

Subject Energy Storage

Authors Hollins

Analyst Bob Eleff

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Overview

House File 1386, as amended by H1386DE3, contains several provisions regarding energy storage systems, including the establishment of a statewide capacity target of 3,000 megawatts to be deployed by the end of 2033 that is allocated to all utilities that file integrated resource plans. The bill also directs Xcel Energy to award grants to owners of energy storage systems installed at the same site as a solar energy generating system, and requires state site permits to be issued for energy storage systems whose capacity exceeds 5,000 kilowatts.

Summary

Section	Description
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| 1 | <p>[216B.1611] Interconnection of on-site distributed generation.</p> <p>Subd. 5. Distributed generation capacity; treatment. Requires the Minnesota Public Utilities Commission to issue an order by November 1, 2023, clarifying that the capacity of a customer-owned on-site distributed generation facility must be measured and expressed as “export capacity” rather than nameplate capacity, and as alternating current rather than direct current capacity.</p> <p>Export capacity reflects limitations to the amount of energy a distributed generation facility can export to a utility as a result of physical connections, including an inverter, relay, or energy storage system.</p> <p>Prohibits an owner from increasing the export capacity of a distributed generation facility without the interconnected utility’s written approval.</p> |
| 2 | <p>[216B.1615] Feeder line replacement; storage requirement.</p> <p>Requires a utility replacing a feeder line to install an energy storage system at the applicable substation to promote customer safety and grid reliability.</p> |

Section	Description
3	<p>[216B.1616] Energy storage; peak shaving tariff.</p> <p>Requires the commission to initiate a docket by September 15, 2023, designed to result in a commission order requiring public utilities providing electric service to file a tariff with the commission establishing the amount of compensation an owner of an energy storage system will receive from a utility for stored energy that is net input to the utility during a time of peak demand.</p>
4	<p>[216B.1697] Energy storage systems; deployment targets.</p> <p>Subd. 1. Definition.</p> <p>Subd. 2. Deployment targets. Sets a statewide target of 3,000 megawatts for the aggregated capacity of energy storage systems that must be deployed by the end of 2033 by utilities that file integrated resource plans with the commission. Directs the commission to allocate the statewide target to individual utilities based on their share of 2022 retail electricity sales.</p> <p>Subd. 3. Application. Lists the information a utility must provide to the commission when applying for approval to deploy an energy storage system.</p> <p>Subd. 4. Commission review. Requires the commission to review and approve, modify, or reject a utility application to deploy an energy storage system.</p> <p>Subd. 5. Cost recovery. Allows for cost recovery by a public utility for the deployment of an energy storage system approved by the commission under this section.</p> <p>Subd. 6. Reporting; compliance. Authorizes the commission to establish reporting procedures for utilities to monitor compliance with this section.</p> <p>Subd. 7. Commission authority; orders. Authorizes the commission to issue orders and conduct proceedings necessary to implement this section.</p>
5	<p>[216B.2422] Resource planning; renewable energy.</p> <p>Subd. 7. Energy storage systems assessment. Requires utilities filing resource plans to incorporate the energy storage targets established in section 216B.1697.</p>
6	<p>[216C.377] Energy storage incentive program.</p> <p>Requires Xcel Energy to provide grants to persons installing an on-site energy storage system with a capacity no greater than 50 kilowatts in conjunction with a solar energy generating system at the site.</p>

Section	Description
7	[216E.01] Definitions. Subd. 3a. Energy storage system. For purposes of issuing a state siting permit, defines energy storage system as one with a capacity of 5,000 kilowatts or more.
8	[216E.01] Definitions. Subd. 6. Large electric power facilities. Amends the definition of “large electric power facilities” to include energy storage systems.
9	[216E.03] Designating sites and routes. Subd. 1. Site permit. Specifies that an energy storage system (of 5 MW or greater capacity) requires a site permit.
10-17	Conforming language required by the amended definition of “large electric power facilities” to include energy storage systems in section 8.
18	Rules authorized. Authorizes the commission to develop and adopt rules for siting energy storage systems.
19	Appropriation. Appropriates \$..... in fiscal year 2024 from the Renewable Development Account to the commissioner of commerce for energy storage system grants under section 216C.377.
20	Revisor’s instruction. Technical.



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