, and
22.17 subcontractors contain required covenants, representations, and warranties specifying that
22.18 contracted third parties are agents of the authority and that all acts of contracted third parties
22.19 are considered acts of the authority, provided that the act is within the contracted scope of
22.20 work.

22.21 (b) The authority may:

22.22 (1) employ credit enhancement mechanisms that reduce financial risk for financing
22.23 entities by providing assurance that a limited portion of a loan or other financial instrument
22.24 is assumed by the authority via a loan loss reserve, loan guarantee, or other mechanism;

22.25 (2) co-invest in a qualified project by providing senior or subordinated debt, equity, or
22.26 other mechanisms in conjunction with other investment, co-lending, or financing;

22.27 (3) aggregate small and geographically dispersed qualified projects in order to diversify
22.28 risk; ~~or~~

22.29 ~~(4)~~ secure additional private investment through securitization or similar resale of the
22.30 authority's interest in a completed qualified project;

22.31 ~~(4)~~ (5) expend up to 25 percent of funds appropriated to the authority for start-up
22.32 purposes, which may be used for financing programs and project investments authorized

23.1 under this section, prior to adoption of the strategic plan required under subdivision 7 and
23.2 the investment strategy under subdivision 8; and

23.3 ~~(5)~~ (6) require a specific project to agree to implement a project labor agreement as a
23.4 condition of receiving financing from the authority.

23.5 Sec. 34. Minnesota Statutes 2024, section 216C.441, is amended by adding a subdivision
23.6 to read:

23.7 Subd. 4a. **Liability; limitation.** (a) The state is not liable on notes, loans, or other interests
23.8 or obligations evidencing or securing a loan entered into by the authority under this section.
23.9 A note, loan, or other interest or obligation securing a loan under this section is not a debt
23.10 of the state.

23.11 (b) A note, loan, or other agreement or contract evidencing security for a loan entered
23.12 into under this section must contain a statement that clearly indicates the liability limitation
23.13 under paragraph (a).

23.14 Sec. 35. Minnesota Statutes 2024, section 216C.46, subdivision 1, is amended to read:

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

23.17 (b) "Eligible applicant" means a person who:

23.18 (1) provides evidence to the commissioner's satisfaction demonstrating that the person
23.19 has received or has applied for a heat pump rebate available from the federal Department
23.20 of Energy under the Inflation Reduction Act of 2022, Public Law 117-189; or

23.21 (2) satisfies the definition of "eligible applicant" in Minnesota Statutes, section 216C.45,
23.22 subdivision 1, paragraph (g).

23.23 (c) "Heat pump" means a cold climate rated air-source heat pump composed of (1) a
23.24 mechanism that heats and cools indoor air by transferring heat from outdoor or indoor air
23.25 using a fan, (2) a refrigerant-filled heat exchanger, and (3) an inverter-driven compressor
23.26 that varies the pressure of the refrigerant to warm or cool the refrigerant vapor.

23.27 Sec. 36. Minnesota Statutes 2024, section 216C.46, subdivision 3, is amended to read:

23.28 Subd. 3. **Application.** (a) An application for a rebate under this section must be made
23.29 to the commissioner on a form developed by the commissioner. The application must be
23.30 accompanied by documentation, as required by the commissioner, demonstrating that:

