

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 208

DATE: February 28, 2003

Version: As introduced

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Subject: Defining electricity produced from burning solid waste as renewable energy

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Section

- 1** **Renewable energy objectives.** Amends the definition of "eligible energy technology" to include "an energy recovery facility used to capture the heat value of solid waste or refuse derived fuel."

Amending this definition would allow electricity generated by a waste-to-energy facility to count toward the "renewable energy objectives." Under these objectives, each generation and transmission cooperative, municipal power agency, and investor-owned utility is required to make a good faith effort to get 10 percent of their power supply from eligible energy technologies by 2015.

Section 116.90 defines "refuse-derived fuel" as a product resulting from the processing of mixed municipal solid waste in a manner that:

- ▶ reduces the quantity of noncombustible material present in the waste;
- ▶ reduces the size of waste components through shredding or other mechanical means; and
- ▶ produces a fuel suitable for combustion in existing or new solid fuel fired boilers.

- 2** **Integrated resource planning (IRP).** Amends the integrated resource planning definition of renewable energy to include "an energy recovery facility used to capture the heat value of solid waste or refuse derived fuel."

The IRP statute requires larger utilities to provide the public utilities commission with their biennial plans for how those utilities will meet their resource and supply needs for the next 10 years. The statute requires these utilities to include, for planning purposes, "the least cost

plan for meeting 50 and 75 percent of all new and refurbished capacity needs through a combination of conservation and renewable energy resources."

In addition, the statute provides a preference for renewable energy facilities, by prohibiting the public utilities commission from approving the construction of a nonrenewable energy facility unless the utility proposing the facility has demonstrated that a renewable energy facility is not in the public interest.

Amending the definition of renewable energy as provided in this bill would allow a waste-to-energy facility these benefits.

Amending the definition of renewable energy in the IRP statute affects another renewable energy program, not mentioned in H.F. 208. The "green pricing program" in section 216B.169 requires each distribution utility to offer customers the option to purchase renewable energy. This statute cross-references the IRP statute for the definition of renewable energy. Thus, amending the IRP definition would qualify energy generated by waste-to-energy facilities for sale under the green pricing statute.