

Chapter 7

2023 Regular Session

Subject Renewable Energy Standards

Bill H.F. 7

Analyst Bob Eleff

Date July 18, 2023

Overview

Chapter 7 amends Minnesota’s Renewable Energy Standard statute, including adding a carbon-free standard that utilities must meet beginning in 2030. The bill also streamlines the siting and routing process for solar energy generating systems and certain high-voltage transmission lines, and authorizes the commission to require payment of the state prevailing wage to workers constructing large wind and solar energy systems.

Summary

Section	Description
1	<p>[216B.16] Rate change; procedure; hearing.</p> <p>Subd. 13. Economic and community development. Authorizes the commission to allow a public utility to recover reasonable expenses to employ local workers to construct and maintain electric generation facilities.</p>
2	<p>[216B.1645] Power purchase contract or investment.</p> <p>Subd. 2. Cost recovery. Authorizes the commission to allow a public utility to recover expenses to employ local workers to construct and maintain electric generation facilities.</p>
3	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 1. Definitions. Adds definitions of “carbon-free” and “environmental justice area.”</p> <p>Amends the definition of “hydroelectric” to allow projects of more than 100 megawatts that are operating currently to contribute to a utility’s standard obligation.</p>
4	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 1a. Exception; energy recovery. Excludes electricity generated by solid waste incinerators located in a county whose population density is between</p>

Section	Description
	1,500 and 2,500 persons per square mile as of the effective date of this act from contributing to a utility's standard obligation.
5	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 2a. Eligible energy technology standard. Requires that by 2035, at least 55 percent of retail electricity sold by a utility in Minnesota must be generated from eligible energy technologies.</p> <p>Strikes obsolete language.</p>
6	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 2b. Modification or delay of standard. Clarifies that the provisions that apply to modifying or delaying a utility's standard obligation under subdivision 2a also apply to the solar energy standard under subdivision 2f and the carbon-free standard under subdivision 2g. In considering modification or delay of a standard, the Public Utilities Commission must consider the environmental costs that would be incurred, impacts on environmental justice areas, and additional demand resulting from beneficial electrification, as defined in this section. Adds factors the commission must consider in evaluating whether transmission capacity constraints require a delay or modification of a standard obligation.</p>
7	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 2d. Commission order. Requires the commission to issue orders describing how it will measure utility efforts to meet the renewable, solar, and carbon-free standard obligations. Requires the commission to allow for partial compliance with the carbon-free standard, including for purchases from a regional transmission organization.</p>
8	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 2e. Rate impact of standard compliance; report. Strikes obsolete language and includes a new final reporting date of 2040.</p>
9	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 2f. Solar energy standard. Technical.</p>
10	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 2g. Carbon-free standard. Establishes a standard for utilities to supply customers with electricity generated from carbon-free resources, beginning at 80 percent of retail sales in 2030 and increasing every five years to reach 100 percent in 2040.</p>

Section	Description
11	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 3. Utility plans filed with commission. Requires utilities to report the number of Minnesota employees hired to construct new energy facilities; efforts to retain and retrain workers employed at electric generating facilities that have been retired or are scheduled to be retired; impacts of new facilities on environmental justice areas; utility efforts to diversify its workforce and vendors; and information about renewable energy credits utilized to comply with the renewable energy standard.</p>
12	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 4. Renewable energy credits. Specifies that credits may be used to satisfy both the carbon-free standard and either the renewable energy standard or the solar energy standard, if they qualify.</p>
13	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 5. Technology based on fuel combustion. Specifies that electricity generated from fuel blending or co-firing may only be applied to the renewable energy standard.</p>
14	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 7. Compliance. Technical.</p>
15	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 9. Local benefits. Expands the net benefits the commission is to maximize in implementing the statute to include those pertaining to labor, environmental justice areas, and low-income populations. Encourages the location of new generating facilities in communities in which fossil fuel generating facilities have been or are scheduled to be retired.</p>
16	<p>[216B.1691] Renewable energy standards.</p> <p>Subd. 10. Utility acquisition of resources. Requires the commission to investigate utility compliance with the solar and carbon-free standards of subdivisions 2f and 2g.</p>
17	<p>[216B.2422] Resource planning; renewable energy.</p> <p>Subd. 1. Definitions. Adds definitions of “local job impacts” and “local workers.”</p>
18	<p>[216B.2422] Resource planning; renewable energy.</p> <p>Subd. 3. Environmental costs. Requires the Minnesota Public Utilities Commission to adopt for use in its proceedings more recent federal estimates of</p>

