

1.1 ..... moves to amend H.F. No. 4177, the first engrossment, as follows:

1.2 Page 2, delete lines 9 to 19 and insert:

1.3 "(b) \$500,000 in fiscal year 2025 is for transfer  
 1.4 to the SolarAPP+ program account established  
 1.5 under Minnesota Statutes, section 216C.48,  
 1.6 for the awarding of incentives to local units  
 1.7 of government that deploy federally developed  
 1.8 software to automate the review of  
 1.9 applications and issuance of permits for  
 1.10 residential solar projects. Incentives may only  
 1.11 be awarded to local units of government  
 1.12 located outside the electric service territory of  
 1.13 the public utility required to make payments  
 1.14 under Minnesota Statutes, section 116C.779,  
 1.15 subdivision 1. This is a onetime transfer and  
 1.16 is available until June 30, 2028."

1.17 Page 7, delete lines 6 to 13 and insert:

1.18 "(s) "Thermal energy network" means a project that provides heating and cooling to  
 1.19 multiple buildings connected via underground piping containing fluids that, in concert with  
 1.20 heat pumps, exchange thermal energy from the earth, underground or surface waters,  
 1.21 wastewater, or other heat sources."

1.22 Reletter the paragraphs in sequence

1.23 Page 11, line 13, delete "and" and insert a comma and before the period, insert "2  
 1.24 wastewater, or other heat sources"

1.25 Page 12, after line 6, insert:

2.1 "(e) For the purposes of this section, "thermal energy network" means a project that  
 2.2 provides heating and cooling to multiple buildings connected via underground piping  
 2.3 containing fluids that, in concert with heat pumps, exchange thermal energy from the earth,  
 2.4 underground or surface waters, wastewater, or other heat sources."

2.5 Page 20, line 12, strike "the" and insert "a" and after "plant" insert ", energy storage  
 2.6 system, or large wind energy conversion system"

2.7 Page 23, line 17, delete "accepted" and insert "that the commission must accept"

2.8 Page 23, line 18, delete "the commission must accept" and insert "members of the public  
 2.9 may submit"

2.10 Page 23, line 29, delete "environmental"

2.11 Page 23, line 30, delete "assessment," and after "addendum" insert "to an environmental  
 2.12 assessment"

2.13 Page 29, line 6, before "at" insert "for"

2.14 Page 33, line 16, delete "are addressed" and insert "were considered and rejected by the  
 2.15 applicant"

2.16 Page 36, line 9, delete "mail" and insert "provide"

2.17 Page 41, after line 27, insert:

2.18 "Sec. .... Minnesota Statutes 2022, section 216B.16, subdivision 7b, is amended to read:

2.19 Subd. 7b. **Transmission cost adjustment.** (a) Notwithstanding any other provision of  
 2.20 this chapter, the commission may approve a tariff mechanism for the automatic annual  
 2.21 adjustment of charges for the Minnesota jurisdictional costs net of associated revenues of:

2.22 (1) new transmission facilities that have been separately filed and reviewed and approved  
 2.23 by the commission under section 216B.243 or new transmission or distribution facilities  
 2.24 that are certified as a priority project or deemed to be a priority transmission project under  
 2.25 section 216B.2425;

2.26 (2) new transmission facilities approved by the regulatory commission of the state in  
 2.27 which the new transmission facilities are to be constructed, to the extent approval is required  
 2.28 by the laws of that state, and determined by the Midcontinent Independent System Operator  
 2.29 to benefit the utility or integrated transmission system; and

2.30 (3) charges incurred by a utility under a federally approved tariff that accrue from other  
 2.31 transmission owners' regionally planned transmission projects that have been determined

3.1 by the Midcontinent Independent System Operator to benefit the utility or integrated  
3.2 transmission system.

