

STATE OF MINNESOTA

EIGHTY-SECOND SESSION — 2001

 FORTIETH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 25, 2001

The House of Representatives convened at 3:00 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Gia Tou Lee, President of the Hmong National Fellowship Assembly of God, St. Paul, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Dorn	Holsten	Leppik	Osthoff	Solberg
Abrams	Eastlund	Howes	Lieder	Otremba	Stanek
Anderson, B.	Entenza	Huntley	Lindner	Ozment	Stang
Anderson, I.	Erhardt	Jacobson	Lipman	Paulsen	Swapinski
Bernardy	Erickson	Jaros	Luther	Pawlenty	Swenson
Biernat	Evans	Jennings	Mahoney	Paymar	Sykora
Bishop	Finseth	Johnson, J.	Mares	Pelowski	Thompson
Boudreau	Folliard	Johnson, R.	Mariani	Penas	Tingelstad
Bradley	Fuller	Johnson, S.	Marko	Peterson	Tuma
Buesgens	Gerlach	Juhnke	Marquart	Pugh	Vandever
Carlson	Gleason	Kahn	McElroy	Rhodes	Wagenius
Cassell	Goodno	Kalis	McGuire	Rifenberg	Walker
Clark, J.	Goodwin	Kelliher	Milbert	Rukavina	Walz
Clark, K.	Greiling	Kielkucki	Molnau	Ruth	Wasiluk
Daggett	Gunther	Knoblach	Mulder	Schumacher	Wenzel
Davids	Haas	Koskinen	Mullery	Seagren	Westerberg
Davnie	Hackbarth	Krinkie	Murphy	Seifert	Westrom
Dawkins	Harder	Kubly	Ness	Sertich	Wilkin
Dehler	Hausman	Kuisle	Nornes	Skoe	Winter
Dempsey	Hilstrom	Larson	Olson	Skoglund	Wolf
Dibble	Hilty	Leighton	Opatz	Slawik	Workman
Dorman	Holberg	Lenczewski	Osskopp	Smith	Spk. Sviggum

A quorum was present.

Bakk and Gray were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Murphy moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 103 and H. F. No. 205, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Nornes moved that the rules be so far suspended that S. F. No. 103 be substituted for H. F. No. 205 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 564 and H. F. No. 604, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sertich moved that the rules be so far suspended that S. F. No. 564 be substituted for H. F. No. 604 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1441 and H. F. No. 2110, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Howes moved that the rules be so far suspended that S. F. No. 1441 be substituted for H. F. No. 2110 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 24, 2001

The Honorable Steve Sviggum
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Sviggum:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 275, relating to human services; modifying the procedure for counting savings under nursing facility closure plans.

H. F. No. 125, relating to professions; modifying licensure requirements for foreign-trained dentists.

H. F. No. 949, relating to qualified newspapers; modifying requirements for qualified newspapers serving smaller local public corporations.

H. F. No. 867, relating to the suburban Hennepin regional park district; authorizing the district to set commissioners' compensation; clarifying the district's boundaries; clarifying that meetings shall be held in conformance with the open meeting law; permitting the district to accept donations without court approval; deleting obsolete reference to condemnation procedures; authorizing the district to enter into joint powers agreements by majority board action.

H. F. No. 2119, relating to charitable organizations; amending report filing requirements.

Sincerely,

JESSE VENTURA
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable Don Samuelson
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2001 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2001</i>	<i>Date Filed 2001</i>
274		31	10:05 a.m. April 24	April 24
283		32	9:55 a.m. April 24	April 24
1435		33	10:01 a.m. April 24	April 24
319		34	10:00 a.m. April 24	April 24
456		35	10:05 a.m. April 24	April 24
	275	36	10:07 a.m. April 24	April 24
	125	37	10:08 a.m. April 24	April 24
	949	38	9:56 a.m. April 24	April 24
142		39	10:10 a.m. April 24	April 24
741		40	10:02 a.m. April 24	April 24
1780		41	10:02 a.m. April 24	April 24
1460		42	10:11 a.m. April 24	April 24

1709		43	10:04 a.m. April 24	April 24
	867	44	10:11 a.m. April 24	April 24
	2119	45	10:12 a.m. April 24	April 24

Sincerely,

MARY KIFFMEYER
Secretary of State

REPORTS OF STANDING COMMITTEES

Holsten from the Committee on Environment and Natural Resources Finance to which was referred:

H. F. No. 659, A bill for an act relating to energy; enacting the Minnesota Energy Security and Reliability Act; requiring an energy security blueprint and a state reliability plan; providing for essential energy infrastructure; eliminating the requirement for individual utility plans; creating an independent reliability administrator; modifying provisions for siting, routing, and determining the need for large electric power facilities; regulating conservation expenditures by energy utilities and eliminating state pre-approval of conservation plans by public utilities; encouraging regulatory flexibility in supplying and obtaining energy; regulating interconnection of distributed utility resources; providing for safety and service standards from distribution utilities; clarifying the state cold weather disconnection requirements; authorizing municipal utilities, municipal power agencies, cooperative utilities, and investor-owned utilities to form joint ventures to provide utility services; making technical, conforming, and clarifying changes; amending Minnesota Statutes 2000, sections 116.07, subdivision 4a; 116C.52, subdivision 4; 116C.53, subdivision 3; 116C.57, subdivisions 1, 2, 4, by adding subdivisions; 116C.58; 116C.59, subdivision 1; 116C.60; 116C.61, subdivision 1; 116C.62; 116C.64; 116C.645; 116C.65; 116C.66; 116C.69; 216A.03, subdivision 3a; 216B.03; 216B.095; 216B.097, subdivision 1; 216B.16, subdivisions 1, 6b, 6c, 7, 15, by adding a subdivision; 216B.162, subdivision 8; 216B.1621, subdivision 2; 216B.164, subdivision 4; 216B.241, subdivisions 1, 1a, 1b, 2, by adding subdivisions; 216B.2421, subdivision 2, by adding a subdivision; 216B.2423, subdivision 2; 216B.243, subdivisions 2, 3, 4, by adding a subdivision; 216C.17, subdivision 3; 216C.41; proposing coding for new law in Minnesota Statutes, chapters 116C; 216B; 452; repealing Minnesota Statutes 2000, sections 116C.55; 116C.57, subdivisions 3, 5, 5a; 116C.67; 216B.241, subdivision 1c; 216B.2422, subdivisions 2, 6; 216C.18.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENERGY PLANNING

Section 1. [TITLE.]

This act shall be known as the Minnesota Energy Security and Reliability Act.

Sec. 2. [216B.012] [STATE TRANSMISSION PLAN.]

Subdivision 1. [PLAN.] The commission shall maintain a state transmission plan, consisting of a list of certified high voltage transmission line projects.

Subd. 2. [PLAN DEVELOPMENT.] (a) By November 1 of each odd-numbered year, each public utility, municipal utility, and cooperative electric association, or the generation and transmission organization that serves

each utility or association, that owns or operates electric transmission lines in Minnesota shall jointly or individually submit a transmission projects report to the commission. The report must:

- (1) list specific present and reasonably foreseeable future inadequacies in the transmission system in Minnesota;
- (2) identify alternative means of addressing each inadequacy listed;
- (3) identify general economic, environmental, and social issues associated with each alternative; and
- (4) provide a summary of public input the utilities and associations have gathered related to the list of inadequacies and the role of local government officials and other interested persons in assisting to develop the list and analyze alternatives.

(b) To meet the requirements of this subdivision, entities may rely on available information and analysis developed by a regional transmission organization or any subgroup of a regional transmission organization and may develop and include additional information as necessary. A regional energy infrastructure planning report issued under section 216B.019 and submitted under this subdivision satisfies the requirements of this subdivision for the member utilities.

Subd. 3. [COMMISSION APPROVAL.] By June 1 of each even-numbered year, the commission shall adopt a state transmission plan and shall certify, certify as modified, or deny certification of the projects proposed under subdivision 2. The commission may only certify a project that is a high voltage transmission line as defined in section 216B.2421, subdivision 2, that the commission finds is:

- (1) necessary to maintain or enhance the reliability of electric service to Minnesota consumers;
- (2) needed, applying the criteria in section 216B.241, subdivision 3;
- (3) a public purpose project, applying the considerations in section 216B.241, subdivision 2a; and
- (4) in the public interest, taking into account electric energy system needs and economic, environmental, and social interests affected by the project.

Projects certified as part of the state transmission plan need no further review by the commission under section 216B.243. The reliability administrator shall provide technical assistance to the commissioner and the commission in reviewing the proposed projects.

Subd. 4. [CONTINUING OBLIGATION.] Each public utility, municipal utility, and cooperative electric association that operates and provides electric service in this state has an existing and continuing obligation to provide reliable, affordable, safe, and efficient services to their customers in the state; to plan to meet the resource and infrastructure needs of those customers; and to ensure that those resources and infrastructure are sited and constructed, or otherwise acquired.

Sec. 3. [216B.013] [EXISTING GENERATION FACILITIES.]

In order to continue the low-maintenance and low-cost service that the existing base-load generation facilities in Minnesota have provided to Minnesota consumers, and to provide power to meet the growing demand for electricity by Minnesota consumers and businesses, it is the policy of the state that these facilities be maintained and upgraded consistent with energy policy goals established pursuant to this chapter. The public utilities commission, department, and other state agencies with regulatory jurisdiction over the operation of these facilities shall take all steps necessary to incorporate this state policy into the regulatory decisions made by each respective agency.

Sec. 4. [216B.014] [ENERGY SECURITY AND RELIABILITY.]

(a) It is a fundamental goal of Minnesota's energy and utility policy that state policymakers maximize the state's energy security.

(b) "Energy security" means, among other things, ensuring that the state's energy sources are:

(1) diverse, including (i) traditional sources such as coal, natural gas, waste-to-energy, and nuclear facilities, (ii) renewable sources such as wind, biomass, and agricultural waste generation, and (iii) high-efficiency, low-emissions distributed generation sources such as fuel cells and microturbines;

(2) to the extent feasible, produced in the state utilizing Minnesota's resources;

(3) environmentally sustainable;

(4) available to consumers at affordable and stable rates or prices; and

(5) above all, reliable. "Reliable" means, among other things, that adequate resources and infrastructure are in place, and are planned for, to provide efficient, dependable, and secure energy services to Minnesota consumers.

Sec. 5. [216B.015] [ENERGY SECURITY BLUEPRINT.]

(a) The commissioner shall develop a draft energy security blueprint by December 15, 2001, and every four years thereafter. The blueprint must:

(1) identify important trends and issues in energy supply, consumption, conservation, and costs;

(2) set energy goals; and

(3) develop strategies to meet the goals.

(b) For the purposes of sections 216B.012 to 216B.019, the terms:

(1) "electric utility" means an entity that is a public utility; a cooperative electric association providing generation, transmission, or distribution services; a municipal utility; or a municipal power agency; and

(2) "energy utility" means an electric utility, or an entity providing natural gas to retail consumers.

