

Subject Energy

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Overview

House File 4374, as amended by the H4374A1 amendment, makes statutory changes to agencies that implement energy programs, including the Department of Commerce, the Public Utilities Commission, and the Minnesota Climate Innovation Finance Authority.

Note: This summary engrosses the author's amendment with the underlying bill. As a result, beginning with section 34, the summary section numbers are one number higher than in the corresponding amendment text.

Summary

| Section | Description |
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| 1 | <p>[115C.08] Petroleum tank fund.</p> <p>Subd. 4. Expenditures. Authorizes petroleum tank expenditures to include partial reimbursement of the cost of replacing single-walled pipe and related equipment in section 2.</p> |
| 2 | <p>[115C.09] Reimbursement.</p> <p>Subd. 3I. Reimbursement; single-walled steel piping. Provides use of up to \$4 million annually from the petroleum tank fund to reimburse owners of underground tank systems for 50 percent of the cost of replacement of single-walled pipe and related equipment with materials that meet all current federal and state standards.</p> |
| 3 | <p>[216.13] Commencing procedures before commission.</p> <p>Strikes archaic language and provides that proceedings can be brought to the commission via complaint or petition, and that the filer must provide notice to the affected utilities.</p> |

| <u>Section</u> | <u>Description</u> |
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| 4 | [216.16] Hearings before commission. Conforming language. |
| 5 | [216.161] Contested cases; notice. Amends the definition of “contested case” by referencing an existing statute (section 14.02, subd. 3). |
| 6 | [216.17] Notices and orders; filing; service. Subd. 3. Filings with commission; manner of filing. Strikes an outdated reference to 2008. |
| 7 | [216A.01] Department and commission; powers and duties. Strikes an archaic reference to the commission’s jurisdiction and lists the chapters of law that describe its powers and duties. |
| 8 | [216A.03] Public Utilities Commission. Subd. 1. Members. Strikes an outdated reference to 1986. |
| 9 | [216A.03] Public Utilities Commission. Subd. 6. Record of proceedings. Strikes references to obsolete technologies and updates terminology. |
| 10 | [216A.05] Commission functions and powers. Subd. 2. Powers generally. Strikes archaic language and updates terminology. |
| 11 | [216B.027] Cooperative electric association stockholder rights. Subd. 7. Optional referendum. Strikes outdated reference to 1983. |
| 12 | [216B.06] Receiving different compensation. Strikes outdated reference to 1975. |
| 13 | [216B.098] Residential customer protections. Subd. 2. Budget billing plans. Strikes outdated reference to 2003. |
| 14 | [216B.16] Rate change; procedure; hearing. Subd. 19. Multiyear rate plan. Strikes outdated reference to 2012. |
| 15 | [216B.1611] Interconnection of on-site distributed generation. Subd. 3a. Project information. Strikes outdated reference to 2014. |

| Section | Description |
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| 16 | [216B.2403] Consumer-owned utilities; energy conservation and optimization. Subd. 5. Energy conservation programs for low-income households. Authorizes conservation spending for low-income households by consumer-owned gas and electric utilities to include efficient fuel-switching programs. |
| 17 | [216B.2412] Decoupling of energy sales from revenues. Subd. 4. Decoupling plans. Authorizes a public utility to file a decoupling plan with the commission (current law speaks only to pilot programs), which the commission may approve, deny, or modify. |
| 18 | [216B.2422] Resource planning; renewable energy. Subd. 3. Environmental costs. Strikes outdated reference to 1994. |
| 19-23 | [216B.27] Rehearing; condition precedent to judicial review. Applies this section's procedural rules with respect to a request for rehearing a commission order to "reconsideration" of an order as well. |
| 24 | [216B.43] Hearing on complaint. Extends from 30 to 60 days the time after which a complaint has been filed with respect to a utility's exclusive right to serve customers in its service area that the commission must hold a hearing on the matter. |
| 25 | [216B.62] Regulatory expenses. Subd. 3a. Supplemental staffing assessment. Appropriates to the commission assessments (up to \$800,000 annually) made to public utilities allowing the commission to hire supplemental staff to carry out its duties. |
| 26 | [216C.02] Powers and duties of commissioner; rules. Subd. 1. Powers. Authorizes the department to enter into partnerships with in-state organizations, private entities, and nongovernmental organizations to carry out joint research and planning activities. |
| 27 | [216C.05] Findings and purpose. Subd. 1. Energy planning. Adds to legislative findings the provision that an energy security plan, including a statewide risk assessment, is in the public interest. |
| 28 | [216C.374] Electric school bus deployment program. Subd. 3. Establishment of account. Extends the availability of money in the program account by one year, until June 30, 2028. |

