

HOUSE RESEARCH

Bill Summary

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Overview

This bill makes several amendments to energy provisions passed in the 2001 legislative session. In addition, it extends the sunset date of certain public utilities commission (PUC) provisions from 2002 to 2005.

Section

- 1 **"Buy the farm" provision.** Amends the so-called "buy the farm" provision to its pre-2001 state, by specifying that it applies only to high voltage transmission lines of 200 kilovolts and greater. The "buy the farm" provision grants certain landowners across whose property a utility proposes to construct a "high voltage transmission line" the option of:
 - selling the utility an easement across the property; or
 - requiring the utility to purchase the entire parcel of property.The Energy Security and Reliability Act of 2001 changed the definition of a high voltage transmission line by lowering the capacity from one that is 200 kilovolts or greater, to 100 kilovolts and greater. This definition change increased the number of transmission lines to which the "buy the farm" provision applied, as well as the potential number of parcels of property which a utility might be required to purchase. The effect of this definition change was not discussed in the 2001 legislative session.
- 2 **Technical amendment.** Corrects a mistaken citation.
- & 44 **Pending application; certificate of need exemption.** Clarifies the application of the high voltage transmission line definition change for the purposes of state versus local review and approval. Specifies, for both the new state transmission plan statute (section 3) and the certificate of need statute (section 4), that a transmission line that had an application pending before at least one local unit of government, the Environmental Quality Board or the PUC is exempt from obtaining a state certificate of need, and remained subject to local review and

approval. Section 4 also provides an exemption from the certificate of need requirement for a high voltage transmission line of one mile or less required to connect a new or upgraded substation to the transmission grid.

5 **Reliability administrator.** Specifies that the reliability administrator (a position created in the Energy Security and Reliability Act of 2001 to provide independent, expert analysis of proposed energy infrastructure projects) may not have been a party or participant in an energy proceeding at the PUC for at least a year prior to being appointed by the commissioner of commerce.

& 77 **Small scale wind energy conversion system; incentive and tax treatment.** Amends provisions from the 2001 session which tightened the criteria for a small wind facility to qualify for certain tax and incentive programs, to grandfather in an ongoing project that was affected by the criteria change.

8 **Commission authority; sunset delay.** Extends the expiration date of three PUC provisions passed in 1999:

1)

Filings deemed approved - authorizes the commission to allow certain types of noncontroversial filings to be deemed approved without commission action;

2)

Delegations to commission subcommittees - authorizes the commission to delegate commission decision-making to commission subcommittees; and

3)

Designation of lead commissioners - authorizes the commission to designate a PUC commissioner as the lead commissioner for a proceeding, to develop an evidentiary record and to hold hearings, prior to action by the full commission.

These provisions are set to expire on June 30, 2002. This amendment would extend that expiration date to June 30, 2005.

9 **Benchmarks for existing public buildings.** Amends a provision directing the department of administration to develop a comprehensive plan by January 15, 2003 for conservation in existing public buildings, to:

(1) extend the date to January 15, 2004; and

(2) require the department of administration to coordinate its work with the department of commerce.

10 **Technical correction.** Directs the revisor to uncodify a mistakenly codified provision.

11 **Effective dates.** Makes sections 1, 6, 7, and 8 effective the day following final enactment. Section 5 is also effective the day following final enactment.