Sec. 6. [216B.016] [ENERGY BLUEPRINT CONTENTS.]

The energy blueprint must include:

(1) the amount and type of projected statewide energy consumption over the next ten years;

(2) a determination of whether and the extent to which existing and anticipated energy production and transportation facilities will or will not be able to supply needed energy;

(3) a determination of the potential for conservation to meet some or all of the projected need for energy;

(4) an assessment of the environmental impact of projected energy consumption over the next ten years, prepared by the commissioner of the pollution control agency in consultation with other state agencies and other interested persons, with strategies to mitigate those impacts; and

(5) benchmarks to measure and monitor supply adequacy and infrastructure capacity, and to assess the overall reliability of the state's electric system.

Sec. 7. [216B.017] [ENERGY GOALS.]

(a) The blueprint must recommend statewide goals and recommend strategies to accomplish the following goals for:

- (1) energy conservation and recovery;
- (2) limiting adverse environmental emissions from the generation of electric energy consumed in the state;
- (3) production of electric energy consumed in the state from renewable energy sources;
- (4) deployment of distributed electric generation technologies;
- (5) ensuring that energy service is affordable and available to all consumers in the state;
- (6) minimizing the imposition of social costs on energy consumers through energy rates or prices; and
- (7) increasing the efficiency of the regulatory infrastructure and reducing regulatory and administrative costs.

(b) The goals adopted in the blueprint may be onetime goals or a series of goals to meet overall objectives. The commissioner shall present these goals, and any associated strategies that require changes to state law, to the legislature for modification and approval.

Sec. 8. [216B.018] [BLUEPRINT DEVELOPMENT.]

Subdivision 1. [PUBLIC PARTICIPATION.] The commissioner shall:

- (1) invite public and stakeholder comment and participation during blueprint development; and
- (2) hold at least one public meeting on the proposed blueprint in each energy infrastructure planning region of the state after at least 30 days' public notice in the region.

Subd. 2. [NOTICE AND COMMENT; BLUEPRINT ISSUANCE.] The commissioner shall provide notice of all public meetings to discuss the proposed blueprint and allow opportunity for written comment prior to issuing the final blueprint. After review by the administrator, the commissioner shall publish the final energy blueprint in the State Register within four months of issuing the draft blueprint.

Sec. 9. [216B.019] [REGIONAL ENERGY INFRASTRUCTURE PLANNING.]

Subdivision 1. [ESTABLISHING PLANNING REGIONS.] The commission, after notice and opportunity for written comment, shall establish geographic regional energy infrastructure planning regions in the state by August 1, 2001. Planning regions may coincide with existing subregional planning areas used by the regional electric reliability or regional transmission organization serving Minnesota. The commission shall also request comments on and approve, or approve as modified, each group's organizational, administrative, planning, and voting structures.

Subd. 2. [PLANNING GROUP.] Each energy utility that operates in an identified region shall participate in the regional energy infrastructure planning group. Each regional group must include as voting members an equal number of representatives of energy utilities, and representatives from counties in the identified region, appointed by the county board.

Subd. 3. [PUBLIC MEETINGS.] Each regional energy infrastructure planning group shall hold public meetings within the region on a regular basis, not less than twice a year, and provide public notice at least 14 calendar days in advance of a meeting.

Subd. 4. [REPORT.] By November 1, 2001, and every two years thereafter, each regional energy infrastructure planning group shall submit a report to the commissioner that:

(1) identifies inadequacies in electric generation and transmission within the region including any deficiencies as defined in subdivision 5;

(2) lists alternative ways to address identified inadequacies, taking into account the provisions of the state energy security blueprint;

(3) identifies potential general and, to the extent known, specific economic, environmental, and social issues associated with each alternative; and

(4) recommends alternatives to address identified inadequacies and deficiencies that ensure the reliability and security of the energy system in the region, while minimizing environmental and social impacts. In making recommendations, the planning group shall identify critical needs. For the purposes of this clause, "critical needs" are those projects that are necessary to maintain reliable electric service to Minnesota consumers that meet or exceed the most stringent applicable state or regional reliability standards. A regional planning group may satisfy the requirement to issue an initial report under this section by submitting the portion of the Mid-Continent Area Power Pool transmission plan that affects the region, with any analysis, comment, or narrative that the group deems important.

Subd. 5. [DEFICIENCY.] (a) "Deficiency" means a condition, or set of conditions, that, based on the utility's most recent forecast or consistent with the transmission expansion plan of a federally approved regional transmission organization or regional reliability entity, may materially limit the adequacy of electric supply, efficiency of electric service, or reliability of electric service to an electric utility's customers in the state that may require construction of a generation or transmission project.

(b) Within 90 days of identifying a deficiency in its system, an electric utility shall give notice of the deficiency to at least:

(1) the members of affected regional energy infrastructure planning groups;

(2) officials of potentially affected local governments; and

(3) the commissioner and the independent reliability administrator.

(c) Notice of deficiency must be made before submitting (1) an application for a certificate of need under section 216B.243 or (2) a request for environmental review of an energy project to any governmental entity.

Sec. 10. [216C.052] [RELIABILITY ADMINISTRATOR.]

Subdivision 1. [POSITION ESTABLISHED IN DEPARTMENT.] Recognizing the critical importance of adequate, reliable, and environmentally sound energy services to the state's economy and the well-being of its citizens, and that independent and expert technical analysis is necessary to ensuring the reliability of the energy system, the position of reliability administrator is established within the department of commerce.

Subd. 2. [RESPONSIBILITIES.] (a) The administrator shall provide technical advice and assistance to the department, the commission, and regional energy infrastructure planning groups. In addition, the administrator shall provide technical and administrative assistance to the legislative electric energy task force. In conducting its work, the administrator shall:

(1) model and monitor the use and operation of the energy infrastructure in the state, including generation facilities, transmission lines, natural gas pipelines, and other energy infrastructure;

(2) develop and present to the commission and parties technical analyses of proposed infrastructure projects, and provide technical advice to the commission;

(3) assist the regional energy infrastructure planning groups in analyzing assertions of need for additional infrastructure;

(4) develop and present the reliability status report required under subdivision 4 and the state reliability plan under section 216B.012; and

(5) present independent, factual, expert, and technical information on infrastructure proposals at public meetings hosted by the task force, the environmental quality board, or the commission.

(b) Upon request and subject to resource constraints, the administrator shall provide technical assistance regarding matters unrelated to applications for infrastructure improvements to the task force, the department, or the commission.

Subd. 3. [ADMINISTRATIVE ISSUES.] (a) The commissioner, with the advice and consent of the commission, shall appoint the administrator for a term concurrent with that of the governor. The administrator may be removed only for cause. The commissioner shall oversee and direct the work of the administrator, annually review the expenses of the administrator, and biennially approve the budget of the administrator. The administrator may utilize existing commission or department staff at the discretion of the chair or the commissioner; may hire staff; and may contract for technical expertise in performing duties when existing state resources are required for other state responsibilities or when special expertise is required. The salary of the administrator is governed by section 15A.0815, subdivision 2.

(b) The administrator shall certify its administrative costs to the commission on a monthly basis, and shall specify those costs that are general in nature and those that were incurred on a specific application or with regard to a specific utility.

(c) The legislative energy task force shall make assessments for the general administrative costs of the administrator pursuant to the assessment authority of the legislative electric energy task force under section 216C.051, subdivision 6. Additional amounts for general administrative costs may be incurred and recovered above this amount, if the commissioner and chair of the commission deem the additional amounts to be necessary. Costs that are of a general nature must be apportioned among all energy utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year.

(d) Costs relating to a specific proceeding, analysis, or project are not general administrative costs and must be billed directly. The commission shall review those costs, and shall order payment within 30 days of commission review. The department shall render a bill to the utility or utilities, either at the conclusion of a particular proceeding, analysis, or project, or from time to time during the course of the proceeding, analysis, or project. The bill constitutes notice of the assessment and a demand for payment. The amount of the bills so rendered by the department must be paid by the public utility into a special revenue fund in the state treasury within 30 days from the date of billing and are appropriated to the administrator for the purposes provided in this section. Appeals may be handled by the commission as provided in section 216B.62. The commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover amounts paid by utilities under this section. The administrator shall provide a detailed accounting of finances to the commissioner and to the chairs of the house of representatives and senate finance committees with jurisdiction over the department's budget. All amounts assessed under this section are in addition to amounts appropriated to the commission and the department by other law.

Subd. 4. [RELIABILITY STATUS REPORT.] The commission shall require all electric utilities to report to the administrator on operating and planning reserves, available transmission capacity, outages of major generation units and feeders of distribution and transmissions facilities, the adequacy of stock and equipment, and any other

information necessary to assess the current and future reliability of energy service in this state. By January 1 of each odd-numbered year beginning in 2003, the administrator shall assess and report the status of the reliability of electric service in the state to the commissioner, with copies to the commission and the legislative electric energy task force.

Sec. 11. [EFFECTIVE DATE.]

Article 1 is effective the day following final enactment.

ARTICLE 2

ESSENTIAL ENERGY INFRASTRUCTURE

Section 1. Minnesota Statutes 2000, section 116.07, subdivision 4a, is amended to read:

Subd. 4a. [PERMITS.] (a) The pollution control agency may issue, continue in effect, or deny permits, under ~~such~~ conditions as it may prescribe for the prevention of pollution, for (1) the emission of air contaminants except for emissions from electric generation stations, ~~or for~~ (2) the installation or operation of any emission facility, air contaminant treatment facility, treatment facility, potential air contaminant storage facility, or storage facility, or any part thereof, ~~or for~~ (3) the sources or emissions of noise pollution:

~~The pollution control agency may also issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for, (4) the storage, collection, transportation, processing, or disposal of waste, or for (5) the installation or operation of any system or facility, or any part thereof, related to the storage, collection, transportation, processing, or disposal of waste. The commissioner, rather than the agency, may issue, continue in effect, or deny permits, under conditions the commissioner may prescribe for the prevention of pollution, for the emissions of air contaminants from electric generation stations.~~

The pollution control agency may revoke or modify any permit issued under this subdivision and section 116.081 whenever it is necessary, in the opinion of the agency, to prevent or abate pollution.

(b) The pollution control agency has the authority for approval over the siting, expansion, or operation of a solid waste facility with regard to environmental issues. However, the agency's issuance of a permit does not release the permittee from any liability, penalty, or duty imposed by any applicable county ordinances. Nothing in this chapter precludes, or shall be construed to preclude, a county from enforcing land use controls, regulations, and ordinances existing at the time of the permit application and adopted pursuant to sections 366.10 to 366.181, 394.21 to 394.37, or 462.351 to 462.365, with regard to the siting, expansion, or operation of a solid waste facility.

Sec. 2. Minnesota Statutes 2000, section 116C.52, subdivision 10, is amended to read:

Subd. 10. [UTILITY.] "Utility" shall mean any entity engaged or intending to engage in this state in the generation, transmission or distribution of electric energy including, but not limited to, a private investor owned utility, cooperatively owned utility, and a public or municipally owned utility.