3.3 (b) Upon filing by a public utility or utilities providing transmission service, the  
3.4 commission may approve, reject, or modify, after notice and comment, a tariff that:

3.5 (1) allows the utility to recover on a timely basis the costs net of revenues of facilities  
3.6 approved under section 216B.243 or certified or deemed to be certified under section  
3.7 216B.2425 or exempt from the requirements of section 216B.243;

3.8 (2) allows the utility to recover charges incurred under a federally approved tariff that  
3.9 accrue from other transmission owners' regionally planned transmission projects that have  
3.10 been determined by the Midcontinent Independent System Operator to benefit the utility or  
3.11 integrated transmission system. These charges must be reduced or offset by revenues received  
3.12 by the utility and by amounts the utility charges to other regional transmission owners, to  
3.13 the extent those revenues and charges have not been otherwise offset;

3.14 (3) allows the utility to recover on a timely basis the costs net of revenues of facilities  
3.15 approved by the regulatory commission of the state in which the new transmission facilities  
3.16 are to be constructed and determined by the Midcontinent Independent System Operator to  
3.17 benefit the utility or integrated transmission system;

3.18 (4) allows the utility to recover costs associated with distribution planning required under  
3.19 section 216B.2425;

3.20 (5) allows the utility to recover costs associated with investments in distribution facilities  
3.21 to modernize the utility's grid that have been certified by the commission under section  
3.22 216B.2425;

3.23 (6) allows the utility to recover on a timely basis the costs of upgrades to distribution  
3.24 facilities that are not allocated to participating owners of distributed generation facilities  
3.25 under the cost-sharing interconnection process established by the commission order required  
3.26 under article 5, section 2, of this act;

3.27 (7) allows a return on investment at the level approved in the utility's last general rate  
3.28 case, unless a different return is found to be consistent with the public interest;

3.29 ~~(7)~~(8) provides a current return on construction work in progress, provided that recovery  
3.30 from Minnesota retail customers for the allowance for funds used during construction is  
3.31 not sought through any other mechanism;

3.32 ~~(8)~~(9) allows for recovery of other expenses if shown to promote a least-cost project  
3.33 option or is otherwise in the public interest;

4.1 ~~(9)~~ (10) allocates project costs appropriately between wholesale and retail customers;

4.2 ~~(10)~~ (11) provides a mechanism for recovery above cost, if necessary to improve the  
4.3 overall economics of the project or projects or is otherwise in the public interest; and

4.4 ~~(11)~~ (12) terminates recovery once costs have been fully recovered or have otherwise  
4.5 been reflected in the utility's general rates.

4.6 (c) A public utility may file annual rate adjustments to be applied to customer bills paid  
4.7 under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

4.8 (1) a description of and context for the facilities included for recovery;

4.9 (2) a schedule for implementation of applicable projects;

4.10 (3) the utility's costs for these projects;

4.11 (4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the  
4.12 project; and

4.13 (5) calculations to establish that the rate adjustment is consistent with the terms of the  
4.14 tariff established in paragraph (b).

4.15 (d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in  
4.16 paragraph (b), the commission shall approve the annual rate adjustments provided that, after  
4.17 notice and comment, the costs included for recovery through the tariff were or are expected  
4.18 to be prudently incurred and achieve transmission system improvements at the lowest  
4.19 feasible and prudent cost to ratepayers."

4.20 Page 42, line 31, delete "January" and insert "March"

4.21 Page 43, line 31, delete "July 1, 2027" and insert "June 30, 2028"

4.22 Page 44, line 18, delete "distributed generation facilities" and insert "trigger projects"

4.23 Page 44, delete lines 27 to 29

4.24 Page 45, delete lines 9 and 10 and insert:

4.25 "(8) establish an annual limit or a formula for determining an annual limit for the total  
4.26 cost of upgrades that are not allocated to owners of participating generation facilities and  
4.27 may be recovered from ratepayers under section 216B.16, subdivision 7b, clause (6)."

4.28 Renumber the clauses in sequence

4.29 Page 52, line 7, before "The" insert "For public utilities that provide electric service,"

- 5.1 Page 52, line 21, delete "incentive plans" and insert "conservation and efficient
- 5.2 fuel-switching"
- 5.3 Page 81, delete section 35
- 5.4 Renumber the sections in sequence and correct the internal references
- 5.5 Amend the title accordingly