- 24.1 (1) the applicant is an eligible applicant;
- 24.2 (2) the applicant owns the Minnesota residence in which the heat pump is to be installed
- 24.3 or has the signed approval from the owner of the Minnesota residence in which the heat
- 24.4 pump is to be installed;
- 24.5 (3) the applicant ~~has had an energy audit conducted of the residence in which the heat~~
- 24.6 ~~pump is to be installed within the last 18 months by a person with a Building Analyst~~
- 24.7 ~~Technician certification issued by the Building Performance Institute, Inc., or an equivalent~~
- 24.8 ~~certification, as determined by the commissioner, heat pump, and installation meet the~~
- 24.9 federal Department of Energy's documentation and eligibility requirements to receive a heat
- 24.10 pump rebate under the federal Inflation Reduction Act of 2022, Public Law 117-169;
- 24.11 (4) ~~either:~~ the applicant has accepted the potential impacts of replacing a natural gas
- 24.12 primary heating system with a heat pump in the applicant's home;
- 24.13 (i) ~~the applicant has installed in the applicant's residence, by a contractor with an Air~~
- 24.14 ~~Leakage Control Installer certification issued by the Building Performance Institute, Inc.,~~
- 24.15 ~~or an equivalent certification, as determined by the commissioner, the amount of insulation~~
- 24.16 ~~and the air sealing measures recommended by the auditor; or~~
- 24.17 (ii) ~~the auditor has otherwise determined that the amount of insulation and air sealing~~
- 24.18 ~~measures in the residence are sufficient to enable effective heat pump performance;~~
- 24.19 (5) the applicant has purchased a heat pump of the capacity recommended by ~~the an~~
- 24.20 auditor or contractor, and has had the heat pump installed by a contractor ~~with sufficient~~
- 24.21 ~~training and experience in installing heat pumps, as determined by the commissioner~~
- 24.22 approved to install heat pumps under comparable federal programs administered by the
- 24.23 department under the federal Inflation Reduction Act of 2022, Public Law 117-169; and
- 24.24 (6) the total cost to purchase and install the heat pump in the applicant's residence.
- 24.25 (b) The commissioner must develop administrative procedures governing the application
- 24.26 and rebate award processes.
- 24.27 (c) The commissioner may modify program requirements under this section when
- 24.28 necessary to align with comparable federal programs administered by the department under
- 24.29 the federal Inflation Reduction Act of 2022, Public Law ~~117-189~~ 117-169.

25.1 Sec. 37. Laws 2023, chapter 60, article 10, section 2, subdivision 2, as amended by Laws
 25.2 2024, chapter 126, article 6, section 47, and Laws 2025, First Special Session chapter 7,
 25.3 article 1, section 4, is amended to read:

25.4 **Subd. 2. Energy Resources** 96,083,000 27,617,000

25.5 (a) \$5,861,000 the first year and \$6,038,000
 25.6 the second year are to the division of energy
 25.7 resources for operating expenses.

25.8 (b) \$150,000 the first year and \$150,000 the
 25.9 second year are to remediate vermiculite
 25.10 insulation from households that are eligible
 25.11 for weatherization assistance under
 25.12 Minnesota's weatherization assistance program
 25.13 state plan under Minnesota Statutes, section
 25.14 216C.264. Remediation must be done in
 25.15 conjunction with federal weatherization
 25.16 assistance program services.

25.17 (c) \$1,138,000 in the first year is transferred
 25.18 from the general fund to the solar for schools
 25.19 program account under Minnesota Statutes,
 25.20 section 216C.375, to provide financial
 25.21 assistance to schools that are state colleges
 25.22 and universities to purchase and install solar
 25.23 energy generating systems. This appropriation
 25.24 must be expended on schools located outside
 25.25 the electric service territory of the public
 25.26 utility that is subject to Minnesota Statutes,
 25.27 section 116C.779. Money under this paragraph
 25.28 is available until June 30, 2034. Any money
 25.29 remaining on June 30, 2034, cancels to the
 25.30 general fund.

25.31 (d) \$189,000 each year is for activities
 25.32 associated with a utility's implementation of
 25.33 a natural gas innovation plan under Minnesota
 25.34 Statutes, section 216B.2427.

26.1 (e) \$15,000,000 in the first year is transferred
26.2 from the general fund to the solar for schools
26.3 program account in the special revenue fund
26.4 for grants under the solar for schools program
26.5 established under Minnesota Statutes, section
26.6 216C.375. The money under this paragraph
26.7 must be expended on schools located outside
26.8 the electric service territory of the public
26.9 utility that is subject to Minnesota Statutes,
26.10 section 116C.779.

26.11 (f) \$500,000 each year is for the strengthen
26.12 Minnesota homes program under Minnesota
26.13 Statutes, section 65A.299, subdivision 4.
26.14 Money under this paragraph is transferred
26.15 from the general fund to strengthen Minnesota
26.16 homes account in the special revenue fund.
26.17 This is a onetime appropriation.