Sec. 3. Minnesota Statutes 2000, section 116C.53, subdivision 2, is amended to read:

Subd. 2. [JURISDICTION.] The board is hereby given the authority to provide for site and route selection for large electric power facilities. The board shall issue permits for large electric power facilities in a timely fashion. When the public utilities commission has determined the need for the project under section 216B.243 or 216B.2425, questions of need, including size, type, and timing; alternative system configurations; and voltage, are not within the board's siting and routing authority and must not be included in the scope of environmental review conducted under sections 116C.51 to 116C.69.

Sec. 4. Minnesota Statutes 2000, section 116C.53, subdivision 3, is amended to read:

Subd. 3. [INTERSTATE ROUTES.] (a) If a route is proposed in two or more states, the board shall attempt to reach agreement with affected states on the entry and exit points prior to ~~authorizing the construction of the designating a~~ route. The board, in discharge of its duties pursuant to sections 116C.51 to 116C.69 may make joint investigations, hold joint hearings within or without the state, and issue joint or concurrent orders in conjunction or concurrence with any official or agency of any state or of the United States. The board may negotiate and enter into any agreements or compacts with agencies of other states, pursuant to any consent of Congress, for cooperative efforts in certifying the construction, operation, and maintenance of large electric power facilities in accord with the purposes of sections 116C.51 to 116C.69 and for the enforcement of the respective state laws regarding such facilities.

(b) The board may not issue a route permit for the Minnesota portion of an interstate high voltage transmission line unless the applicant has received a certificate of need from the public utilities commission.

Sec. 5. Minnesota Statutes 2000, section 116C.57, subdivision 1, is amended to read:

~~Subdivision 1. [DESIGNATION OF SITES SUITABLE FOR SPECIFIC FACILITIES; REPORTS SITE PERMIT.] A utility must apply to the board in a form and manner prescribed by the board for designation of a specific site for a specific size and type of facility. The application shall contain at least two proposed sites. In the event a utility proposes a site not included in the board's inventory of study areas, the utility shall specify the reasons for the proposal and shall make an evaluation of the proposed site based upon the planning policies, criteria and standards specified in the inventory. Pursuant to sections 116C.57 to 116C.60, the board shall study and evaluate any site proposed by a utility and any other site the board deems necessary which was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate sites. No site designation shall be made in violation of the site selection standards established in section 116C.55. The board shall indicate the reasons for any refusal and indicate changes in size or type of facility necessary to allow site designation. Within a year after the board's acceptance of a utility's application, the board shall decide in accordance with the criteria specified in section 116C.55, subdivision 2, the responsibilities, procedures and considerations specified in section 116C.57, subdivision 4, and the considerations in chapter 116D which proposed site is to be designated. The board may extend for just cause the time limitation for its decision for a period not to exceed six months. When the board designates a site, it shall issue a certificate of site compatibility to the utility with any appropriate conditions. The board shall publish a notice of its decision in the State Register within 30 days of site designation. No person may construct a large electric power generating plant shall be constructed except on without a site designated by permit from the board or a county. A large electric generating plant may be constructed only on either (1) a site approved by the board under this section or section 116C.575, or (2) a site designated by a county using terms, conditions, procedures, and standards no less stringent than those imposed and used by the board. If the proposed project is under the jurisdiction of the board, the board must incorporate into one proceeding the route selection for a high voltage transmission line that is directly associated with and necessary to interconnect the large electric generation plant to the transmission system and whose need is certified as part of the generation plant project by the public utilities commission.~~

Sec. 6. Minnesota Statutes 2000, section 116C.57, subdivision 2, is amended to read:

Subd. 2. ~~[DESIGNATION OF ROUTES; PROCEDURE ROUTE PERMIT.] A utility shall apply to the board in a form and manner prescribed by the board for a permit for the construction of a high voltage transmission line. The application shall contain at least two proposed routes. Pursuant to sections 116C.57 to 116C.60, the board shall study, and evaluate the type, design, routing, right-of-way preparation and facility construction of any route proposed in a utility's application and any other route the board deems necessary which was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate routes provided, however, that the board shall identify the alternative routes prior to the commencement of public hearings thereon pursuant to section 116C.58. Within one year after the board's acceptance of a utility's application, the board shall decide in accordance with the criteria and standards specified in section 116C.55, subdivision 2, and the considerations specified in section 116C.57, subdivision 4, which proposed route is to be designated. The board may~~

extend for just cause the time limitation for its decision for a period not to exceed 90 days. When the board designates a route, it shall issue a permit for the construction of a high voltage transmission line specifying the type, design, routing, right-of-way preparation and facility construction it deems necessary and with any other appropriate conditions. The board may order the construction of high voltage transmission line facilities which are capable of expansion in transmission capacity through multiple circuiting or design modifications. The board shall publish a notice of its decision in the state register within 30 days of issuance of the permit. No person may construct a high voltage transmission line shall be constructed except on without a route designated by permit from the board, unless it was exempted pursuant to subdivision 5. A high voltage transmission line may be constructed only along a route approved by the board.

Sec. 7. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2a. [APPLICATION.] (a) A person seeking to construct a large electric power generating plant or a high voltage transmission line shall apply to the board for a site permit or route permit. The application must contain any information required by the board and must specify:

- (1) whether the applicant is required to receive a certificate of need for the proposed project;
- (2) whether the applicant is required to comply with section 216B.019, subdivision 5, and has complied; and
- (3) whether the proposed project was identified, discussed, and considered by the relevant regional energy infrastructure planning group and the result of that consideration.

(b) The applicant shall propose at least two sites for a large electric power generating plant and two routes for a high voltage transmission line.

(c) The chair of the board shall determine whether an application is complete and advise the applicant of any deficiencies. An application is not incomplete if information not in the application can be obtained from the applicant during the first phase of the process and that information is not essential for notice and initial public meetings.

Sec. 8. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2b. [NOTICE OF APPLICATION.] Within 15 days after submitting an application to the board, the applicant shall publish notice of the application in a legal newspaper of general circulation in each county in which the site or route is proposed and send a copy of the application by certified mail to any regional development commission, county, incorporated municipality, and town in which the site or route is proposed. Within the same 15 days, the applicant shall also send a notice of the submission of the application and description of the proposed project to each owner whose property is adjacent to any of the proposed sites for the power plant or along any of the proposed routes for the transmission line. The notice must identify a location where a copy of the application can be reviewed. For the purpose of giving mailed notice under this subdivision, owners are those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer, but other appropriate records may be used for this purpose. The failure to give mailed notice to a property owner, or defects in the notice, does not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made. Within the same 15 days, the applicant shall also send the same notice of the submission of the application and description of the proposed project to those persons who have requested to be placed on a list maintained by the board for receiving notice of proposed large electric generating power plants and high voltage transmission lines.

Sec. 9. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2c. [ENVIRONMENTAL REVIEW.] The board shall prepare an environmental impact statement on each proposed large electric generating plant or high voltage transmission line for which a complete application has been submitted. For any project that has obtained a certificate of need from the public utilities commission, the board shall

not consider whether or not the project is needed. No other state environmental review documents are required. The board shall study and evaluate any site or route proposed by an applicant and any other site or route the board deems necessary that was proposed in a manner consistent with rules adopted by the board concerning the form, content, and timeliness of proposals for alternate sites or routes.

Sec. 10. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 2d. [PUBLIC HEARING.] The board shall hold a public hearing on an application for a site permit for a large electric power generating plant or a route permit for a high voltage transmission line. A hearing held for designating a site or route must be conducted by an administrative law judge from the office of administrative hearings under the contested case procedures of chapter 14. Notice of the hearing must be given by the board at least ten days in advance but no earlier than 45 days prior to the commencement of the hearing. Notice must be by publication in a legal newspaper of general circulation in the county in which the public hearing is to be held and by certified mail to chief executives of the regional development commissions, counties, organized towns, townships, and the incorporated municipalities in which a site or route is proposed. A person may appear at the hearing and offer testimony and exhibits without the necessity of intervening as a formal party to the proceeding. The administrative law judge may allow a person to ask questions of other witnesses. The administrative law judge shall hold a portion of the hearing in the area where the power plant or transmission line is proposed to be located.

Sec. 11. Minnesota Statutes 2000, section 116C.57, subdivision 4, is amended to read:

Subd. 4. [CONSIDERATIONS IN DESIGNATING SITES AND ROUTES.] (a) To facilitate the study, research, evaluation, and designation of sites and routes, the board shall be guided by, but not limited to, the following responsibilities, procedures, and considerations:

(1) evaluation of research and investigations relating to the effects on land, water, and air resources of large electric power generating plants and high voltage transmission line routes and the effects of water and air discharges and electric fields resulting from such facilities on public health and welfare, vegetation, animals, materials, and aesthetic values, including base line studies, predictive modeling, and monitoring of the water and air mass at proposed and operating sites and routes, evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air, and human resources of the state;

(3) evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) evaluation of adverse direct and indirect environmental effects ~~which~~ that cannot be avoided should the proposed site and route be accepted;

(7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) evaluation of potential routes ~~which~~ that would use or parallel existing railroad and highway rights-of-way;

(9) evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) evaluation of the future needs for additional high voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(11) evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved; and

(12) ~~where~~ when appropriate, consideration of problems raised by other state and federal agencies and local entities.

~~(13) (b)~~ If the board's rules are substantially similar to existing rules and regulations of a federal agency to which the utility in the state is subject, the federal rules and regulations shall must be applied by the board.

~~(14) (c)~~ No site or route shall may be designated which violates if to do so would violate state agency rules.

Sec. 12. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 7. [TIMING.] The board shall make a final decision on an application within 60 days after receipt of the report of the administrative law judge. A final decision on the request for a site permit or route permit shall be made within one year after the chair's determination that an application is complete. The time for the final decision may be extended for up to 90 days for good cause and if all parties agree.

Sec. 13. Minnesota Statutes 2000, section 116C.57, is amended by adding a subdivision to read:

Subd. 8. [FINAL DECISION.] (a) A site permit may not be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the board. The board shall indicate the reasons for any refusal and indicate changes in size or type of facility necessary to allow site designation. When the board designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The board shall publish a notice of its decision in the State Register within 30 days of issuing the site permit.

(b) A route permit may not be issued in violation of the route selection standards and criteria established in this section and in rules adopted by the board. When the route is designated, the permit issued for the construction of the facility must specify the type, design, routing, right-of-way preparation, and facility construction deemed necessary and any other appropriate conditions. The board may order the construction of high voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The board shall publish a notice of its decision in the State Register within 30 days of issuing the permit.

Sec. 14. [116C.575] [ALTERNATIVE REVIEW OF APPLICATIONS.]

Subdivision 1. [ALTERNATIVE REVIEW.] An applicant who seeks a site permit or route permit for one of the projects identified in this section may petition the board to be allowed to follow the procedures in this section rather than the procedures in section 116C.57. The board shall grant the petition within 30 days unless the board finds good cause for denial.

