HOUSE RESEARCH

Bill Summary

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Section

1 **[116C.779]** Specifies that renewable energy incentive payments not used for wind projects be used for eligible hydroelectric and on-farm biogas recovery facilities. Appropriates an additional $500,000 for this purpose in 2010 if needed.

2 **[116C.779]** Allocates $5 million annually, beginning in 2011, from the renewable development account to the University of Minnesota's Initiative for Renewable Energy and the Environment (IREE) for the activities listed. Specifies that 15 percent of the funds must be awarded to projects at a rural campus or experiment station.

3 **[117.189]** Increases the appraisal fees that may be awarded to a property owner under an eminent domain proceeding begun by a public service corporation (a utility, pipeline, municipality operating an airport, watershed district or draining authority) from $500 to $1,500.

4 **[216B.16]** Directs the Public Utilities Commission, in its review of a utility's incentive plan detailing how conservation improvement program expenditures will be recovered and the resulting energy savings accounted for, to insure that a utility's expenditure on cost-effective conservation is also its most profitable choice.

5 **[216B.16]** Establishes a "utility zone" extending one-half mile on either side of the University Avenue light rail project and describes facilities that may be constructed in the zone, beyond those replacing existing infrastructure, and under what conditions the utility may apply to the commission to receive automatic cost recovery for those facilities.

6 **[216B.1613]** Directs the commission to initiate a proceeding within 60 days to standardize contracts provisions for community-based energy development (C-BED) projects.

7 **[216B.1614]** Requires electric utilities to purchase in aggregate, between now and the end of 2010, 200 megawatts of energy from renewable energy projects with a capacity under 5

megawatts. Utilities are to purchase a portion of the 200 megawatts equal to the ratio of their sales to the total amount of electricity sold in Minnesota.

8 **[216B.1645]** Allows cost recovery for costs of researching how energy storage devices may improve renewable energy projects.

9 **[216B.169]** Permits a utility to voluntarily offer a green pricing program to customers that allows the customer to purchase a higher proportion of electricity generated from renewable fuels than is reflected in the utility's current supply mix, and specifies the additional price a customer may be charged for the additional renewable energy. (Note: The statute requiring utilities to offer mandatory green pricing programs is to expire on January 1, 2010.)

10 **[216B.1691]** Specifies that, of the 30 percent of Xcel Energy's sales in 2020 that must come from renewable sources, at least 25 percent must be generated by wind or solar energy. Current law specifies that at least 25 percent must be generated by wind alone.

11 **[216B.23]** Specifies that the commission may require a public utility found to charge a rate that violates a statute, rule or commission order to issue a refund to customers.

12 **[216B.241]** Allows a utility or cooperative association to carry forward for three years any energy savings realized in excess of the 1.5 percent annual statutory goal.

13 **[216B.241]** Allows a utility to spend up to 5 percent of its conservation improvement program (CIP) expenditures, or any amount in pursuit of the utility's annual 1.5 percent savings goal, to award rebates to homeowners who install solar thermal or geothermal energy systems, or a heating unit that burns biodiesel, shelled corn, wood chips or wood pellets. Rebates may not exceed the lesser of $500 or 25 percent of the cost of purchase and installation.

14 **[216B.241]** Allows a natural gas utility to spend up to 5 percent of its conservation improvement program (CIP) expenditures to purchase biomethane, which is biogas produced through anaerobic digestion, biomass gasification, or another process. Energy savings resulting from the purchase of biomethane may count towards a utility's annual 1.5 percent savings goal, but only for the portion above the initial 1 percent.

15 **[216B.241]** Specifies that the University of Minnesota's Center for Sustainable Building Research may use a portion of the funds received under its contract with the Department of Commerce to develop building energy-efficiency performance standards to conduct substantive programmatic activities, in addition to its role as coordinator and administrator.

Directs that a utility's program offering design assistance to builders must consider the strategic planting of trees and shrubs around the building as an energy saving measure.

