

Subject Energy omnibus

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Article 1: Climate and Energy Finance

Contains appropriations from the general fund.

Article 2: Renewable Development Account Appropriations

Contains appropriations from the renewable development account.

Article 3: Electrification

Section Description - Article 3: Electrification

- 1 **[16B.58] Electric vehicle charging in Capitol area.**
Requires a person charging a private electric vehicle in the Capitol area to pay a service fee determined by the commissioner of administration.
- 2 **[16C.135] State vehicle purchasing hierarchy.**
Requires the commissioner of administration to purchase motor vehicles in accord with a hierarchy that gives preference to electric and electric hybrid vehicles.
- 3 **[16C.137] State vehicle purchasing hierarchy.**
Requires each state department to purchase motor vehicles in accord with a hierarchy that gives preference to electric and electric hybrid vehicles.
- 4 **[168.27] Auto dealer training; electric vehicles.**
Requires an automobile dealer selling electric vehicles to retain at least one employee who completed a training course in electric vehicles offered by a Minnesota automobile dealership association.
- 5 **[216B.1615] Transportation electrification plan filing.**
Requires each public utility to file a transportation electrification plan with the Minnesota Public Utilities Commission at least every three years that is designed to

Section Description - Article 3: Electrification

- promote the purchase of electric vehicles and the deployment of electric vehicle infrastructure.
- 6 **[216C.374] Electric school bus grant program.**
Requires the Department of Commerce to operate a program to award grants to school districts to purchase electric school buses and associated infrastructure. Grant amounts are based on the commissioner’s determination of the school district’s need for financial assistance, and may pay up to 75 percent of purchase and installation costs, or up to 95 percent for school districts with a high proportion of students from low-income families.
- 7 **[216C.401] Electric vehicle rebates.**
Provides rebates of \$2,500 for the purchase or lease of a new electric vehicle priced under \$55,000, and \$500 for a used electric vehicle.
- 8 **[216C.402] Grants to auto dealers for certification to sell electric vehicles.**
Provides grants of up to \$40,000 to an auto dealer to obtain certification from electric vehicle manufacturers to sell electric vehicles.
- 9 **[216C.45] Residential electric panel upgrade grants.**
Provides grants of \$2,000 to \$3,000 to homeowners with household incomes below 150 percent of area median income to upgrade electrical panels. Owners of multifamily buildings may receive grants of \$5,000 plus \$500 per unit.
- 10 **Transportation electrification facility upgrade tariff filing.**
Requires each public utility to file a tariff with the commission by November 1, 2023, to reflect customer charges resulting from upgrades to utility distribution systems made necessary to support transportation electrification.
- 11 **Repealer.**
Repeals section 16B.24, subdivision 13, governing electric vehicle charging in the Capitol area.

Article 4: Energy Conservation and Storage

Section Description - Article 4: Energy Conservation and Storage

- 1 **[16B.325] Sustainable building guidelines development and implementation.**
Modifies language that implements guidelines designed to reduce energy consumption and minimize the lifetime cost of constructing and operating state buildings. Requires the University of Minnesota’s Center for Sustainable Building

Section Description - Article 4: Energy Conservation and Storage

- Research to develop measurable goals for the guidelines and to determine compliance.
- 2 **[216B.1611] Measurement of distributed generation facility capacity.**
Requires the capacity of distributed generation facilities to be measured and expressed as export capacity (the amount of power that can be exported to a utility distribution system) and alternating current capacity.
- 3 **[216B.16] Peak shaving tariff docket for energy storage.**
Requires the commission to initiate a docket by September 15, 2023, to evaluate and approve tariffs filed by public utilities regarding compensation to be paid to customers that export stored energy to the utility during times of peak electricity demand.
- 4 **[216B.1697] Energy storage system deployment targets.**
Establishes a target of at least 3,000 megawatts of energy storage capacity to be developed collectively by the end of 2033 by electric utilities that are required to file integrated resource plans with the commission. The commission is required to set targets for individual utilities. Utilities must file applications with the commission for each proposed energy storage installation.
- 5 **[216B.2402] Definition of low-income household for utility conservation programs.**
Establishes a new definition of low-income household that determines eligibility for low-income programs under a utility's energy conservation and optimization plan: 80 percent of area median income or eligibility for other federal, state, or utility programs approved by the Department of Commerce.
- 6 **[216B.2422] Incorporating energy storage targets.**
Requires a utility to incorporate the energy storage target assigned to it under subdivision 4 into its integrated resource plan.
- 7 **[216C.05] State energy policy goals.**
Amends the state's energy policy goals to include a reduction in energy used in residential and commercial buildings by 50 percent by 2035.
- 8 **[216C.264] Definitions.**
Adds definitions regarding weatherization assistance.
- 9 **[216C.264] Supplementing federal weatherization assistance.**
Establishes a state supplementary weatherization account and appropriates money to the commissioner of commerce for weatherization assistance services.

