

Subject Renewable energy standards

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### Overview

H.F. 278 increases the proportion of a utility's retail electric sales that must be generated from renewable energy to 40 percent in 2025 and 55 percent in 2035, and establishes a standard for carbon-free resources that reaches 100 percent in 2040.

### Summary

Section Description

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**1 [216B.1691] Renewable energy standards.**

**Subd. 1. Definitions.** Adds definitions of “carbon-free” and “areas of concern for environmental justice.”

**Subd. 2. Eligible energy objectives.** Strikes obsolete language.

**Subd. 2a. Eligible energy technology standard.** Increases 2025 renewable standard from 25 to 40 percent, and adds a 2035 target of 55 percent. Requires Xcel Energy to meet same standards as other utilities. Strikes obsolete language.

**Subd. 2b. Modification or delay of standard.** Clarifies that a utility's standard obligation includes the solar energy standard under subdivision 2f and the carbon-free standard under subdivision 2g. Requires the Public Utilities Commission to consider the environmental costs and impacts on areas of concern for environmental justice in determining whether to modify or delay implementation of a standard. Specifies factors the commission must consider in evaluating whether transmission capacity constraints require a delay or modification of a standard obligation.

**Subd. 2c. Use of integrated resource planning process.** No changes.

**Subd. 2d. Commission order.** Requires the commission to issue orders describing how it will measure utility efforts to meet standard obligations.

Section	Description
	<p><b>Subd. 2e. Rate impact of standard compliance; report.</b> Strikes obsolete language.</p> <p><b>Subd. 2f. Solar energy standard.</b> Strikes obsolete language.</p> <p><b>Subd. 2g. Carbon-free standard.</b> Establishes a standard for all utilities to supply customers with electricity generated from carbon-free resources, beginning at 65 percent in 2025 and increasing every five years to reach 100 percent in 2040.</p> <p><b>Subd. 3. Utility plans filed with commission.</b> Strikes obsolete language. Adds new reporting requirements for utilities: the number of Minnesota employees hired to construct new energy facilities, including those from communities in which generating facilities have been retired or are scheduled to be retired; impacts of new facilities on environmental justice areas of concern; and utility efforts to diversify its workforce and vendors.</p> <p><b>Subd. 4. Renewable energy credits.</b> Strikes obsolete language.</p> <p><b>Subd. 5. Technology based on fuel combustion.</b> Strikes obsolete language.</p> <p><b>Subd. 7. Compliance.</b> Clarifies that the commission is responsible for assessing compliance with all three standard obligation components.</p> <p><b>Subd. 8. Relation to other law.</b> No changes.</p> <p><b>Subd. 9. Local benefits.</b> Expands the net benefits the commission is to maximize in implementing the statute to include those pertaining to labor, areas of concern for environmental justice, 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> <p><b>Subd. 10. Utility acquisition of resources.</b> Strikes obsolete language.</p>
2	<p><b>[216E.03] Designating sites and routes.</b></p> <p><b>Subd. 10. Final decision.</b> Authorizes the commission to require a utility's contractors and subcontractors constructing a large solar generating facility to pay workers no less than the states' prevailing wage. Lists criteria the commission is to consider in requiring such action.</p>
3	<p><b>[216F.04] Site permit.</b></p> <p>Authorizes the commission to require a utility's contractors and subcontractors constructing a large wind energy facility to pay workers no less than the states' prevailing wage. Lists criteria the commission is to consider in requiring such action.</p>



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