

HOUSE RESEARCH

Bill Summary

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Overview

House File 880 extends and increases the state's Renewable Energy Standard, which requires Minnesota's largest utilities to generate or procure a certain percentage of their retail electrical sales from renewable energy sources by certain dates. For most utilities, 25 percent by 2025 is the current goal, with interim targets set in 2012, 2016, and 2020; Xcel Energy has a goal of 30 percent, which must be met in 2020. This bill extends the RES to 2040, and sets a 40 percent standard for all utilities. The bill also sets a separate solar energy standard that extends to 2025.

Section

- 1 **[216B.45] Subd. 2a. Cost recovery for utility's renewable facilities.** Conforming language. Removes reference to a statute that is repealed in section 7 of the bill.
- 2 **[216B.1691] Subd. 2a. Eligible energy technology standard.** Increases and extends the Renewable Energy Standard (RES), which requires that a certain proportion of retail electricity be generated from renewable energy sources. Sets a 2030 standard of 40 percent; standards for 2016 and 2020 (for utilities other than Xcel Energy) are each raised by two percent above their current level.

For Xcel Energy, which has always operated under a slightly different standard than other utilities, a standard of 35 percent is set for 2025 and 40 percent for 2030.

Strikes language requiring that, in 2030, at least 24 percent of Xcel's 30 percent standard be met by wind energy, while no more than one percent may be met by solar.

Section

Specifies that wind must provide at least 20 percent of Xcel's retail electric sales by 2016, and 25 percent by 2020.

- 3 **[216B.1691] Subd. 2e. Rate impact of standard compliance; report.** Specifies that the commission shall consult with the Department of Commerce to determine a uniform reporting system for utility reports on the rate impact of meeting the RES, and shall require all electric utilities to use it.
- 4 **[216B.1691] Subd. 2f. Solar energy standard.** Sets a solar energy standard (left blank) that utilities must meet, with targets set for 2014, 2016, 2020, and 2025. Allows utilities to apply solar generation purchased under a single contract to either the solar standard or the RES, but not both.
- 5 **[216B.1691] Subd. 4. Renewable energy credits.** Specifies that only renewable energy credits representing electricity generated from solar sources may be used to satisfy the solar energy standard. Prohibits credits from being held longer than one year after the year in which they are generated. Authorizes the commission to facilitate credit trading with states that have RES goals comparable to Minnesota's and with states that allow the purchase of Minnesota-generated credits.
- 6 **[216B.243] Exemptions.** Exempts wind or solar electric generation facilities from the requirement to obtain a certificate of need from the commission prior to construction.
- 7 **Repealer.** Repeals section 216B.243, subdivision 9, which exempts wind or solar generation facilities from the requirement to obtain a certificate of need from the commission prior to construction, provided that the commission determines that the facility is a reasonable and prudent approach to meeting the utility's RES obligations.