26.18 (g) \$20,000,000 the first year and \$18,737,000
26.19 the second year are for weatherization and
26.20 preweatherization work to serve additional
26.21 households and allow for services that would
26.22 otherwise be denied due to current federal
26.23 limitations related to the federal weatherization
26.24 assistance program. Money under this
26.25 paragraph is transferred from the general fund
26.26 to the preweatherization account in the special
26.27 revenue fund under Minnesota Statutes,
26.28 section 216C.264, subdivision 1c. The base
26.29 in fiscal years 2026 and later is \$3,199,000.

26.30 (h) \$15,000,000 the first year is for a grant to
26.31 an investor-owned electric utility that has at
26.32 least 50,000 retail electric customers, but no
26.33 more than 200,000 retail electric customers,
26.34 to increase the capacity and improve the
26.35 reliability of an existing high-voltage direct

27.1 current transmission line that runs between
27.2 North Dakota and Minnesota. This is a
27.3 onetime appropriation and must be used to
27.4 support the cost-share component of a federal
27.5 grant application to a program enacted in the
27.6 federal Infrastructure Investment and Jobs Act,
27.7 Public Law 117-58, and may otherwise be
27.8 used to reduce the cost of the high-voltage
27.9 direct current transmission project upgrade
27.10 and to reimburse the reasonable costs incurred
27.11 by the department to administer the grant. This
27.12 appropriation is available until June 30, 2034.

27.13 (i) \$300,000 the first year is for technical
27.14 assistance and administrative support for the
27.15 Tribal Advocacy Council on Energy under
27.16 article 12, section 71. As part of the technical
27.17 assistance and administrative support for the
27.18 program, the commissioner must hire a Tribal
27.19 liaison to support the Tribal Advocacy Council
27.20 on Energy and advise the department on the
27.21 development of a culturally responsive clean
27.22 energy grants program based on the priorities
27.23 identified by the Tribal Advocacy Council on
27.24 Energy.

27.25 (j) \$3,000,000 the first year is for a grant to
27.26 Clean Energy Economy Minnesota for the
27.27 Minnesota Energy Alley initiative to secure
27.28 the state's energy and economic development
27.29 future. The appropriation may be used to
27.30 establish and support the initiative, provide
27.31 seed funding for businesses, develop a training
27.32 and development program, support recruitment
27.33 of entrepreneurs to Minnesota, and secure
27.34 funding from federal programs and corporate
27.35 partners to establish a self-sustaining,

28.1 long-term revenue model. This appropriation
28.2 may be used to reimburse the reasonable costs
28.3 incurred by the department to administer the
28.4 grant. This is a onetime appropriation and is
28.5 available until June 30, 2027.

28.6 (k) \$5,000,000 the first year is transferred to
28.7 the electric vehicle rebate program account to
28.8 award rebates to purchase or lease eligible
28.9 electric vehicles under Minnesota Statutes,
28.10 section 216C.401. Rebates must be awarded
28.11 under this paragraph only to eligible recipients
28.12 located outside the retail electric service area
28.13 of the public utility that is subject to
28.14 Minnesota Statutes, section 116C.779. This is
28.15 a onetime appropriation and is available until
28.16 June 30, 2027.

28.17 (l) \$1,000,000 the first year is to award grants
28.18 under Minnesota Statutes, section 216C.402,
28.19 to automobile dealers seeking certification to
28.20 sell electric vehicles and to reimburse the
28.21 reasonable costs incurred by the department
28.22 to administer the grants. Grants must only be
28.23 awarded under this paragraph to eligible
28.24 dealers located outside the retail electric
28.25 service area of the public utility that is subject
28.26 to Minnesota Statutes, section 116C.779. This
28.27 is a onetime appropriation and is available
28.28 until June 30, 2027.

28.29 (m) \$3,000,000 the first year is transferred to
28.30 the residential electric panel upgrade grant
28.31 program account established under Minnesota
28.32 Statutes, section 216C.45, to award electric
28.33 panel upgrade grants and to reimburse the
28.34 reasonable costs incurred by the department
28.35 to administer the program. Grants must be

29.1 awarded under this paragraph only to owners
29.2 of single-family homes or multifamily
29.3 buildings located outside the electric service
29.4 area of the public utility subject to Minnesota
29.5 Statutes, section 116C.779. This is a onetime
29.6 appropriation and is available until ~~June 30,~~
29.7 2027 expended.

