

Subject Energy

Bill S.F. 2

Analyst Bob Eleff

Date June 25, 2025

## Article 1: Climate and Energy Finance

General fund appropriations, FY 2026 and 2027.

## Article 2: Renewable Development Account Appropriations

Renewable Development account appropriations, FY 2026 and 2027.

## Article 3: Energy Policy

### Section Description – Article 3: Energy Policy

---

- 1 **[116C.7792] Solar energy production incentive program.**  
Directs that half of the amounts allocated to Xcel Energy’s Solar Rewards program in years 2026 through 2035 be directed to low-income households.
- 2 **[216B.16] Rate change; procedure; hearing.**  
**Subd. 1b. Definitions.** Defines “low-income” households.
- 3 **[216B.16] Rate change; procedure; hearing.**  
**Subd. 7b. Transmission and adjustment.** Corrects a drafting error to language establishing a Public Utilities Commission (PUC) docket to create a tariff under which multiple owners of distributed generation resources share the costs of distribution system upgrades that enable interconnection with a utility’s grid.
- 4 **[216B.16] Rate change; procedure; hearing.**  
**Subd. 14. Low-income electric rate discount.** Strikes the definition of “low-income” that references the federal definition under the low-income home energy assistance program (LIHEAP).
- 5 **[216B.16] Rate change; procedure; hearing.**  
**Subd. 15. Low-income affordability programs.** Strikes the definition of “low-income” that references the federal definition under LIHEAP.

**Section Description – Article 3: Energy Policy**

---

- 6      **[216B.2402] Definitions.**  
         **Subd. 16. Low-income household.** Amends the definition of “low-income household.”
- 7      **[216B.2421] Definition of large energy facility.**  
         **Subd. 2. Large energy facility.** Increases the threshold for liquified natural gas or synthetic gas storage facilities to qualify as a large energy facility (and, as a result, require a Certificate of Need) from 100,000 to 1,000,000 gallons.
- 8      **[216C.09] Commissioner duties.**  
         Amends language describing the duties of the commissioner of commerce.
- 9      **[216C.10] Commissioner powers.**  
         Amends language describing the powers of the commissioner of commerce.
- 10     **[216C.11] Energy conservation information center.**  
         Amends language describing the activities of the Energy Information Center in the Department of Commerce.
- 11     **[216C.12] Energy literacy.**  
         Amends language describing the Department of Commerce’s energy information and outreach activities.
- 12     **[216C.391] Minnesota state competitiveness fund.**  
         **Subd. 1. Definitions.** Amends the definition of “disadvantaged community.” Stikes a reference to the federal Inflation Reduction Act under the definition of “federal funds.”
- 13     **[216C.391] Minnesota state competitiveness fund.**  
         **Subd. 2. Establishment of account; eligible expenditures.** Allows fund expenditures for activities eligible to receive federal energy tax credits.
- 14     **[216C.391] Minnesota state competitiveness fund.**  
         **Subd. 3. Grant awards; eligible entities; priorities.** Provides that a grant term made under this section may exceed five years.
- 15     **[216C.47] Geothermal planning grants.**  
         **Subd. 1. Definitions.** Expands the definition of “eligible applicant” to include a Tribal government.

**Section Description – Article 3: Energy Policy**

---

- 16 **Laws 2024, chapter 126, article 6, section 53.**  
Corrects an erroneous reference.

**Article 4: Securitization**

**Section Description – Article 4: Securitization**

---

- 1 - 11 **[216B.491 – 216B.499]**  
Establishes a process under which a natural gas utility may issue bonds in response to an extraordinary event that impairs the utility’s ability to provide service or imposes significant costs on customers, and repay the bonds from ratepayer revenues.



**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.gov/hrd](http://www.house.mn.gov/hrd) | 651-296-6753 | Third Floor, Centennial Office Building | St. Paul, MN 55155