

House Research Act Summary

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Section

- 1 **[116C.779, subd. 2] Renewable energy production incentive.** Extends renewable energy price incentive payments for three years, through 2020. Specifies that renewable energy incentive payments not used for wind projects may be used for eligible hydroelectric facilities.
- 2 **[116C.779, subd. 3] Initiative for renewable energy and the environment.** Allocates \$5,000,000 annually through 2012 from the renewable development account to the University of Minnesota's Initiative for Renewable Energy and the Environment (IREE) for the activities listed. Specifies that 15 percent of the funds must be awarded to projects at a rural campus or experiment station.
- 3 **[117.189] Public service corporation exceptions.** Increases the maximum appraisal fees that may be awarded to a property owner under an eminent domain proceeding begun by a public service corporation (a utility, pipeline, municipality operating an airport, watershed district or draining authority) from \$500 to \$3,000 for a high-voltage transmission line, and \$1,500 for other types of projects.
- 4 **[216A.03, subd. 6] Record of proceedings.** Requires an audio recording to be made of all Public Utilities Commission proceedings, regardless of whether a hearing reporter is present.
- 5 **[216A.03, subd. 6a] Hearing reporter.** Authorizes the commission to delegate to its executive secretary authority to require a hearing reporter in a proceeding. Specifies that the cost of the hearing reporter must be borne by utility or other entity that is the subject of the proceeding.
- 6 **[216B.16, subd. 2] Suspension of proposed rate; hearing; final determination defined.** Authorizes the Public Utilities Commission to suspend proposed rates for an additional 90

days (over the currently allowable 10-month period) in order to make a final determination in a pending general rate case).

- 7 **[216B.16, subd. 6c] Incentive plan for energy conservation improvement.** Directs the Public Utilities Commission, in its review of a utility’s incentive plan detailing how conservation improvement program expenditures will be recovered and the resulting energy savings accounted for, to make a utility’s expenditure on cost-effective conservation a preferred resource choice.
- 8 **[216B.16, subd. 7b] Transmission cost adjustment.** Technical correction.
- 9 **[216B.16, subd. 7d.] Central Corridor utility zone cost adjustment.** Establishes a “Central Corridor utility zone” extending one-quarter mile on either side of the University Avenue light rail project and including the entire University of Minnesota Minneapolis campus. Describes facilities that may be constructed in the zone, beyond those replacing existing infrastructure, and under what conditions the utility may apply to the commission to receive automatic cost recovery for them.
- 10 **[216B.1613] Standardized contract.** Directs the commission to initiate a proceeding within 60 days to standardize contracts provisions for electric generation projects with a nameplate capacity of five megawatts or less.
- 11 **[216B.1645, subd. 2a] Cost recovery for utility’s renewable facilities.** Provides a process for utilities seeking automatic cost recovery for facilities constructed to meet the state Renewable Energy Standard but that are not subject to commission review under other statutes, to petition the commission. Allows recovery of costs for advanced research on energy storage devices for renewable energy projects.
- 12 **[216B.169, subd. 2] Renewable and high-efficiency energy rate options.** Permits a utility to voluntarily offer a green pricing program to customers that allows the customer to purchase a higher proportion of electricity generated from renewable fuels than is reflected in the utility’s current supply mix, and specifies how the customer’s price will be calculated.
- 13 **[216B.1691, subd. 2a] Eligible energy technology standard.** Specifies that, of the 30 percent of Xcel Energy’s sales in 2020 that must come from renewable sources, no more than one percent may be from solar energy.
- 14 **[216B.23, subd. 1a] Authority to issue refund.** Specifies that the commission may require a public utility found to charge a rate that violates a statute, rule or commission order to issue a refund to customers.
- 15 **[216B.241, subd. 1c] Energy-saving goals.** Allows a utility or cooperative association to carry forward for three years any energy savings realized in excess of the 1.5 percent annual statutory goal. Savings from electric utility infrastructure projects may be carried forward for five years.
- 16 **[216B.241, subd. 5a] Qualifying solar energy project.** Specifies that a utility including solar energy projects in its conservation plan is eligible for a performance incentive under section 216B.16, subdivision 6, that differs from a conservation incentive and is based on the cost-effectiveness of the solar project installed.
- 17 **[216B.241, subd. 5b] Biomethane purchases.** Allows a natural gas utility to spend up to five percent of its conservation improvement program (CIP) expenditures to purchase biomethane, which is biogas produced through anaerobic digestion, biomass gasification, or

another process. Energy savings resulting from the purchase of biomethane may count towards a utility's annual 1.5 percent savings goal, but only for the portion above the initial one percent.