Subd. 2. [APPLICABLE PROJECTS.] The requirements and procedures in this section may apply to the following projects:

(1) large electric power generating plants with a capacity of less than 80 megawatts;

(2) large electric power generating plants fueled by natural gas;

(3) projects to retrofit or repower an existing large electric power generating plant to one burning primarily natural gas or other similar clean fuel;

(4) any natural gas peaking facility designed for or capable of storing on a single site more than 100,000 gallons of liquefied natural gas or synthetic gas;

(5) high voltage transmission lines in excess of 200 kilovolts less than five miles in length in Minnesota; and

(6) high voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located along existing high voltage transmission line right-of-way.

Subd. 3. [APPLICATION.] The applicant for a site certificate or route permit for any of the projects listed in subdivision 2 who chooses to follow these procedures shall submit information the board may require, but the applicant is not required to propose a second site or route for the project. The applicant shall identify in the application any other sites or routes that were rejected by the applicant and the board may identify additional sites or routes to consider during the processing of the application. The chair of the board shall determine whether an application is complete and advise the applicant of any deficiencies.

Subd. 4. [NOTICE OF APPLICATION.] On submitting an application under this section, the applicant shall provide the same notice as required by section 116C.57, subdivision 2b.

Subd. 5. [ENVIRONMENTAL REVIEW.] For the projects identified in subdivision 2 and following these procedures, the board shall prepare an environmental assessment worksheet. The board shall include as part of the environmental assessment worksheet alternative sites or routes identified by the board and shall address mitigating measures for all of the sites or routes considered. The environmental assessment worksheet is the only state environmental review document required to be prepared on the project.

Subd. 6. [PUBLIC MEETING.] The board shall hold a public meeting in the area where the facility is proposed to be located. The board shall give notice of the public meeting in the same manner as notice for a public hearing. The board shall provide opportunity at the public meeting for any person to present comments and to ask questions of the applicant and board staff. The board shall also afford interested persons an opportunity to submit written comments into the record.

Subd. 7. [TIMING.] The board shall make a final decision on an application within 60 days after completion of the public meeting. A final decision on the request for a site permit or route permit under this section must be made within six months after the chair's determination that an application is complete. The time for the final decision may be extended for up to 45 days for good cause and if all parties agree.

Subd. 8. [CONSIDERATIONS.] The considerations in section 116C.57, subdivision 4, apply to any projects subject to this section.

Subd. 9. [FINAL DECISION.] (a) A site permit may not be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the board. The board shall indicate the reasons for any refusal and indicate changes in size or type of facility necessary to allow site designation. When the board designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The board shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.

(b) A route designation may not be made in violation of the route selection standards and criteria established in this section and in rules adopted by the board. When the board designates a route, it shall issue a permit for the construction of a high voltage transmission line specifying the type, design, routing, right-of-way preparation, and facility construction it deems necessary and with any other appropriate conditions. The board may order the construction of high voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The board shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.

Sec. 15. [116C.576] [EMERGENCY PERMIT.]

(a) Any utility whose electric power system requires the immediate construction of a large electric power generating plant or high voltage transmission line due to a major unforeseen event may apply to the board for an emergency permit after providing notice in writing to the public utilities commission of the major unforeseen event and the need for immediate construction. The permit must be issued in a timely manner, no later than 195 days after the board's acceptance of the application and upon a finding by the board that (1) a demonstrable emergency exists, (2) the emergency requires immediate construction, and (3) adherence to the procedures and time schedules specified in section 116C.57 would jeopardize the utility's electric power system or would jeopardize the utility's ability to meet the electric needs of its customers in an orderly and timely manner.

(b) A public hearing to determine if an emergency exists must be held within 90 days of the application. The board, after notice and hearing, shall adopt rules specifying the criteria for emergency certification.

Sec. 16. Minnesota Statutes 2000, section 116C.58, is amended to read:

116C.58 [~~PUBLIC HEARINGS; NOTICE~~ ANNUAL HEARING.]

~~The board shall hold an annual public hearing at a time and place prescribed by rule in order to afford interested persons an opportunity to be heard regarding its inventory of study areas and any other aspects of the board's activities and duties or policies specified in sections 116C.51 to 116C.69. The board shall hold at least one public hearing in each county where a site or route is being considered for designation pursuant to section 116C.57. Notice and agenda of public hearings and public meetings of the board held in each county shall be given by the board at least ten days in advance but no earlier than 45 days prior to such hearings or meetings. Notice shall be by publication in a legal newspaper of general circulation in the county in which the public hearing or public meeting is to be held and by certified mailed notice to chief executives of the regional development commissions, counties, organized towns and the incorporated municipalities in which a site or route is proposed. All hearings held for designating a site or route or for exempting a route shall be conducted by an administrative law judge from the office of administrative hearings pursuant to the contested case procedures of chapter 14. Any person may appear at the hearings and present testimony and exhibits and may question witnesses without the necessity of intervening as a formal party to the proceedings. any matters relating to the siting of large electric generating power plants and routing of high voltage transmission lines. At the meeting, the board shall advise the public of the permits issued by the board in the past year. The board shall provide at least ten days' notice, but no more than 45 days' notice, of the annual meeting by mailing notice to those persons who have requested notice and by publication in the board's "EQB Monitor."~~

Sec. 17. Minnesota Statutes 2000, section 116C.59, subdivision 1, is amended to read:

Subdivision 1. [ADVISORY TASK FORCE.] The board may appoint one or more advisory task forces to assist it in carrying out its duties. Task forces appointed to evaluate sites or routes considered for designation shall be comprised of as many persons as may be designated by the board, but at least one representative from each of the following: Regional development commissions, counties and municipal corporations and one town board member from each county in which a site or route is proposed to be located. No officer, agent, or employee of a utility shall serve on an advisory task force. Reimbursement for expenses incurred shall be made pursuant to the rules governing state employees. The task forces expire as provided in section 15.059, subdivision 6. At the time the task force is appointed, the board shall specify the charge to the task force. The task force shall expire upon completion of its charge, upon designation by the board of alternative sites or routes to be included in the environmental impact statement, or upon the specific date identified by the board in the charge, whichever occurs first.

Sec. 18. Minnesota Statutes 2000, section 116C.59, subdivision 4, is amended to read:

Subd. 4. [SCIENTIFIC ADVISORY TASK FORCE.] The board may appoint one or more advisory task forces composed of technical and scientific experts to conduct research and make recommendations concerning generic issues such as health and safety, underground routes, double circuiting and long-range route and site planning.

Reimbursement for expenses incurred shall be made pursuant to the rules governing reimbursement of state employees. The task forces expire as provided in section 15.059, subdivision 6. The time allowed for completion of a specific site or route procedure may not be extended to await the outcome of these generic investigations.

Sec. 19. Minnesota Statutes 2000, section 116C.60, is amended to read:

116C.60 [PUBLIC MEETINGS; TRANSCRIPT OF PROCEEDINGS; WRITTEN RECORDS.]

Meetings of the board, including hearings, ~~shall~~ must be open to the public. Minutes ~~shall~~ must be kept of board meetings and a complete record of public hearings ~~shall~~ be kept. All books, records, files, and correspondence of the board ~~shall~~ must be available for public inspection at any reasonable time. ~~The council shall board is also be~~ subject to chapter 13D.

Sec. 20. Minnesota Statutes 2000, section 216B.2421, subdivision 2, is amended to read:

Subd. 2. [LARGE ENERGY FACILITY.] "Large energy facility" means:

(1) any electric power generating plant or combination of plants at a single site with a combined capacity of 80,000 kilowatts or more, ~~or any facility of 50,000 kilowatts or more which requires oil, natural gas, or natural gas liquids as a fuel and for which an installation permit has not been applied for by May 19, 1977 pursuant to Minn. Reg. APC 3(a) and transmission lines directly associated with the plant that are necessary to interconnect the plant to the transmission system;~~

(2) any high voltage transmission line with a capacity of ~~200~~ 100 kilovolts or more and (i) with more than ~~50~~ ten miles of its length in Minnesota, ~~or (ii) any of its length in Minnesota and that crosses the state line; or, any high voltage transmission line with a capacity of 300 kilovolts or more with more than 25 miles of its length in Minnesota;~~

(3) any pipeline greater than six inches in diameter and having more than 50 miles of its length in Minnesota used for the transportation of coal, crude petroleum or petroleum fuels or oil or their derivatives;

(4) any pipeline for transporting natural or synthetic gas at pressures in excess of 200 pounds per square inch with more than 50 miles of its length in Minnesota;

(5) any facility designed for or capable of storing on a single site more than 100,000 gallons of liquefied natural gas or synthetic gas;

(6) any underground gas storage facility requiring permit pursuant to section 103I.681;

(7) any nuclear fuel processing or nuclear waste storage or disposal facility; and

(8) any facility intended to convert any material into any other combustible fuel and having the capacity to process in excess of 75 tons of the material per hour.

Sec. 21. Minnesota Statutes 2000, section 216B.2421, is amended by adding a subdivision to read:

Subd. 4. [MODIFYING EXISTING LARGE ENERGY FACILITY.] Refurbishing or upgrading an existing large energy facility through the replacement or addition of facility components does not require a certificate of need under section 216B.243, unless the changes lead to (1) a capacity increase of more than 100 megawatts, or ten percent of existing capacity, whichever is greater, or (2) operation at more than 50 percent higher voltage.

Sec. 22. Minnesota Statutes 2000, section 216B.243, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATE REQUIRED.] ~~(a) Except as provided in paragraph (b), no large energy facility shall~~ may be sited or constructed in Minnesota without the issuance of a certificate of need by the commission pursuant to sections 216C.05 to 216C.30 and this section and consistent with the criteria for assessment of need.

(b) Notwithstanding paragraph (a), a large energy facility that is a generation facility of 500 megawatts or less or a natural gas peaking facility not owned by a public or municipal utility or cooperative electric association and that is not to be included in the utility's or association's rate base does not need a certificate of need under this section.

(c) The commission may not issue a certificate of need for a generation facility with coal as its primary fuel, unless the commission finds that the facility implements the most stringent technology and processes technically achievable, to ensure the least impact on the state's environment from the facility.

Sec. 23. Minnesota Statutes 2000, section 216B.243, is amended by adding a subdivision to read:

Subd. 2a. [PUBLIC PURPOSE DESIGNATION.] (a) When filing for a certificate of need under this section, an applicant may also petition the commission to designate the proposed large energy facility a public purpose project. The commission shall approve or reject the petition at the same time the commission renders its decision under subdivision 5. Notwithstanding section 116C.63 or any other law to the contrary, eminent domain authority may not be used in constructing a large energy facility unless the commission designates the facility a public purpose project. The value paid for property in the exercise of eminent domain authority may be structured so as to provide for the payment of a portion of the revenue derived from the large energy facility over a period of years, rather than a lump sum payment at the time the property is taken.