Section	Description
	the environmental costs associated with electricity generation from different sources of energy.
19	[216B.2422] Resource planning; renewable energy. Subd. 4a. Preference for local job creation. Requires the commission, in evaluating proposals for the selection or construction of energy generation facilities, to give preference to projects that maximize local employment, including employment of workers from communities where generation facilities have been retired.
20	[216B.2422] Resources planning; renewable energy. Subd. 4b. Preference for domestic content. Authorizes the commission, in selecting energy resources a utility must develop under an integrated resource plan, to give preference to technologies developed by companies that received an advanced manufacturing tax credit for that technology under the federal Inflation Reduction Act.
21	[216B.2422] Resource planning; renewable energy. Subd. 5. Bidding; exemption from certificate of need hearing. Requires a utility to consider local job impacts when evaluating bids for constructing energy generating facilities.
22	[216B.2422] Resource planning; renewable energy. Subd. 8. Carbon dioxide emissions reduction. Authorizes the commission to issue an order to reduce carbon dioxide emissions from certain coal-fired electric generating plants.
23	[216B.243] Certificate of need for large energy facility. Subd. 8. Exemptions. Exempts from the requirement for generating facilities to obtain a certificate of need from the commission prior to construction those wind and solar energy systems owned by independent power producers whose output is sold to a provider of retail electric service in Minnesota and consists of capacity that was ordered to be developed by the commission in the utility's most recent integrated resource plan.
24	[216E.01] Definitions. Subd. 9a. Solar energy generating system. Expands the definition of "solar energy generating system" by including transmission lines under 100 kilovolts that connect the system with a high-voltage transmission line.

Section	Description
25	[216E.03] Designating sites and routes. Subd. 5. Environmental review. Prohibits the commission from evaluating a site for a proposed solar energy system other than the site proposed by an applicant.
26	[216E.03] Designating sites and routes. Subd. 7. Consideration in designating sites and routes. Adds to factors the commission is to consider in evaluating and designating sites and routes for large electric power plants environmental quality, energy reliability, and employment and socioeconomic impacts.
27	[216E.03] Designating sites and routes. Subd. 10. Final decision. Requires the commission to require a utility's contractors and subcontractors constructing a large electric generating plant or a wind repowering project to pay workers no less than the state prevailing wage.
28	[216E.03] Designating sites and routes. Subd. 11. Department of Commerce to provide technical expertise and other assistance. Authorizes the commissioner to take actions required or requested by the Public Utilities Commission immediately following a hearing and vote, prior to issuance of a written order or finding.
29	[216E.04] Alternative review of applications. Subd. 2. Applicable projects. Increases from five to 30 miles the length in Minnesota of a high-voltage transmission line greater than 200 kilovolts for which a streamlined review process may be used in order to obtain a route permit.
30	[216F.04] Site permit. Requires the commission to require a utility's contractors and subcontractors constructing a wind energy facility with a capacity of 25 megawatts or greater to pay workers no less than the state prevailing wage.
31	Minnesota Public Utilities Commission proceedings; revised affiliate interest agreements. Provides that nothing in this act affects the commission's consideration of previously approved revised affiliated interest agreements regarding the Nemadji Trail Center natural gas facility.
32	Revisor instruction. Technical.

Section	Description
33	Repealer. Repeals Minnesota Statutes 2022, section 216B. 1691, subdivision 2, which contains obsolete language.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155