

House Research Act Summary

CHAPTER: 216

SESSION: 2004 Regular Session

TOPIC: Modifying certain energy statutes

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Overview

Chapter 216 has four sections. The first section allows school boards to acquire, own, or operate wind energy conversion systems and to retain and spend revenues realized from the sale of that energy. School boards can retain a share of the installed capacity up to 3.3 megawatts.

The second section modifies the electric rate discount for low-income customers required of all public utilities with more than 200,000 residential customers. Historically, the program has provided a 50 percent discount on the first 300 kilowatt hours consumed monthly to all participating customers with incomes below 50 percent of the state median income (\$18,885 for an individual, \$36,318 for a family of four).

While the total amount of available assistance will continue to be calculated based on the 50 percent discount, under the new law those monies will be targeted to customers with the lowest incomes and highest energy costs. Customers whose energy bills represent a high proportion of their income will receive more assistance; those whose energy bills represent a lower proportion of their income will receive less assistance, or none at all. Customers who are 62 years of age and older or disabled will continue to receive an amount of assistance, at a minimum, equivalent to the 50 percent discount rate.

The act's third section reduces reporting requirements for some small municipal electric utilities and electric cooperatives with respect to biennial reports filed

Section

with the Department of Commerce regarding their conservation improvement programs.

The act's fourth section repeals the statutory definition of "budget plan" for residential energy customers.

Section

- 1** **Wind energy conversion system.** Allows a school board to construct, acquire, own, or operate a wind energy conversion system, and to retain and spend the payments received from selling energy from that system. A board's share of the installed capacity of such a system is limited to 3.3 megawatts of nameplate capacity. Any board owning, operating, or selling energy from such a system must integrate information about wind energy conversion systems into its educational programming. This section is effective the day following final enactment.
- 2** **Low-income electric rate discount.** Modifies the low-income electric rate discount program by targeting funds to participating customers with the lowest incomes and highest energy costs. Low-income customers who are 62 years of age or older or disabled will continue to receive, at a minimum, a 50 percent discount on the first 300 kilowatt hours consumed monthly. For other low-income customers, the amount of assistance they receive will vary directly with the proportion of their income represented by energy bills. Some low-income customers whose energy bills are a small percentage of their income will no longer receive assistance through this program. This modification is designed to lower the percentage of income low-income customers devote to energy bills, increase their payments, and reduce utilities' collection costs. This section is effective July 1, 2004.
- 3** **Conservation improvement by cooperative association or municipality.** Changes the criteria governing reporting requirements with respect to conservation improvement expenditures for municipalities delivering electricity. This section allows municipalities with less than 60,000,000 kilowatt hours in annual electricity sales to file biennially with the Department of Commerce a letter from the municipal utility's governing board certifying that the required amount of annual conservation spending has been spent on such programs, in place of a more extensive overview and evaluation required of larger utilities. Previously, only municipalities with gross revenues of less than \$2.5 million in electricity sales annually could file such a letter.
- 4** **Repealer.** This section repeals Minnesota Statutes 2002, section 325E.015, which defines budget payment plans for residential energy customers.