

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 550  
**Version:** As introduced

**DATE:** February 5, 2015

**Authors:** Baker

**Subject:** Propane

**Analyst:** Bob Eleff

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd/](http://www.house.mn/hrd/).

### Section

- 1 [216B.02] **Subd. 3a. Propane.** Definition.
- 2 [216B.02] **Subd. 3b. Propane storage facility.** Definition.
- 3 [216B.02] **Subd. 6b. Synthetic gas.** Definition. Excluding propane from the definition of synthetic gas, exempts a propane storage facility of 100,000 gallons or more from the requirement to: (1) prepare a mandatory Environmental Assessment Worksheet; and (2) obtain a Certificate of Need from the Public Utilities Commission.
- 4 [216B.16] **Subd. 12. Exemption for small gas utility franchise.** Increases from 2,000 to 5,000 the number of natural gas customers a public utility may serve without having its prices regulated by the Public Utilities Commission.
- 5 [216B.2421] **Subd. 2. Large energy facility.** Excludes a propane storage facility from the definition of “large energy facility,” thereby exempting the storage facility from the requirement to obtain a Certificate of Need from the Public Utilities Commission prior to construction.
- 6 [216C.435] **Subd. 5. Energy improvement.** Expands the definition of “energy improvement” under the PACE statute (Property Assessed Clean Energy) to include the installation of infrastructure and appliances necessary to allow natural gas to be used as a heating fuel in a building that previously was not connected to a natural gas source. Under PACE, a property owner located in an area within the jurisdiction of a local unit of government that has established the program may repay loans for energy improvements over time via an assessment on property taxes.

**Section**

- 7**        **[297A.67] Subd. 34. Propane tanks.** Exempts from sales tax the purchase of propane tanks of 100 gallons or larger capacity. Expires December 2017.
- 8**        **Transfer of funds.** Transfers \$300,000 from the solar thermal rebate account to the commissioner of commerce for use in energy conservation programs for low-income persons using propane as a heating fuel.
- 9**        **Prepurchasing propane; report.** Requires the commissioner of commerce to submit a report to the legislature by January 1 of 2016 and 2017 addressing the operation of the propane prepurchase program.
- 10**       **Appropriation.** Appropriates \$5 million in both fiscal year 2016 and 2017 from the general fund to the commissioner of commerce for the propane prepurchase program. The commissioner must reserve \$5 million each year from the federal Low-Income Home Energy Assistance Program (LIHEAP) and transfer those amounts to the general fund.