Section Description - Article 4: Energy Conservation and Storage

- 10 **[216C.264] Allocation of state supplementary weatherization assistance.**
Expands the use of state weatherization funds to include the installation of preweatherization measures and addressing shortages of workers trained to provide weatherization services.
- 11 **[216C.2641] Weatherization training grant program.**
Establishes a competitive program to award grants to nonprofits, labor organizations, and job training or educational institutions to train workers to deliver weatherization services.
- 12 **[216C.331] Energy benchmarking.**
Requires owners of buildings of 50,000 square feet or more (located in the metropolitan area or in cities of 50,000 or more outside of it) to report their building’s energy use annually to the commissioner of commerce, using a computer application developed by the federal Environmental Protection Agency.
- 13 **[216C.378] Energy storage incentive program.**
Requires Xcel Energy to develop a grant program for residential energy storage systems with a capacity no greater than 50 kWh in homes that have a solar energy generating system. Grants are based on the system’s capacity, up to a maximum of \$5,000.
- 14 **[216C.46] Residential heat pump rebate program.**
Requires the Department of Commerce to establish a program to award grants to homeowners who have received a federal grant for a heat pump under the Inflation Reduction Act and who have installed insulation and air sealing measures recommended after an energy audit to optimize the heat pump’s capacity. The maximum grant amount is the lesser of \$4,000 or the net cost of the heat pump after deducting the amount of the federal grant. The program also includes grants to train contractors to install heat pumps.
- 15 **[216E.01] Energy storage system definition.**
Defines “energy storage system” as having a capacity of 5 megawatts or greater, for the purpose of requiring a site permit.
- 16 **[216E.01] Large electric power facility definition.**
Adds energy storage system to the definition of “large electric power facilities” for the purpose of requiring a site permit.
- 17 **[216E.03] Site permit.**
Specifies that an energy storage system requires a site permit.

Section Description - Article 4: Energy Conservation and Storage

18 - 26 Technical.

Incorporates the new definition of “large electric power facilities,” now expanded to include energy storage systems, into existing statutes governing site permits.

27 [326B.106] Commercial building code adoption.

Requires the commissioner of labor and industry to adopt each new commercial building code as it is published; the 2036 code and subsequent codes must reduce energy consumption by at least 80 percent compared with a 2004 baseline.

28 Rules authorized.

Authorizes the commission to develop and adopt rules for the siting of energy storage systems.

29 Revisor instruction.

Technical.

Article 5: Public Utilities Commission Procedures

Section Description - Article 5: Public Utilities Commission Procedures

1 [216B.17] Authorization to investigate.

Authorizes the commission to investigate complaints made under section 2 by 50 or more customers of a particular utility.

2 [216B.172] Consumer disputes.

Establishes a procedure under which a consumer complaint against a utility may be brought before the commission for a decision.

3 [216B.631] Compensation for participants.

Establishes a process under which eligible participants in a commission proceeding may be compensated, providing the commission determines that the participant has materially assisted the commission’s deliberations. Sets caps on compensation amounts.

4 Repealer.

Repeals the current intervenor compensation provisions.

Article 6: Climate

Section Description - Article 6: Climate

- 1 **[16B.312] Construction materials; environmental analysis.**
Requires the commissioner of administration to establish maximum acceptable global warming potentials for concrete, steel, and asphalt used in state buildings and roads, measures that reflect the amount of greenhouse gas emissions resulting from the lifecycle environmental impacts of mining and manufacturing those materials. Creates a task force to advise the commissioner. Requires the commissioner to establish a pilot program to voluntarily obtain from vendors environmental product declarations that calculate a product's lifecycle environmental impacts. Provides grants to assist manufacturers to obtain environmental product declarations.
- 2 **[216C.441] Minnesota Climate Innovation Finance Authority.**
Establishes a state corporation to accelerate the deployment of clean energy projects by using innovative financing tools to leverage private and public capital in order to overcome market gaps that prevent such projects from receiving financing from traditional sources.
- 3 **[216H.02] Greenhouse gas emissions reduction goal.**
Amends the state's greenhouse gas emissions reduction goal by requiring a 50 percent reduction by 2030 (on a 2005 baseline) and a goal of net zero in 2050.
- 4 **Local climate action grant program.**
Establishes a program in the Pollution Control Agency to award grants and provide technical assistance to political subdivisions for projects that reduce local contributions to climate change or help local jurisdictions adapt to extreme weather events.

Article 7: Solar

Section Description - Article 7: Solar

- 1 **[116C.7792] Solar energy production incentive program.**
Extends and allocates funds to Xcel Energy's solar rewards program, which provides per kWh production payments to homeowners and certain building owners who have installed solar energy generating systems. Requires that one-third of available funds in 2023, 2024, and 2025 be set aside for low-income households and nonprofits that serve them.