29.8 (n) \$500,000 the first year and \$500,000 the
29.9 second year are for a grant to the clean energy
29.10 resource teams partnerships under Minnesota
29.11 Statutes, section 216C.385, subdivision 2, to
29.12 provide additional capacity to perform the
29.13 duties specified under Minnesota Statutes,
29.14 section 216C.385, subdivision 3. This
29.15 appropriation may be used to reimburse the
29.16 reasonable costs incurred by the department
29.17 to administer the grant.

29.18 (o) \$1,807,000 the first year and \$301,000 the
29.19 second year are to implement energy
29.20 benchmarking under Minnesota Statutes,
29.21 section 216C.331.

29.22 Of the amount appropriated under this
29.23 paragraph, \$750,000 the first year is to award
29.24 grants to qualifying utilities that are not
29.25 investor-owned utilities to support the
29.26 development of technology for implementing
29.27 energy benchmarking under Minnesota
29.28 Statutes, section 216C.331. This is a onetime
29.29 appropriation.

29.30 Of the amount appropriated in the first year
29.31 under this paragraph, \$756,000 the first year
29.32 is for a grant to Building Owners and
29.33 Managers Association Greater Minneapolis
29.34 to establish partnerships with three technical
29.35 colleges and high school career counselors

30.1 with a goal of increasing the number of
30.2 building engineers across Minnesota. This is
30.3 a onetime appropriation and is available until
30.4 June 30, 2028. The grant recipient must
30.5 provide a detailed report describing how the
30.6 grant funds were used to the chairs and
30.7 ranking minority members of the legislative
30.8 committees having jurisdiction over higher
30.9 education by January 15 of each year until
30.10 2028. The report must describe the progress
30.11 made toward the goal of increasing the number
30.12 of building engineers and strategies used.

30.13 (p) \$500,000 the first year is for a feasibility
30.14 study to identify and process Minnesota iron
30.15 resources that could be suitable for upgrading
30.16 to long-term battery storage specifications.
30.17 The results of the feasibility study must be
30.18 submitted to the commissioner of commerce
30.19 and to the chairs and ranking minority
30.20 members of the house of representatives and
30.21 senate committees with jurisdiction over
30.22 energy policy no later than November 1, 2025.
30.23 This appropriation may be used to reimburse
30.24 the reasonable costs incurred to administer the
30.25 study. This is a onetime appropriation.

30.26 (q) \$6,000,000 the first year is for electric
30.27 school bus grants under Minnesota Statutes,
30.28 section 216C.374. Money under this paragraph
30.29 is transferred from the general fund to the
30.30 electric school bus program account. This is
30.31 a onetime appropriation.

30.32 (r) \$5,300,000 the first year is for electric grid
30.33 resiliency grants under article 12, section 72.
30.34 This appropriation may be used to reimburse
30.35 the reasonable costs incurred by the

31.1 department to administer the grants. This is a
31.2 onetime appropriation and is available until
31.3 June 30, 2028.

31.4 (s) \$6,000,000 the first year is transferred to
31.5 the heat pump rebate program account
31.6 established under Minnesota Statutes, section
31.7 216C.46, to implement the heat pump rebate
31.8 program and to reimburse the reasonable costs
31.9 incurred by the department to administer the
31.10 program. Of this amount:

31.11 (1) up to \$1,400,000 the first year is to
31.12 contract with an energy coordinator under
31.13 Minnesota Statutes, section 216C.46,
31.14 subdivision 5; and

31.15 (2) up to \$1,400,000 the first year is to conduct
31.16 contractor training and support under
31.17 Minnesota Statutes, section 216C.46,
31.18 subdivision 6.

31.19 (t) \$1,000,000 the first year is to award air
31.20 ventilation pilot program grants under
31.21 Minnesota Statutes, section 123B.663, for
31.22 assessments, testing, and equipment upgrades
31.23 in schools, and for the department's costs to
31.24 administer the program. Money under this
31.25 paragraph is transferred from the general fund
31.26 to the air ventilation program account. This is
31.27 a onetime appropriation.