- 18 **[216B.241, subd. 9] Building performance standards; Sustainable Building 2030.**
Specifies that the University of Minnesota's Center for Sustainable Building Research may use a portion of the funds received under its contract with the Department of Commerce to develop building energy-efficiency performance standards to conduct substantive programmatic activities, in addition to its role as coordinator and administrator. Requires a utility's design assistance program under CIP to consider the planting of trees and shrubs around buildings as an energy conservation strategy.
- 19 **[216B.2411, subd. 1] Generation projects.** Allows a utility to request authority from the commission to exceed the existing five percent cap and spend up to ten percent of its CIP expenditures to install solar energy projects. Strikes obsolete language specifying that CIP expenditures on energy generation projects are categorized as load-management activities for cooperatives and municipal utilities rather than CIP activities.
- 20 **[216B.2411, subd. 2] Definitions.** Amends the definition of "qualifying solar electric project" to include devices serving commercial and publicly owned buildings or facilities, and to include energy storage equipment located near the facility.
- 21 **[216B.2412, subd. 2] Decoupling criteria.** Authorizes the commission to establish criteria and standards for decoupling utility revenues from energy sales in a separate proceeding or a general rate case in which it approves a pilot decoupling program.
- 22 **[216B.2424, subd. 5a] Reduction of biomass mandate.** Requires Xcel Energy and the Laurentian biomass project to negotiate an amendment to the current contract to allow for fluctuating fuel prices, and requires commission approval of the amendment prior to its becoming effective.
- 23 **[216B.243, subd. 8] Exemptions.** Strikes language specifying conditions which must be met by a large wind energy facility in order to be exempt from obtaining a certificate of need prior to construction.
- 24 **[216B.243, subd. 9] Renewable energy standard facilities.** Specifies six issues the commission must consider in determining whether a wind or solar electric generating facility is exempt from obtaining a certificate of need prior to construction. Current law provides that consideration of two of these issues is discretionary.
- 25 - 27 **[216B.62, subs. 3, 4, and 7]** Establishes a mechanism for the commission to assess utilities for the cost of audits or investigations of public utility operations, practices, or policies.
- 28 **[216C.054] Annual transmission adequacy report to legislature.** Requires the commission to file an annual report with the legislature describing electric transmission infrastructure needs 15 years into the future, and what progress is being made to meet those needs.
- 29 **[216C.055] Key role of solar and biomass resources in producing thermal energy.** Directs the commissioners of commerce and pollution control to include in their annual report recommending ways to achieve the state's greenhouse gas emissions goals, any recommendations regarding the use of solar energy and biomass.
- 30 **[216C.11] Energy conservation information center.** Technical change

- 31 **[216C.41, subd. 5a] Renewable development account.** Specifies that renewable energy incentive payments may be paid to eligible hydroelectric facilities.
- 32 **Natural gas utilities; interim energy savings plan.** Authorizes the commissioner of commerce to approve an energy CIP plan submitted by a natural gas utility in 2009 that governs the utility's CIP activities over the subsequent three years and is accompanied by a report that indicates how the utility will meet a savings goal of one percent by year five and average at least one percent annually over the nine years after submission of the plan. Current law requires utilities to save 1.5 percent of the previous year's gross energy sales annually through conservation and renewable energy investments.
- 33 **Utility rates study.** Requires the commission to complete a study by June 30, 2010, of the impact of automatic cost-recovery mechanisms and alternative forms of rate regulation that may be used instead.
- 34 **Mountain iron economic development authority; wind energy project.** Authorizes the Mountain Iron Economic Development Authority to form or become a member of a limited liability company in order to develop a community-based energy development (C-BED) wind project. Authorizes the EDA to acquire a leasehold interest in property outside its boundaries for purposes of the project.
- 35 **Solar cities report.** Directs the cities of Minneapolis and St. Paul to submit to the legislature, by October 1, 2009 and 2010, strategies to accelerate the rate of solar thermal and solar electric installations in Minnesota.
- 36 **Cancellation and appropriation.** Cancels \$750,000 to the special revenue fund from amounts previously appropriated for renewable energy research grants and re-appropriates that amount to the commissioner of commerce for a grant to the BioBusiness Alliance of Minnesota to expand biobusiness activity in the state.
- 37 **Revisor's instruction.**
- 38 **Repealer.** Repeals the January 1, 2010 expiration for the utility green pricing program. (See § 12 above.)