Section Description - Article 7: Solar

- 2 [116C.7793] Solar energy contingency account.**
Reserves money to reimburse the owner of a solar energy system constructed on the former site of the Ford Motor Co. in St. Paul if the system must be moved temporarily to remediate contaminated soil and groundwater under an order from the Pollution Control Agency.
- 3 [216B.164] Customer access to energy usage data.**
Requires a utility to provide a customer's electricity usage data to the customer if needed for the interconnection of a distributed generating facility.
- 4 [216.1641] Community solar garden.**
Increases the maximum capacity of a community solar garden from one to five megawatts, and removes the requirement that the facility be located in the same county as, or a county contiguous to, its subscribers. Creates a new type of solar garden in which at least 50 percent of the facility's capacity is subscribed by residential users that must receive the retail rate from the utility for any electricity exported to the utility.
- 5 [216C.08] Jurisdiction.**
Includes the solar for schools program under section 7 as one for which the department has responsibility.
- 6 [216C.09] Commissioner duties.**
Specifies that the commissioner has authority over policies pertaining to the solar for schools program under section 7.
- 7 [216C.375] Solar for schools program.**
Transfers responsibility for the solar for schools program operating within the electric service area of Xcel Energy from the utility to the Department of Commerce. Expands program eligibility to include Tribal contract schools and cooperative units. Increases the maximum capacity of solar energy systems that may be funded under the program in non-Xcel territory from 40 to 1,000 kW, provided the interconnecting utility consents, and the system is no greater than 120 percent of the building's annual electricity consumption.
- 8 [2216C.377] Solar grant program; public buildings.**
Establishes a program in the Department of Commerce to award grants for the installation of solar energy generating systems on buildings owned by local units of government or federally recognized Tribes, provided the latter are used for the purpose of Tribal government.

Section Description - Article 7: Solar

- 9 **[216C.379] Distributed energy resources system upgrade program.**
Establishes a program in the Department of Commerce to provide funds to Xcel Energy that are necessary to upgrade capacity of its local electric grid to accommodate the interconnection of distributed energy generation.
- 10 **[500.216] Limits on certain residential solar energy systems prohibited.**
Limits restrictions a homeowners association may impose on a property owner seeking to install a solar energy generating system.
- 11 **[515B.2-103] Construction and validity of declaration and bylaws.**
Conforming language for section 10.
- 12 **[515B.3-102] Powers of unit owners' association.**
Conforming language for section 10.
- 13 **Transfer of unencumbered withheld funds.**
Requires Xcel Energy to transfer any unencumbered funds for the solar for schools program to the account created under section 7.
- 14 **Repealer.**
Repeals language pertaining to the solar for schools program that was operated by Xcel Energy.

Article 8: Miscellaneous

Section Description - Article 8: Miscellaneous

- 1 **[116C.779] Renewable development account.**
Requires construction projects funded from the account to be subject to state prevailing wage rates and other labor-related statutes.
- 2 - 4 **[123B.661-123B.663] Air ventilation pilot program.**
Establishes a program in the Department of Commerce to award grants to school boards to have school HVAC systems assessed and equipment upgrades purchased and installed.
- 5 **[216B.096] Reporting date changes.**
Changes dates by which utilities must file reports with the commission regarding the number of customer disconnections.

Section Description - Article 8: Miscellaneous

- 6 [216B.1641] Community solar gardens; diversity reporting.**
Requires community solar gardens to report annually regarding efforts to increase workforce diversity, as specified in section 12.
- 7 Transmission project approvals.**
Authorizes the commission to certify a transmission project other than a high-voltage transmission line as part of a utility's state transmission plan, if the commission finds the project to be in the public interest.
- 8 Commission approval of utility plant sales and acquisitions.**
Increases from \$100,000 to \$1,000,000 the minimum value of an operating plant whose sale, acquisition, or lease requires commission approval.
- 9 Assessment for department regional and national duties.**
Increases from \$500,000 to \$1,000,000 the maximum amount the Department of Commerce can assess utilities to conduct activities related to energy grid reliability at the state, regional, or national level. Strikes the expiration date for this section.
- 10 Legislative findings.**
Declares that the state's competitiveness is critically important.
- 11 Minnesota state competitiveness fund.**
Establishes a program in the Department of Commerce to award grants to eligible Minnesota entities seeking federal energy grants under the Inflation Reduction Act and the Infrastructure Investment and Jobs Act. Establishes priorities and limits for grant awards. Requires the department to provide technical assistance to grant applicants.
- 12 Utility diversity reporting.**
Requires utilities to report annually regarding efforts to increase workforce diversity.
- 13 Annual report on telecommunications access.**
Changes the date for the Department of Commerce to report to the commission on the telecommunications access program.
- 14 Sunset.**
Advances the expiration date for the statute allowing natural gas utilities to recover infrastructure costs outside of a general rate case from June 2023 to June 2028.

Section Description - Article 8: Miscellaneous

- 15 **Decommissioning and demolition plan for coal-fired plant.**
Requires Xcel Energy to file a plan and schedule for demolition of the A.S. King plant with the commission in its next integrated resource plan or by December 31, 2025. A copy must also be submitted to the local city council.
- 16 **Tribal Advocacy Council on Energy; Department of Commerce support.**
Requires the Department of Commerce to provide technical support to assist Minnesota's federally recognized Indian Tribes to establish a Tribal Advocacy Council on Energy.



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