31.28 (u) \$500,000 the first year is for a grant to the
31.29 city of Anoka for feasibility studies as
31.30 described in this paragraph and design,
31.31 engineering, and environmental analysis
31.32 related to the repair and reconstruction of the
31.33 Rum River Dam. Findings from the feasibility
31.34 studies must be incorporated into the design

32.1 and engineering funded by this appropriation.
32.2 This appropriation is onetime and is available
32.3 until June 30, 2027. This appropriation
32.4 includes money for the following studies: (1)
32.5 a study to assess the feasibility of adding a
32.6 lock or other means for boats to traverse the
32.7 dam to navigate between the lower Rum River
32.8 and upper Rum River; (2) a study to assess
32.9 the feasibility of constructing the dam in a
32.10 manner that would facilitate recreational river
32.11 surfing at the dam site; and (3) a study to
32.12 assess the feasibility of constructing the dam
32.13 in a manner to generate hydroelectric power.
32.14 (v) \$3,000,000 the first year is for grants to
32.15 install on-site energy storage systems, as
32.16 defined in Minnesota Statutes, section
32.17 216B.2422, subdivision 1, paragraph (f), with
32.18 a capacity of 50 kilowatt hours or less and that
32.19 are located outside the electric service area of
32.20 the electric utility subject to Minnesota
32.21 Statutes, section 116C.779. To receive a grant
32.22 under this paragraph, an owner of the energy
32.23 storage system must be operating a solar
32.24 energy generating system at the same site as
32.25 the energy storage system or have filed an
32.26 application with a utility to interconnect a solar
32.27 energy generating system at the same site as
32.28 the energy storage system. This appropriation
32.29 may be used to reimburse the reasonable costs
32.30 incurred by the department to administer the
32.31 grants. This is a onetime appropriation and is
32.32 available until June 30, 2027.
32.33 (w) \$164,000 the second year is for activities
32.34 associated with a public utility's filing a
32.35 transportation electrification plan under

33.1 Minnesota Statutes, section 216B.1615. The
33.2 base in fiscal year 2026 and later is \$164,000.

33.3 (x) \$77,000 each year is for activities
33.4 associated with appeals of consumer
33.5 complaints to the commission under
33.6 Minnesota Statutes, section 216B.172.

33.7 (y) \$961,000 each year is for activities
33.8 required under Minnesota Statutes, section
33.9 216B.1641 for community solar gardens. This
33.10 appropriation must be assessed directly to the
33.11 public utility subject to Minnesota Statutes,
33.12 section 116C.779.

33.13 (z) \$300,000 the first year is for the
33.14 community solar garden program study
33.15 required under article 12, section 73.

33.16 **Sec. 38. NUCLEAR ENERGY STUDY; APPROPRIATION.**

33.17 (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
33.18 \$1,000,000 in fiscal year 2027 is appropriated from the renewable development account
33.19 under Minnesota Statutes, section 116C.779, subdivision 1, to the Public Utilities
33.20 Commission to contract with an independent third party to conduct a study analyzing the
33.21 potential impacts of the construction and operation of new nuclear-powered facilities in this
33.22 state on the affordability and reliability of electric service, the environment and public
33.23 health, and equity.

33.24 (b) The commission must award a contract after a competitive request for proposals
33.25 process. The contractor selected must have demonstrated expertise in subject areas and
33.26 analytical techniques necessary to complete the study, must have no material financial
33.27 interest in the expansion of nuclear power, and must ensure that the study examines all
33.28 perspectives in a balanced fashion. Proposals must include disclosure of any potential
33.29 conflicts of interest.

33.30 (c) The study must be completed no later than December 15, 2026, and must include,
33.31 at a minimum, analysis of:

33.32 (1) changes in federal regulations governing the licensing of nuclear-powered facilities
33.33 that may speed the review and approval process;

34.1 (2) technological advances made with respect to conventional nuclear-powered facilities
34.2 that affect safety and cost;

34.3 (3) full lifecycle costs of nuclear-powered facilities, including cost of capital, financing,
34.4 risk of construction cost overruns, maintenance and operations, decommissioning, and waste
34.5 management. The analysis must include historical evidence from comparable projects in
34.6 the United States and internationally;

34.7 (4) past ratepayer impacts where new nuclear-powered facilities have been developed,
34.8 including effects on electricity rates, cost overruns and schedule delays, and how financial
34.9 risk has been allocated among ratepayers, utility shareholders, and project developers;

34.10 (5) the magnitude of public funds contributing to the development of nuclear-powered
34.11 facilities, including but not limited to public subsidies, tax expenditures, and other financial
34.12 incentives, and the opportunity cost of those public investments;