(b) In deciding whether to designate a proposed large energy facility as a public purpose project, the commission shall consider whether the proposed facility:

(1) remedies a condition, or set of conditions, that, based on the utility's most recent forecast or consistent with the transmission expansion plan of a federally approved regional transmission organization or regional reliability entity, may materially limit the adequacy of electric supply, efficiency of electric service, or reliability of electric service to Minnesota consumers;

(2) was identified as a critical need by the relevant regional energy infrastructure planning group;

(3) is consistent with all relevant state goals and strategies approved by the legislature under section 216B.017; and

(4) is otherwise in the public interest.

Sec. 24. Minnesota Statutes 2000, section 216B.243, subdivision 3, is amended to read:

Subd. 3. [SHOWING REQUIRED FOR CONSTRUCTION.] ~~No~~ (a) A proposed large energy facility ~~shall~~ may not be certified for construction unless the applicant ~~can show that demand for electricity cannot be met more cost-effectively through energy conservation and load-management measures and unless the applicant has otherwise justified its need.~~

(b) In assessing need, the commission shall evaluate:

(1) the accuracy of the long-range energy demand forecasts on which the necessity for the facility is based;

(2) the effect of existing or possible energy conservation programs under sections 216C.05 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

~~(3)~~ the relationship of the proposed facility to overall state and regional energy needs, ~~as described in the most recent state energy policy and conservation report prepared under section 216C.18 including consideration of (i) the most recent state energy security blueprint under section 216B.015, (ii) the most recent relevant regional energy infrastructure planning group report under section 216B.019, and (iii) information from federal and regional reliability organizations, regional transmission organizations, and other relevant sources;~~

(4) promotional activities that may have given rise to the demand for this facility;

~~(5) socially beneficial uses of the output~~ (3) environmental and socioeconomic benefits of this facility, including its uses to protect or enhance environmental quality, to increase reliability of energy supply in Minnesota and the region, and to induce future development;

(6) the effects of the facility in inducing future development;

~~(7)~~ (4) possible alternatives for satisfying the energy demand or transmission needs including but not limited to potential for increased efficiency and upgrading of existing energy generation and transmission facilities, load management programs, and distributed generation;

~~(8)~~ (5) the policies, rules, and regulations of other state and federal agencies and local governments; ~~and~~

~~(9) any (6) feasible combination of~~ energy conservation improvements, required under section 216B.241, sections 216C.05 to 216C.30, or other available conservation programs that can (i) reasonably replace a significant part or all of the energy to be provided by the proposed facility, and (ii) compete with it economically and in terms of reliability; and

(7) whether the proposed large energy facility was recommended for construction by the relevant regional energy infrastructure planning group.

Sec. 25. Minnesota Statutes 2000, section 216B.243, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FOR CERTIFICATE; HEARING.] Any person proposing to construct a large energy facility shall apply for a certificate of need prior to construction of the facility. The application ~~shall~~ must be on forms and in a manner established by the commission. In reviewing each application the commission shall hold at least one public hearing pursuant to chapter 14. The public hearing ~~shall~~ must be held at a location and hour reasonably calculated to be convenient for the public. An objective of the public hearing ~~shall~~ must be to obtain public opinion on the necessity of granting a certificate of need. The commission shall designate a commission employee whose duty shall be to facilitate citizen participation in the hearing process. If the commission and the environmental quality board determine that a joint hearing on siting and need under this subdivision and section 116C.57, subdivision 2d, is feasible, more efficient, and may further the public interest, a joint hearing under those subdivisions may be held.

Sec. 26. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber Minnesota Statutes, section 116C.57, subdivision 6, as section 116C.57, subdivision 9.

Sec. 27. [REPEALER.]

Minnesota Statutes 2000, sections 116C.55; 116C.57, subdivisions 3, 5, and 5a; and 116C.67, are repealed.

Sec. 28. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 3

REGULATORY FLEXIBILITY

Section 1. Minnesota Statutes 2000, section 216B.16, subdivision 7, is amended to read:

Subd. 7. [ENERGY COST ADJUSTMENT.] (a) Notwithstanding any other provision of this chapter, the commission may permit a public utility to file rate schedules containing provisions for the automatic adjustment of charges for public utility service in direct relation to changes in: (1) federally regulated wholesale rates for energy delivered through interstate facilities; (2) direct costs for natural gas delivered; or (3) costs for fuel used in generation of electricity or the manufacture of gas.

(b) In reviewing utility fuel purchases under this or any other provision, the commission shall allow and encourage a utility to have a combination of measures to manage price volatility and risk, including but not limited to having an appropriate share of the utility's supply come from long-term and medium-term contracts, in order to minimize consumer exposure to fuel price volatility.

Sec. 2. [216B.169] [RENEWABLE AND HIGH EFFICIENCY ENERGY RATE OPTIONS.]

(a) Each public utility, cooperative association, and municipal utility shall offer its customers and shall advertise the offer at least annually one or more options that allow a customer to determine that a certain amount of the electricity generated or purchased on behalf of the customer is (1) renewable energy as defined in section 216B.2422, subdivision 1, paragraph (c), or (2) high-efficiency, low-emissions, distributed generation such as fuel cells and microturbines fueled by a renewable fuel.

(b) Each public utility shall file an implementation plan within 90 days of the effective date of this section to implement paragraph (a).

(c) Rates charged to customers must be calculated using the utility's or association's cost of acquiring the energy for the customer and must be (1) the difference between the cost of generating or purchasing the renewable energy and the cost of generating or purchasing the same amount of nonrenewable energy; and (2) distributed on a per kilowatt-hour basis among all customers who choose to participate in the program. Implementation of these rate options may reflect a reasonable amount of lead time necessary to arrange acquisition of the energy.

(d) If a utility is not able to arrange an adequate supply of renewable or high-efficiency energy to meet its customers' demand under this section, the utility must file a report with the commission detailing its efforts and reasons for its failure.

(e) The commission, by order, may establish a program for tradeable credits for renewable energy under this section.

Sec. 3. [216B.2411] [CONSERVATION INVESTMENT PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section and section 216B.16, subdivision 6b, the terms defined in this subdivision have the meanings given them.

(a) "Commission" means the public utilities commission.

(b) "Commissioner" means the commissioner of commerce.

(c) "Customer facility" means all buildings, structures, equipment, and installations at a single site.

(d) "Department" means the department of commerce.

(e) "Energy conservation improvement" means the purchase or installation of a device, method, material, or project:

(1) that reduces consumption of or increases efficiency in the use of electricity or natural gas, including but not limited to insulation and ventilation, storm or thermal doors or windows, caulking and weatherstripping, furnace efficiency modifications, thermostat or lighting controls, awnings, or systems to turn off or vary the delivery of energy;

(2) that either (i) creates, converts, or actively uses energy from renewable sources such as solar, wind, and biomass, or (ii) recovers energy for reuse, from air or water or other similar material, provided that the device or method conforms with national or state performance and quality standards whenever applicable;

(3) that seeks to provide energy savings through reclamation or recycling and that is used as part of the infrastructure of an electric generation, transmission, or distribution system within the state or a natural gas distribution system within the state;

(4) that provides research or development of new means of increasing energy efficiency or conserving energy or research or development of improvement of existing means of increasing energy efficiency or conserving energy; or

(5) that either (i) is a renewable energy facility, such as a facility utilizing agricultural wastes as biomass fuel, or a methane digester facility associated with livestock feedlots for the production of energy, the grants for which should be coordinated with loans under the shared savings loan program established in section 17.115 to the extent feasible; (ii) increases a customer's ability to control the amount and scheduling of energy purchased from a utility, such as through the installation of a distributed generation facility as described in section 216B.169; or (iii) allows the utility or the customer to manage customer load if doing so reduces the demand for or increases the efficiency of electric services.

(f) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement, including but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no-interest or below-market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement; and

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for those improvements.

(g) "Large electric customer facility" means a customer facility that imposes a peak electrical demand on an electric utility's system of not less than 10,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes, and for which electric services are provided at retail on a single bill by a utility operating in the state.

(h) "Utility" means a public utility, municipal utility, electric cooperative association, or any combination of these authorized under Minnesota law.

Subd. 2. [INVESTMENT, EXPENDITURE, AND CONTRIBUTION; PUBLIC UTILITY.] (a) Each public utility shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a public utility that furnishes gas service, 0.5 percent of its annual average gross operating revenues over the previous five years from service provided in the state;

(2) for a public utility that furnishes electric service, 1.5 percent of its annual average gross operating revenues over the previous five years from service provided in the state; and

(3) for a public utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, 2.0 percent of its annual average gross operating revenues over the previous five years from service provided in the state.

(b) Load management may only be used to meet the requirements for energy conservation improvements under this section if it results in a demonstrable reduction in consumption of energy. However, up to five percent of the total amount required to be spent under this section may be spent on conservation improvements described in subdivision 1, paragraph (e), clause (5). Each public utility subject to subdivision 2 may spend and invest annually up to 15 percent of the total amount required to be spent and invested on energy conservation improvements under this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility.

Subd. 3. [CONSERVATION IMPROVEMENT BY COOPERATIVE ASSOCIATION OR MUNICIPALITY.]

(a) This subdivision applies to:

(1) a cooperative electric association that generates and transmits electricity to associations that provide electricity at retail including a cooperative electric association not located in this state that serves associations or others in the state;

(2) a municipality that provides electric service to retail customers; and

(3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a municipality, 0.5 percent of its annual average gross operating revenues over the previous five years from the sale of gas and 1.0 percent of its annual average gross operating revenues over the previous five years from the sale of electricity; and

(2) for a cooperative electric association, 1.5 percent of its annual average gross operating revenues over the previous five years from service provided in the state.

(c) Each municipality and cooperative association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association. Municipal utilities and electric cooperative associations may agree to form associations or organizations to aggregate their conservation spending obligations and to jointly provide energy conservation services to the customers of the municipal utilities or associations, and shall notify the commissioner in writing of the formation of such an association or organization.

(d) Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to 15 percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association.

(e) Load management may only be used to meet the requirements of this subdivision if it reduces the demand for or increases the efficiency of electric services.

(f) Up to five percent of the total amount required to be spent under this section may be spent on conservation improvements described in subdivision 1, paragraph (e), clause (5).

(g) A generation and transmission cooperative electric association may include as spending and investment required under this subdivision conservation improvement spending and investment by cooperative electric associations that provide electric service at retail to consumers and that are served by the generation and transmission association.

Subd. 4. [PROGRAMS.] (a) The commissioner may by rule as resources allow, or by order, establish standards and criteria for the provision of energy conservation improvements, including standard programs, to efficiently and effectively provide energy conservation services to each utility's energy consumers on a nondiscriminatory basis and cost-effective manner and to provide certainty to utilities and associations as to what constitutes an acceptable energy conservation improvement under this section. The list of standard programs may include rebates for high-efficiency appliances, rebates or subsidies for high-efficiency lamps, small business energy audits, and building recommissioning. A utility may adhere to this list of programs or may offer other conservation programs not on the list.