16 **[216B.2411]** Allows a utility to request authority from the commission to exceed the existing 5 percent cap on conservation improvement program (CIP) expenditures used to install solar energy projects. Strikes obsolete language specifying that for cooperatives and municipal utilities, CIP expenditures on energy generation projects are considered load-management rather than CIP activities.

17 **[216B.2411]** Expands the definition of "qualifying solar electric project" to include those serving commercial and publicly owned buildings or facilities, and to include energy storage equipment.

18 **[216B.2424]** Requires Xcel Energy and the Laurentian biomass project to negotiate an amendment to the contract to allow for fluctuating fuel prices, and requires commission approval of the amendment prior to its becoming effective.

19 **[216B.2425]** Specifies additional issues the commission must address in its biennial order adopting a state electric transmission project list, including utility plans to address future inadequacies, and how any barriers to their addressing them may be overcome.

20 **[216B.243]** Expands the conditions under which a wind energy project with a capacity of 50 megawatts or more is exempt from applying to the commission for a certificate of need by no longer requiring a project to derive at least 10 percent of its total nameplate capacity from community-based energy development (C-BED) projects (In a C-BED project, at least 51 percent of the benefits of a power purchase agreement must flow to Minnesota owners.). Currently, that condition must be fulfilled, in addition to one of the following: (1) the project is specifically intended to meet the utility's renewable energy objective (requiring that a certain proportion of a utility's retail sales be generated from renewable resources by a given date); or (2) the project addresses a resource need identified in the utility's integrated resource plan, which contains a set of resource options for meeting future customer demand, and which must be reviewed and approved by the commission.

21 **[216B.243]** Makes discretionary four factors the commission currently is required to consider in determining whether a wind or solar project is exempt from certificate of need proceedings.

22 **[216C.052]** Amends the experience required of a candidate for the position of Reliability Administrator in the Department of Commerce.

23 **[216C.055]** Directs the commissioners of commerce and pollution control to include proposals regarding the use of solar energy and biomass to produce heat for buildings and industrial processes in the annual report to the legislature containing strategies to meet the state's greenhouse gas emissions reduction goals if they determine that those technologies are appropriate means to that end.

24 **[216C.41]** Strikes obsolete language referring to producers eligible for renewable energy production payments for wind projects, and specifies that similar payments may be made to owners of hydroelectric facilities.

25 to 29 **[216F.01- 216F.08]** Makes permanent the temporary authority counties have, if they so elect, to issue site permits to wind projects up to 25 megawatts in capacity. Specifies the general permit standards set by the commission for a project under 25 megawatts must include a provision for setback from a road or property line equal to 1.1 times the maximum tip height of a rotor blade in vertical position from the ground. Counties are encouraged to use this standard. Specifies that county standards supersede those set by the commission.

30 Authorizes the Mountain Iron Economic Development Authority to form or become a member of a limited liability company in order to develop a community-based energy development (C-BED) wind project. Authorizes the EDA to acquire a leasehold interest in property outside its boundaries for purposes of the project.

31 Directs the cities of Minneapolis and St. Paul to submit a report to the legislature by October 1, 2009 and 2010, outlining strategies to accelerate the adoption of solar thermal and solar electric technologies in Minnesota.

32 Authorizes the commissioner of commerce to approve an energy conservation improvement (CIP) plan submitted by a natural gas utility in 2009 that governs the utility's CIP activities over the subsequent three years and is accompanied by a report that indicates how the utility will meet a savings goal of 1 percent by year 5 and average at least 1 percent annually over the nine years after submission of the plan. Current law requires utilities to save 1.5 percent of the previous year's gross energy sales annually through conservation and renewable energy investments.

33 Directs Xcel Energy to transfer $563,000 in each of FY 2010 and 2011 to the departments of commerce to fund technical assistance and outreach provided to Minnesota communities by the regional Clean Energy Resource Teams (CERTS).

34 Repeals the scheduled 2010 expiration of the green pricing program, which allows the customer to purchase a higher proportion of electricity generated from renewable fuels than is reflected in the utility's current supply mix, and to pay an additional cost to support those purchases.