34.13 (6) the technical and economic feasibility for small modular reactors, factory-built
34.14 portable modules with a capacity up to 300 megawatts, including:

34.15 (i) the types of technologies available;

34.16 (ii) current licensing status; and

34.17 (iii) estimated costs;

34.18 (7) siting issues, including:

34.19 (i) the degree to which the requirement for proximity to water resources sufficient for
34.20 cooling purposes restricts possible locations of nuclear-powered facilities, and an inventory
34.21 of locations in Minnesota that meet that requirement;

34.22 (ii) the potential for colocating nuclear facilities with businesses that demand very large
34.23 amounts of electricity;

34.24 (iii) the environmental impacts of nuclear-powered facilities, including impacts on the
34.25 health of nearby residents;

34.26 (iv) the prospects for acceptance of nuclear-powered facilities by host communities, and
34.27 best practices for engaging communities on this issue; and

34.28 (v) how interconnection and transmission issues affect potential plant locations;

34.29 (8) nuclear waste issues, including:

34.30 (i) the amount and toxicity of radioactive waste produced by both conventional nuclear
34.31 technologies and small modular reactors;

- 35.1 (ii) the costs of on-site storage;
- 35.2 (iii) the prospects for developing permanent storage of radioactive waste at either a
35.3 federally-owned or privately-owned repository to which Minnesota's waste could be
35.4 transported; and
- 35.5 (iv) the feasibility and cost of reprocessing nuclear waste;
- 35.6 (9) the economic impacts of various nuclear technologies on a host community, including:
- 35.7 (i) increased employment levels during construction and operations;
- 35.8 (ii) increased local economic activity resulting from purchases made by the
35.9 nuclear-powered facility and its employees; and
- 35.10 (iii) potential tax revenue to local communities and schools, and to the state;
- 35.11 (10) impacts of new nuclear-powered facilities on public safety officials and emergency
35.12 responders in host communities and adjacent areas with respect to emergency planning
35.13 efforts;
- 35.14 (11) impacts on system integration, including grid flexibility, compatibility with high
35.15 levels of renewable energy, and ramping capability;
- 35.16 (12) impacts on the achievement of Minnesota's greenhouse gas reduction goals under
35.17 section 216H.02, the renewable energy standard under section 216B.1691, subdivision 2a,
35.18 and the carbon-free standard under section 216B.1691, subdivision 2g;
- 35.19 (13) estimated timelines of new nuclear-powered facilities from permit application
35.20 through initial operation, based on historical averages and delays for similar projects;
- 35.21 (14) current Minnesota statutes and administrative rules that would require modification
35.22 in order to enable the construction and operation of new nuclear-powered electric generating
35.23 facilities;
- 35.24 (15) the feasibility of replacing retiring generation assets in host communities with new
35.25 nuclear-powered facilities; and
- 35.26 (16) the workforce required and available to construct and operate new nuclear-powered
35.27 facilities and the expansion of training programs that would be necessary to close any gap.
- 35.28 (d) The study must be conducted transparently, with all data, assumptions, and models
35.29 made available to the public. The commission must subject the study to independent peer
35.30 review prior to submission to the legislature under paragraph (f).

36.1 (e) The study must include a comparative analysis of nuclear-powered facilities with
36.2 other methods of generating or conserving energy, including but not limited to wind, solar,
36.3 energy storage, geothermal, energy efficiency, demand response, and transmission expansion,
36.4 with respect to metrics including cost, reliability, deployment timelines, emissions, public
36.5 health, environmental impacts, risk of accidents and the resulting magnitude of liabilities,
36.6 land use, and system flexibility.

36.7 (f) No later than February 15, 2027, the commission must submit the study to the chairs
36.8 and ranking minority members of the senate and house of representatives committees
36.9 responsible for energy policy and finance.

36.10 (g) For the purposes of this section, "nuclear-powered facilities" means electric generating
36.11 plants powered by nuclear fuel.

36.12 Sec. 39. **REPEALER.**

36.13 Minnesota Statutes 2024, sections 216B.1681; 216B.1695; and 216B.2412, subdivision
36.14 3, are repealed."

36.15 Renumber the sections in sequence and correct the internal references

36.16 Amend the title accordingly