(b) Each public utility shall ensure that a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available.

(c) A utility, a political subdivision, or a nonprofit or community organization that has suggested an energy conservation improvement program to a public utility, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or discontinue a utility energy conservation improvement program, and the commission may do so if it determines that the program is not sufficiently cost effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The person petitioning for commission review has the burden of proof. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

Subd. 5. [ENERGY SAVINGS GOALS.] (a) By August 1, 2001, and every three years thereafter, the commissioner shall develop energy savings goals:

(1) in kilowatts and kilowatt-hours that each public utility providing retail electric service in this state can reasonably be expected to achieve at the level of energy conservation improvement expenditures required under this section; and

(2) in cubic feet of natural gas that each public utility providing retail natural gas service in this state can reasonably be expected to achieve at the level of conservation improvement expenditures required under this section.

(b) In consultation with the commissioner, municipal utilities and cooperative electric associations shall develop and submit energy savings goals to the commissioner by August 1, 2001, and every three years thereafter.

(c) Municipal utilities and electric cooperative associations that agree to aggregate their energy conservation obligations and resources by forming associations or organizations to provide energy conservation services to their customers may develop goals for the association or organization, in lieu of goals for individual members.

Subd. 6. [OVERVIEW; REVIEW AND AUDIT; PUBLIC UTILITIES.] (a) By January 1, 2002, and every three years thereafter, each public utility shall provide the commissioner with a prospective overview of the utility's planned conservation activities and the anticipated energy savings on a triennial basis. This overview must include a description of the types of activities, the consumer sectors targeted by each activity, and the anticipated energy savings and costs of each activity. This overview must also indicate, for each type of activity, how much additional cost-effective conservation is likely to be achieved in subsequent years. A public utility may request the commissioner to approve or reject the utility's plan prior to implementing the plan. The commissioner may do so if resources permit.

(b) By April 1, 2005, and every three years thereafter, each public utility shall provide a report to the commissioner, acting on behalf of the commission, summarizing the utility's conservation activities and energy savings resulting from those activities under this section. The public utility shall include in the report the results of an independent audit performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the utility. The audit must specify the actual energy savings or increased efficiency in the use of energy within the service territory of the utility that is the result of the spending and investments. Annually beginning by April 1, 2003, except for those years a full audit is due, each utility shall submit a report to the commissioner detailing the utility's energy conservation activities for the previous year and provide information regarding the cost effectiveness of those activities.

(c) The audit provided under paragraph (b) shall evaluate the cost effectiveness of the utility's conservation programs. In making this evaluation, the audit shall consider whether the utility's programs:

- (1) fairly address each of the utility's consumer classes and market sectors;
- (2) use accurate and complete data in calculating costs and energy savings;
- (3) identify and target investments and improvements that have a high potential for saving energy;
- (4) indicate an adequate commitment to implementing highly cost-effective conservation programs; and
- (5) comply with the provisions of this section and associated rules and orders.

An audit must give a negative evaluation if it finds the utility's overall energy conservation program has not been cost effective or has failed to satisfy any of the criteria. Up to five percent of a utility's conservation spending obligation under this section may be used for program pre-evaluation, research and testing, monitoring, and program audit and evaluation.

(d) Following each submittal of an annual report or a triennial audit, the commissioner shall issue a report to the commission as to whether:

- (1) the utility's overall conservation program is cost effective and is in compliance with this section and all applicable rules or orders; and
- (2) the utility has been successful in achieving the energy savings goals for that utility under subdivision 5.

(e) Following two or more negative evaluations under paragraph (b), the commission may determine that a utility is not implementing adequate energy conservation programs. In that event, the commission may order the utility to pay into the energy and conservation account under subdivision 10, up to 50 percent of the utility's or association's conservation spending obligation under this section. The commissioner shall select a third party other than the utility by competitive bid to provide conservation improvements in the utility's service territory.

Subd. 7. [OVERVIEW AND PROGRAM EVALUATION; MUNICIPAL AND COOPERATIVE UTILITIES.]
(a) By January 1, 2002, and every three years thereafter, each municipal utility and electric cooperative association shall provide the commissioner with a prospective overview of the utility's or association's planned conservation activities and the anticipated energy savings on a triennial basis. This overview must include a description of the types of activities, the consumer sectors targeted by each, and the anticipated energy savings and costs of each activity. This overview must also indicate, for each type of activity, how much additional cost-effective conservation is likely to be achieved in subsequent years.

(b) By February 2, 2002, and every three years thereafter, each municipal utility or cooperative association shall provide an evaluation to the commission summarizing the utility's or association's conservation activities and energy savings resulting from those activities under this section. In consultation with the commissioner, the municipal utility or cooperative association shall evaluate its energy and capacity conservation programs, develop plans for

future programs, and report its findings to the commission. The evaluation must develop program and performance goals that recognize customer class, utility service area demographics, cost of program delivery, regional economic indicators, and utility load shape. The program evaluation must address:

(1) whether the utility or association has implemented or is implementing cost-effective energy conservation programs and specify the energy and capacity savings within the service territory or association that is the result of conservation improvement programs, using a list of baseline energy and capacity savings assumptions developed in consultation with the department of commerce;

(2) the availability of basic conservation services and programs to customers;

(3) methodologies that best quantify energy savings, cost effectiveness, and the potential for cost-effective conservation improvements;

(4) the value of local administration of conservation programs in meeting local and statewide needs;

(5) the effect on customer bills;

(6) the role of capacity conservation in meeting utility planning needs and state energy goals;

(7) the ability of energy conservation programs to avoid the need for construction of generation facilities and transmission lines;

(8) whether the utility's or association's programs address all of the following consumer market sectors: farm, residential, commercial, and industrial; and

(9) whether the utility's or association's programs use accurate and auditable data in calculating costs and energy savings.

(c) Municipal utilities and electric cooperative associations that aggregate their energy conservation obligations and resources by forming associations or organizations to provide energy conservation services to their customers may submit overviews, program evaluations, and annual reports jointly.

Subd. 8. [ADDITIONAL CONSERVATION SPENDING.] (a) Nothing in this section prohibits any utility from spending or investing more for energy conservation improvements than is required in this section.

(b) The commission may require a public utility to invest or spend more than is required under this section if the commission finds that additional investments would be cost effective, and the utility's most recent forecast projects a significant supply deficit to meet demand and energy requirements. If the commission orders the utility to make additional conservation investments under this section, the commission shall provide for financial incentives for these investments under section 216B.16.

Subd. 9. [LARGE CUSTOMER OPT-OUT.] (a) The owner of a large electric customer facility may petition the commissioner to exempt both electric and gas utilities serving the large energy customer facility from the investment and expenditure requirements of subdivision 2 with respect to retail revenues attributable to the facility. The petition must contain an audit by a consultant registered with the department and selected by the customer, certifying that the customer has implemented all energy conservation improvements with a ten-year simple payback or less. Within five business days of receipt of a petition that contains this audit, the commissioner shall either:

(1) grant the petition exempting both electric and gas utilities serving the large energy customer facility from the investment and expenditure requirements of this section with respect to all of the retail revenues attributable to the facility; or

(2) order a confirming audit of the customer.

(b) The decision to grant the petition or order a confirming audit is entirely within the discretion of the commissioner. The cost of the initial audit must be borne by the customer.

(c) If the commissioner orders a confirming audit, the commissioner shall select a contractor from the list maintained by the department and notify the customer.

(d) If the confirming audit supports the initial audit:

(1) the commissioner shall issue an order granting the petition within five business days; and

(2) the cost of the confirming audit must be borne by the electric and gas utilities serving the customer, in relative proportion to the total retail revenues attributable to the customer, and deducted from the utility's conservation spending obligation under this section.

(e) If the confirming audit does not support the initial audit:

(1) the cost of the confirming audit must be borne by the customer; and

(2) the commissioner may suspend the consultant that conducted the initial audit from the list maintained by the department.

(f) The commissioner shall create, maintain, and publish on the department's Web site a list of contractors available to conduct audits under this subdivision. The commissioner may spend no more than \$20,000 per biennium under this subdivision.

(g) If a petition is filed on or before October 1 of any year, the order of the commissioner to exempt revenues attributable to the facility can be effective no earlier than January 1 of the following year. The commissioner may, after investigation, recommend that any exemption granted under this paragraph be rescinded upon a determination that additional energy conservation improvements with a simple payback of ten years or less are available at the large electric customer facility. For the purposes of investigations by the commissioner under this paragraph, the owner of any large electric customer facility shall, upon request, provide the commissioner with updated information comparable to that originally supplied in or with the owner's original petition under paragraph (a).

(h) For purposes of this section, "gross operating revenues" do not include revenues from large electric customer facilities exempted by the commissioner under this subdivision. A public utility may not spend for or invest in energy conservation improvements that directly benefit a large electric customer facility for which the commissioner has issued an exemption pursuant to this subdivision.

Subd. 10. [ENERGY AND CONSERVATION ACCOUNT.] (a) Money in the account is appropriated to the department for programs designed to meet the energy conservation needs of low-income persons and to make energy conservation improvements in areas not adequately served including research and development projects included in the definition of energy conservation improvement in subdivision 1. Interest on money in the account accrues to the account.

(b) Using information collected under section 216C.02, subdivision 1, paragraph (b), the commissioner must, to the extent possible, allocate enough money to programs for low-income persons to assure that their needs are being adequately addressed. The commissioner must request the commissioner of finance to transfer money from the account to the commissioner of economic security for an energy conservation program for low-income persons. In establishing programs under this paragraph, the commissioner must consult political subdivisions and nonprofit and community organizations, especially organizations engaged in providing energy and weatherization assistance to low-income persons. At least one program must address the need for energy conservation improvements in areas in which a high percentage of residents use fuel oil or propane to fuel their source of home heating.

(c) The commissioner may contract with a political subdivision, a nonprofit or community organization, a public utility, a municipality, or a cooperative electric association to implement its programs under this section. The commissioner may provide grants to any person to conduct research and development projects in accordance with this section.

Subd. 11. [RECOVERY OF EXPENSES.] (a) The commission shall allow a public utility to recover expenses resulting from a conservation improvement program consistent with the requirements of this section and contributions to the energy and conservation account, unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. In addition, a utility may file annually, or the public utilities commission may require the utility to file, and the commission may approve, rate schedules containing provisions for the automatic adjustment of charges for utility service in direct relation to changes in the expenses of the utility for real and personal property taxes, fees, and permits, the amounts of which the utility cannot control.

(b) A public utility is eligible to file for adjustment for real and personal property taxes, fees, and permits under this subdivision only if, in the year previous to the year in which it files for adjustment, it has spent or invested at least 2.25 percent of its gross revenues from provision of electric service, excluding gross operating revenues from electric service provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 9, and 0.75 percent of its gross revenues from provision of gas service, excluding gross operating revenues from gas services provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 9, for that year for energy conservation improvements under this section.

