

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2451

**DATE:** March 1, 2004

**Version:** As introduced

**Authors:** Simpson and others

**Subject:** Changes in renewable development account decision-making and project eligibility

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### Overview

House File 2451 amends the process by which expenditures from the renewable development account, to which the utility owning the Prairie Island nuclear generating plant contributes \$16 million annually, are made. This bill creates a Renewable Energy Development Board that proposes projects for the Public Utilities Commission's consideration at least once a year. The bill also creates a renewable energy capital assistance grant project that will make annual awards from unencumbered funds in the account. The scope of eligible projects is expanded by allowing projects located outside the utility's service area and those which do not benefit its customers directly to be funded.

#### Section

#### **1 Funding for renewable development.**

**Subd. 1. Renewable development account.** Expands the scope of renewable energy source development projects eligible to be funded from the renewable development account by allowing such projects to be located outside the utility's service territory and not requiring them to benefit the utility's customers directly.

Restricts the utility's current discretion in petitioning the Public Utilities Commission to make expenditures from the renewable development account in two ways: first, by requiring that the petition only include expenditures proposed by the Renewable

## **Section**

Energy Development Board created in subdivision 4; and second, by requiring that such petition be made at least annually.

The commission may approve, deny, or modify the proposed expenditures listed in the petition.

**Subd. 2. Renewable energy production incentive.** Directs that funds allocated from the account to be used for renewable energy production incentives (currently, \$6 million annually) that are unexpended in any calendar year are available for spending only by a renewable energy development capital assistance program created in subdivision 3.

**Subd. 3. Renewable energy development capital assistance program.** Transfers unencumbered funds from the renewable development account-both for renewable energy incentive payments and other renewable energy projects whose eligibility is determined by the Department of Commerce under subdivision 2(b)-to a renewable energy development capital assistance program. The commissioner of the Department of Commerce is to develop the grant program and announce successful applicants by August 1 annually. The utility is to make these awards by September 1.

**Subd. 4. Renewable energy development board.** The utility must establish a seven-member Renewable Energy Development Board with one representative each from the utility, the renewable energy development community, the utility's customers, local government, the Mdewakanton Dakota community, and the chairs of the House and Senate committees with primary jurisdiction over energy policy. The board is to establish broad policies for the renewable development account and select an administrator to oversee the account's day-to-day operations.