| Section | Description |
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| 29 | <p>[216C.377] Solar grant program; public buildings.</p> <p>Subd. 10. Application deadline. Extends the application deadline by two years, to June 30, 2028.</p> |
| 30 | <p>[216C.377] Solar grant program; public buildings.</p> <p>Subd. 13. Reporting. Extends the annual reporting requirement by two years, to January 15, 2029.</p> |
| 31 | <p>[216C.391] Minnesota state competitiveness fund.</p> <p>Subd. 6. Grant awards; administration. Authorizes state competitiveness fund revenues serving as a local match to a federal energy grant to be used to reimburse a Minnesota grantee for costs it incurred and paid after the federal grant has been awarded but before the state grant has been finalized, in order to comply with federal match requirements.</p> |
| 32 | <p>[216C.391] Minnesota state competitiveness fund.</p> <p>Subd. 7. Report; audit. Technical change.</p> |
| 33 | <p>[216C.441] Minnesota Climate Innovation Finance Authority.</p> <p>Subd. 3. General powers. Authorizes the authority to borrow money or other property and to sell notes, mortgages, or other interests that evidences or secures a loan. Requires gifts or grants to be deposited in the authority's account.</p> |
| 34 | <p>[216C.441] Minnesota Climate Innovation Finance Authority.</p> <p>Subd. 4. Authority duties. Authorizes the authority to secure additional private investment through securitization or other resale of its interest in a project, in cases where small and geographically dispersed projects are not aggregated.</p> |
| 35 | <p>[216C.441] Minnesota Climate Innovation Finance Authority.</p> <p>Subd. 4a. Liability; limitation. Declares that an authority loan is not a debt of the state for which the state is liable.</p> |
| 36 | <p>[216C.46] Residential heat pump rebate program.</p> <p>Subd. 1. Definitions. Amends the definition of "eligible applicant" to include: (1) an owner of a single-family home whose occupants have a household income below 150 percent of the area median income; and (2) an owner of a multifamily building in which at least 50 percent of the units meet that income limit.</p> |

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| 37 | <p>[216C.46] Residential heat pump rebate program.</p> <p>Subd. 3. Application. Allows a renter of a home to apply for a heat pump rebate with the owner’s permission. Aligns the state’s documentation and eligibility requirements with federal requirements for a federal heat pump rebate.</p> |
| 38 | <p>[Laws 2023, chapter 60, article 10, section 2, subdivision 2, as amended by Laws 2024, chapter 126, article 6, section 47, and Laws 2025, First Special Session chapter 7, article 1, section 4]</p> <p>Subd. 2. Energy resources. Extends the availability of the appropriation for residential electric panel upgrade grants until the appropriation is expended.</p> |
| 39 | <p>Nuclear energy study; appropriation.</p> <p>Appropriates \$1 million from the renewable development account to the Public Utilities Commission for a study of the potential impacts of constructing and operating new nuclear-powered electric generating plants in this state.</p> |
| 40 | <p>Repealer.</p> <p>Repeals the following statutes:</p> <ul style="list-style-type: none">▪ 216B.1681: Requires a study of wind curtailment payments to be submitted to the legislature by January 15, 2008.▪ 216B.1695: Authorizes a public utility to petition the commission prior to December 31, 2015, for an advance determination of prudence regarding expenditures made to comply with state or federal air quality standards.▪ 216B.2412, subd. 3: Authorizes the commission to allow a public utility to participate in pilot rate-decoupling program. Section 14 of the bill allows for nonpilot programs. |



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