Subd. 12. [OWNERSHIP OF ENERGY CONSERVATION IMPROVEMENT.] An energy conservation improvement made to or installed in a building in accordance with this section, except systems owned by the utility and designed to turn off, limit, or vary the delivery of energy, are the exclusive property of the owner of the building except to the extent that the improvement is subjected to a security interest in favor of the utility in case of a loan to the building owner. The utility has no liability for loss, damage, or injury caused directly or indirectly by an energy conservation improvement except for negligence by the utility in purchase, installation, or modification of the product.

Subd. 13. [FEDERAL LAW PROHIBITIONS.] If investments by public utilities in energy conservation improvements are in any manner prohibited or restricted by federal law and there is a provision under which the prohibition or restriction may be waived, then the commission, the governor, or any other necessary state agency or officer shall take all necessary and appropriate steps to secure a waiver with respect to those public utility investments in energy conservation improvements included in this section.

Subd. 14. [EFFICIENT LIGHTING PROGRAM.] (a) Each public utility, cooperative electric association, and municipal utility that provides electric service to retail customers shall include as part of its conservation improvement activities a program to strongly encourage the use of fluorescent and high intensity discharge lamps. The program must include at least a public information campaign to encourage use of the lamps and proper management of spent lamps by all customer classifications.

(b) A public utility that provides electric service at retail to 200,000 or more customers shall establish, either directly or through contracts with other persons, including lamp manufacturers, distributors, wholesalers, and retailers and local government units, a system to collect for delivery to a reclamation or recycling facility spent fluorescent and high-intensity discharge lamps from households and from small businesses as defined in section 645.445 that generate an average of fewer than ten spent lamps per year.

(c) A collection system must include establishing reasonably convenient locations for collecting spent lamps from households and financial incentives sufficient to encourage spent lamp generators to take the lamps to the collection locations. Financial incentives may include coupons for purchase of new fluorescent or high-intensity discharge lamps, a cash-back system, or any other financial incentive or group of incentives designed to collect the maximum number of spent lamps from households and small businesses that is reasonably feasible.

(d) A public utility that provides electric service at retail to fewer than 200,000 customers, a cooperative electric association, or a municipal utility that provides electric service at retail to customers may establish a collection system under paragraphs (b) and (c) as part of conservation improvement activities required under this section.

(e) The commissioner of the pollution control agency may not, unless clearly required by federal law, require a public utility, cooperative electric association, or municipality that establishes a household fluorescent and high-intensity discharge lamp collection system under this section to manage the lamps as hazardous waste as long as the lamps are managed to avoid breakage and are delivered to a recycling or reclamation facility that removes mercury and other toxic materials contained in the lamps prior to placement of the lamps in solid waste.

(f) If a utility contracts with a local government unit to provide a collection system under this subdivision, the contract must provide for payment to the local government unit of all the unit's incremental costs of collecting and managing spent lamps.

(g) All the costs incurred by a public utility, cooperative electric association, or municipal utility for promotion and collection of fluorescent and high-intensity discharge lamps under this subdivision constitute conservation improvement spending under this section.

Sec. 4. Minnesota Statutes 2000, section 216B.2422, subdivision 2, is amended to read:

Subd. 2. [RESOURCE PLAN FILING AND APPROVAL.] A utility shall file a resource plan with the commission periodically in accordance with rules adopted by the commission. ~~The commission shall approve, reject, or modify the plan of a public utility, as defined in section 216B.02, subdivision 4, consistent with the public interest.~~ In the resource plan proceedings of all other utilities, ~~the commissioner's utility may request the commission to approve or reject the resource plan, and the commission may do so if the resources of both the commission and the department permit.~~ Otherwise, the filing of the plan is informational only. If the utility requests the commissioner to waive the need for a certificate of need under subdivision 6 or to approve a bidding schedule under subdivision 5, the commissioner's order is binding. Otherwise, the commissioner's order shall be advisory and the order's findings and conclusions shall constitute prima facie evidence which that may be rebutted by substantial evidence in all other proceedings. With respect to utilities other than those defined in section 216B.02, subdivision 4, the commission shall consider the filing requirements and decisions in any comparable proceedings in another jurisdiction. As a part of its resource plan filing, a utility shall include the least cost plan for meeting 50 and 75 percent of all new and refurbished capacity needs through a combination of conservation and renewable energy resources.

Sec. 5. [452.25] [JOINT VENTURES BY UTILITIES.]

Subdivision 1. [APPLICABILITY.] This section applies to all home rule charter and statutory cities, except as provided in section 6.

Subd. 2. [DEFINITIONS.] For purposes of this section:

(a) "City" means a statutory or home rule charter city, section 410.015 to the contrary notwithstanding.

(b) "Cooperative association" means a cooperative association organized under chapter 308A.

(c) "Governing body" means (1) the city council in a city that operates a municipal utility, or (2) a board, commission, or body empowered by law, city charter, or ordinance or resolution of the city council to control and operate the municipal utility.

(d) "Investor-owned utility" means an entity that provides utility services to the public under chapter 216B and that is owned by private persons.

(e) "Municipal power agency" means an organization created under sections 453.51 to 453.62.

(f) "Municipal utility" means a utility owned, operated, or controlled by a city to provide utility services.

(g) "Public utility" or "utility" means a provider of electric or water facilities or services or an entity engaged in other similar or related operations authorized by law or charter.

Subd. 3. [AUTHORITY.] (a) Upon the approval of its elected utilities commission or, if there be none, its city council, a municipal utility may enter into a joint venture with other municipal utilities, municipal power agencies, cooperative associations, or investor-owned utilities to provide utility services. Retail electric utility services provided by a joint venture must be within the boundaries of each utility's exclusive electric service territory as shown on the map of service territories maintained by the department of commerce. The terms and conditions of the joint venture are subject to ratification by the governing bodies of the respective utilities and may include the formation of a corporate or other separate legal entity with an administrative and governance structure independent of the respective utilities.

(b) A corporate or other separate legal entity, if formed:

(1) has the authority and legal capacity and, in the exercise of the joint venture, the powers, privileges, responsibilities, and duties authorized by this section;

(2) is subject to the laws and rules applicable to the organization, internal governance, and activities of the entity;

(3) in connection with its property and affairs and in connection with property within its control, may exercise any and all powers that may be exercised by a natural person or a private corporation or other private legal entity in connection with similar property and affairs; and

(4) a joint venture that does not include an investor-owned utility, may elect to be deemed a municipal utility or a cooperative association for purposes of chapter 216B or other federal or state law regulating utility operations; and

(5) a joint venture that includes an investor-owned utility must notify the public utilities commission 30 days in advance of offering services. Upon a finding by the commission, such joint venture will be subject to regulation under chapter 216B.

(c) Any corporation, if formed, must comply with section 465.719, subdivisions 9, 10, 11, 12, 13, and 14. The term "political subdivision," as it is used in section 465.719, shall refer to the city council of a city.

Subd. 4. [RETAIL CUSTOMERS.] Unless the joint venture's retail electric rates, as defined in section 216B.02, subdivision 5, of a joint venture that does not include an investor-owned utility, are approved by the governing body of each municipal utility or municipal power agency and the board of directors of each cooperative association that is party to the joint venture, the retail electric customers of the joint venture, if their number be more than 25, may elect to become subject to electric rate regulation by the public utilities commission as provided in chapter 216B. The election is subject to and must be carried out according to the procedures in section 216B.026 and, for these purposes, each retail electric customer of the joint venture is deemed a member or stockholder as referred to in section 216B.026.

Subd. 5. [POWERS.] (a) A joint venture under this section has the powers, privileges, responsibilities, and duties of the separate utilities entering into the joint venture as the joint venture agreement may provide, including the powers under paragraph (b), except that:

(1) with respect to retail electric utility services, a joint venture shall not enlarge or extend the service territory served by the joint venture by virtue of the authority granted in sections 216B.44, 216B.45, and 216B.47;

(2) a joint venture may extend service to an existing connected load of 2,000 kilowatts or more, pursuant to section 216B.42, when the load is outside of the assigned service area of the joint venture, or of the electric utilities party to the joint venture, only if the load is already being served by one of the electric utilities party to the joint venture; and

(3) a privately owned utility, as defined in section 216B.02, may extend service to an existing connected load of 2,000 kilowatts or more, pursuant to section 216B.42, when the load is located within the assigned service territory of the joint venture, or of the electric utilities party to the joint venture, only if the load is already being served by that privately owned utility.

The limitations of clauses (1) to (3) do not apply if written consent to the action is obtained from the electric utility assigned to and serving the affected service territory or connected load.

(b) Joint venture powers include, but are not limited to, the authority to:

(1) finance, own, acquire, construct, and operate facilities necessary to provide utility services to retail customers of the joint venture, including generation, transmission, and distribution facilities, and like facilities used in other utility services;

(2) combine assigned service territories, in whole or in part, upon notice to, hearing by, and approval of the public utilities commission;

(3) serve customers in the utilities' service territories or in the combined service territory;

(4) combine, share, or employ administrative, managerial, operational, or other staff if combining or sharing will not degrade safety, reliability, or customer service standards;

(5) provide for joint administrative functions, such as meter reading and billings;

(6) purchase or sell utility services at wholesale for resale to customers;

(7) provide conservation programs, other utility programs, and public interest programs, such as cold weather shut-off protection and conservation spending programs, as required by law and rule; and

(8) participate as the parties deem necessary in providing utility services with other municipal utilities, cooperative utilities, investor-owned utilities, or other entities, public or private.

(c) Notwithstanding any contrary provision within this section, a joint venture formed under this section may engage in wholesale utility services unless the municipal utility, municipal power agency, cooperative association, or investor-owned utility party to the joint venture is prohibited under current law from conducting that activity; but, in any case, the joint venture may provide wholesale services to a municipal utility, a cooperative association, or an investor-owned utility that is party to the joint venture.

(d) This subdivision does not limit the authority of a joint venture to exercise rights of eminent domain for other utility purposes to the same extent as is permitted of those utilities party to the joint venture.

Subd. 6. [CONSTRUCTION.] (a) The powers conferred by this section are in addition to the powers conferred by other law or charter. A joint venture under this section, and a municipal utility with respect to any joint venture under this section, has the powers necessary to effect the intent and purpose of this section, including, but not limited to, the expenditure of public funds and the transfer of real or personal property in accordance with the terms and conditions of the joint venture and the joint venture agreement. This section is complete in itself with respect to the formation and operation of a joint venture under this section and with respect to a municipal utility, a cooperative association, or an investor-owned utility party to a joint venture related to their creation of and dealings with the joint venture, without regard to other laws or city charter provisions that do not specifically address or refer to this section or a joint venture created under this section.

(b) This section must not be construed to supersede or modify:

(1) the power of a city council conferred by charter to overrule or override any action of a governing body other than the actions of the joint venture;

(2) chapter 216B;

(3) any referendum requirements applicable to the creation of a new electric utility by a municipality under section 216B.46 or 216B.465; or

(4) any powers, privileges, or authority or any duties or obligations of a municipal utility, municipal power agency, or cooperative association acting as a separate legal entity without reference to a joint venture created under this section.

