

H.F. 1405

As amended by H1405DE1

Subject Energy

Authors Stephenson

Analyst Bob Eleff

Date March 2, 2020

Summary

Section Description

1 Title.

Specifies that this bill is titled the "Clean Energy First Act."

2 **[216B.16]**

Subd. 13. Economic and community development. Specifies that the commission may allow cost recovery of utility efforts to maximize local employment to construct and maintain electric generation facilities.

- 3 [216B.1645] Power purchase contract or investment.
 - **Subd. 1. Commission authority.** Authorizes the commission to approve or disapprove investments to upgrade existing infrastructure used to transmit electricity generated by a clean energy resource.
- 4 **Subd. 2. Cost recovery.** Authorizes the commission to allow cost recovery of utility efforts to maximize local employment to construct and maintain electric generation facilities.
- 5 **[216B.1691]**

Subd. 9. Local benefits. Directs the commission to implement the Renewable Energy Standard so as to maximize local employment.

- 6 [216B.2422] Resource planning; renewable energy.
 - **Subd. 1. Definitions.** Defines "clean energy resource," "carbon-free resource," and other terms.
- 7 **Subd. 2. Resource plan filing and approval.** Requires a utility's integrated resource plan to file least cost plans for meeting 50, 75, and 100 percent of demand from a combination of clean energy and carbon-free resources.

Section Description 8 **Subd. 2d. Seasonal operations analysis.** Requires a utility to analyze in its integrated resource plan the operation of its coal-fired generating units on a seasonal basis. 9 **Subd. 3. Environmental costs.** Requires the commission to use nonzero values for environmental costs in evaluating nonrenewable resource options, including power purchase agreements. 10 **Subd. 3a. Favored electricity resources; state policy.** Declares that it is state policy to meet electricity demand with a combination of clean energy resources. 11 **Subd. 3b. Nonrenewable energy facility; required analysis.** Specifies the information required to be in a utility's application for approval of the acquisition or construction of energy or capacity from a nonrenewable source. 12 **Subd. 4. Preference for clean energy resources.** Prohibits the commission from approving a nonrenewable energy facility in a resource plan unless a utility demonstrates with clear and convincing evidence that a renewable energy facility, alone or combined with other clean energy resources, is not in the public interest, meaning that it is not affordable or reliable. Specifies the factors the commission must consider in determining affordability and reliability. Requires the commission to make a written determination of its findings. Provides that a public utility that owns a retiring nonrenewable energy facility shall own an amount of capacity equal to that facility's undepreciated capacity, which the utility may replace with clean energy resources, provided it demonstrates that its ownership is in the public interest and that in 2030 at least 80 percent of its energy sources (85 percent for Xcel) will not contribute to greenhouse gas emissions, a proportion that will rise to 100 percent by 2050 (2045 for Xcel). 13 **Subd. 4a. Preference for local job creation.** Requires a utility to report in its resource plan its efforts to maximize employment opportunities for local workers. 14 Subd. 5. Bidding; exemption from certificate of need proceeding. Requires a utility to consider local job impacts if it selects energy resources through a bidding process.

Subd. 7. Transmission planning in advance of generation retirement. Requires a

depreciation term, service life, or operating license will end within 15 years, and

utility to identify in its resource plan each nonrenewable facility whose

15

Section Description

its plan to replace the resource and to upgrade transmission resources needed to support the retirement.

16 [216B.2427] Seasonal operations plan.

Authorizes a utility to file a plan for the commission's approval to operate one or more of its coal-fired generating plants on a seasonal basis, and describes what information must be included in such a plan.

17 [216C.45] Power plant host community transition planning.

Directs the commissioner of commerce to coordinate with other state agencies and local governments that host large electric generating plants to develop programs and recommendations to mitigate the local impacts of those plants' retirement.

18 [216E.03] Designating sites and routes.

Subd. 10. Final decision. Conditions the commission's issuance of a site permit for a large electric generating plant or a wind or solar repowering project on an applicant's certification that all employees working on the project will be paid, at a minimum, the prevailing wage rate.

19 [216E.04] Alternative review of applications.

Subd. 9. Final decision. Conditions the commission's issuance of a site permit for a large electric generating plant or a wind or solar repowering project under the alternative review process on an applicant's certification that all employees working on the project will be paid, at a minimum, the prevailing wage rate.

20 **[216F.04] Site permit.**

Conditions the commission's issuance of a site permit for a wind system 25 megawatts or larger or a wind repowering project on an applicant's certification that all employees working on the project will be paid, at a minimum, the prevailing wage rate.

21 [216F.084] Wind turbine lighting systems.

Requires new wind turbines to be equipped with lighting systems that meet Federal Aviation Administration standards but also mitigate the duration and intensity of lighting. Provides exemptions for technical or financial reasons, or if equipment is unavailable at the time it is needed.

22 [216H.02] Greenhouse gas emissions control.

Subd. 1b. Emissions-reduction goals; transmission resources. Declares it is state policy to have sufficient electric transmission resources available to help meet the state's greenhouse gas emission reduction goals.

Section Description

23 Coordinated electric transmission study.

Requires the commissioner of commerce to request the Midcontinent Independent Systems Operator to conduct an engineering study of the impacts on reliability and cost of upgrading the regional electric transmission network to support the increased use of carbon-free resources. The study is to be completed by December 1, 2021.



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 | 600 State Office Building | St. Paul, MN 55155