Sec. 6. [EXCEPTION.]

Laws 1996, chapter 300, section 1, as amended by Laws 1997, chapter 232, section 1, govern joint ventures created under it and those joint ventures are not governed by this section.

Sec. 7. [EXEMPTION EXTENDED.]

The commissioner of commerce shall not review the exemption under Minnesota Statutes, section 216B.241, subdivision 1a, paragraph (b), of a large electric customer facility, as defined in Minnesota Statutes, section 216B.241, subdivision 1, paragraph (g), from the investment and expenditure requirements of Minnesota Statutes, section 216B.241, subdivision 1a, paragraph (b), for five years from the date the exemption was granted, provided the exemption was granted before April 15, 2001. This provision does not apply if the customer facility's peak electrical demand exceeds ten percent of the peak electrical demand of the facility as of the date the exemption was granted.

ARTICLE 4

INTERCONNECTION OF DISTRIBUTED RESOURCES

Section 1. [216B.68] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The words and terms used in sections 216B.68 to 216B.75 have the meanings given them in this section.

Subd. 2. [APPLICATION FOR INTERCONNECTION AND PARALLEL OPERATION.] "Application for interconnection and parallel operation" with the utility system or application means a standard form of application developed by the commissioner and approved by the commission.

Subd. 3. [COMPANY.] "Company" means an electric utility operating a distribution system.

Subd. 4. [ELECTRIC UTILITY.] "Electric utility" means all electric utilities that own and operate equipment in the state for furnishing electric service at retail.

Subd. 5. [CUSTOMER.] "Customer" means any individual person or entity interconnected to the company's utility system for the purpose of receiving or exporting electric power from or to the company's utility system.

Subd. 6. [DISTRIBUTED GENERATION OR ON-SITE DISTRIBUTED GENERATION.] "Distributed generation" or "on-site distributed generation" means an electrical generating facility located at a customer's point of delivery or point of common coupling of ten megawatts or less and connected at a voltage less than or equal to 60 kilovolts that may be connected in parallel operation to the utility system.

Subd. 7. [FACILITY.] "Facility" means an electrical generating installation consisting of one or more on-site distributed generation units. The total capacity of a facility's individual on-site distributed generation units may exceed ten megawatts; however, no more than ten megawatts of a facility's capacity will be interconnected at any point in time at the point of common coupling under this section.

Subd. 8. [INTERCONNECTION.] "Interconnection" means the physical connection of distributed generation to the utility system in accordance with the requirements of this section so that parallel operation can occur.

Subd. 9. [INTERCONNECTION AGREEMENT.] "Interconnection agreement" means the standard form of agreement, developed and approved by the commission. The interconnection agreement sets forth the contractual conditions under which a company and a customer agree that one or more facilities may be interconnected with the company's utility system.

Subd. 12. [PARALLEL OPERATION.] "Parallel operation" means the operation of on-site distributed generation by a customer while the customer is connected to the company's utility system.

Subd. 13. [POINT OF COMMON COUPLING.] "Point of common coupling" means the point where the electrical conductors of the company utility system are connected to the customer's conductors and where any transfer of electric power between the customer and the utility system takes place, such as switchgear near the meter.

Subd. 14. [PRECERTIFIED EQUIPMENT.] "Precertified equipment" means a specific generating and protective equipment system or systems that have been certified as meeting the applicable parts of this section relating to safety and reliability by an entity approved by the commission.

Subd. 15. [PRE-INTERCONNECTION STUDY.] "Pre-interconnection study" means a study or studies that may be undertaken by a company in response to its receipt of a completed application for interconnection and parallel operation with the utility system. Pre-interconnection studies may include, but are not limited to, service studies, coordination studies, and utility system impact studies.

Sec. 2. [216B.69] [INTERCONNECTION OF ON-SITE DISTRIBUTED GENERATION.]

Subdivision 1. [PURPOSE.] The purpose of this section is to:

(1) establish the terms and conditions that govern the interconnection and parallel operation of on-site distributed generation;

(2) provide cost savings and reliability benefits to customers;

(3) establish technical requirements that will promote the safe and reliable parallel operation of on-site distributed generation resources;

(4) enhance both the reliability of electric service and economic efficiency in the production and consumption of electricity; and

(5) promote the use of distributed resources in order to provide electric system benefits during periods of capacity constraints.

Subd. 2. [DISTRIBUTED GENERATION; GENERIC PROCEEDING.] (a) The commission shall initiate a proceeding within 30 days of the effective date of this section, to establish, by order, generic standards for utility tariffs for the interconnection and parallel operation of distributed generation of no more than ten megawatts of

interconnected capacity. The commission shall ensure that these standards are, and continue to be, consistent with federal requirements and any distributed generation interconnection operational and safety standards adopted by the institute of electrical and electronics engineers, and must:

(1) provide for the low-cost, safe, and standardized interconnection of facilities fueled by natural gas, by a renewable fuel, by another similarly clean fuel, or by a combination of these fuels, which may include, but are not limited to, fuel cells, microturbines, wind turbines, or solar modules;

(2) take into account differing system requirements and hardware, as well as the overall demand load requirements of individual utilities;

(3) encourage and compensate for the addition of distributed generation power resources while reducing the cost to the utility's customers for energy, capacity, transmission, and distribution;

(4) minimize and avoid increases in the rates of other customers on the utility's system;

(5) allow for reasonable terms and conditions, consistent with the cost and operating characteristics of the various technologies, so that a utility can reasonably be assured of the reliable, safe, and efficient operation of the interconnected equipment;

(6) ensure that backup power, supplemental power, and maintenance power are available to all customers and customer classes that desire this service;

(7) establish a standard interconnection agreement that sets forth the contractual conditions under which a company and a customer agree that one or more facilities may be interconnected with the company's utility system; and

(8) establish a standard application for interconnection and parallel operation with the utility system.

(b) The commission may develop financial incentives based on a public utility's performance in encouraging residential and small business customers to participate in on-site generation.

Subd. 3. [DISTRIBUTED GENERATION TARIFF.] Within 90 days of the issuance of an order under subdivision 2:

(1) each public utility providing electric service at retail shall file a distributed generation tariff consistent with that order, for commission approval or approval with modification; and

(2) each municipal utility and cooperative electric association shall adopt a distributed generation tariff that addresses the issues included in the commission's order.

Sec. 3. [216B.70] [DISCONNECTION AND RECONNECTION.]

Subdivision 1. [WHEN DISCONNECTION ALLOWED.] A utility may disconnect a distributed generation unit from the utility system if:

(1) the interconnection agreement with a customer expires or terminates, in accordance with the terms of the agreement;

(2) the facility is not in compliance with the technical requirements specified by the commissioner;

(3) continued interconnection will endanger persons or property; or

(4) written notice is provided at least seven business days prior to a service interruption for routine maintenance, repairs, and utility system modifications.

Subd. 2. [INCREMENTAL DEMAND CHARGES.] During the term of an interconnection agreement, a utility may require that a customer disconnect its distributed generation unit or take it off-line as a result of utility system conditions. The company may not assess the customer incremental demand charges arising from disconnecting the distributed generator as directed by the company during these periods.

Sec. 4. [216B.71] [PRE-INTERCONNECTION STUDIES FOR NONNETWORK INTERCONNECTION OF DISTRIBUTED GENERATION.]

Subdivision 1. [STUDIES.] A utility may conduct a service study, coordination study, or utility system impact study prior to interconnection of a distributed generation facility. When a study is deemed necessary, the scope of the study must be based on the characteristics of the particular distributed generation facility to be interconnected and the utility's system at the specific proposed location. At the customer's choice, a study related to interconnection of distributed generation on the customer's premises may be conducted by a qualified third party jointly selected by the utility and the customer.

Subd. 2. [CUSTOMER FEE.] A utility generation facility not described in paragraph (a), a utility may charge a customer a fee to offset its costs incurred in the conduct of a pre-interconnection study.

Subd. 3. [WHEN UTILITY CONDUCTS STUDY.] When a utility conducts an interconnection study, paragraphs (a) to (d) apply:

(a) The conduct of the pre-interconnection study may not take more than four weeks.

(b) A utility shall prepare written reports of the study findings and make them available to the customer.

(c) The study must consider both the costs incurred and the benefits realized as a result of the interconnection of distributed generation to the company's utility system.

(d) The utility shall provide the customer with an estimate of the study cost before the utility initiates the study.

Sec. 5. [216B.72] [PRE-INTERCONNECTION STUDIES FOR NETWORK INTERCONNECTION OF DISTRIBUTED GENERATION.]

Subdivision 1. [NOTICE AND FEES.] Prior to charging a pre-interconnection study fee for a network interconnection of distributed generation, a utility shall first advise the customer of the potential problems associated with interconnection of distributed generation with its network system.

Subd. 2. [REQUIREMENTS WHEN UTILITY CONDUCTS STUDY.] When a utility conducts an interconnection study, paragraphs (a) to (d) apply:

(a) The conduct of a pre-interconnection study may not take more than four weeks.

(b) A utility shall prepare written reports of the study findings and make them available to the customer.

(c) The study must consider both the costs incurred and the benefits realized as a result of the interconnection of distributed generation to the utility's system.

(d) The utility shall provide the customer with an estimate of the study cost before the utility initiates the study.

Sec. 6. [216B.73] [EQUIPMENT PRECERTIFICATION.] (a) The commissioner may approve one or more entities that shall precertify equipment as described under this section.

(b) Testing organizations or facilities capable of analyzing the function, control, and protective systems of distributed generation units may request to be certified as testing organizations.

(c) Distributed generation units that are certified to be in compliance by an approved testing facility or organization must be installed on a company utility system in accordance with an approved interconnection control and protection scheme without further review of their design by the utility.

Sec. 7. [216B.74] [TIME FOR PROCESSING APPLICATIONS FOR INTERCONNECTION.]

(a) The interconnection of distributed generation to the utility system must take place within the schedules described in paragraphs (b) to (f):

(b) For a facility with precertified equipment, interconnection must take place within four weeks of the utility's receipt of a completed interconnection application.

(c) For facilities without precertified equipment, connection must take place within six weeks of the utility's receipt of a completed application.

(d) If interconnection of a particular facility will require substantial capital upgrades to the utility system, the company shall provide the customer an estimate of the schedule and the customer's cost for the upgrade. If the customer desires to proceed with the upgrade, the customer and the company shall enter into a contract for the completion of the upgrade. The interconnection must take place no later than two weeks following the completion of the upgrade. The utility shall employ best reasonable efforts to complete the system upgrade in the shortest time reasonably practical.

(e) A utility shall use best reasonable efforts to interconnect facilities within the time frames described in this section. If in a particular instance, a utility determines that it cannot interconnect a facility within the time frames stated in this section, it must notify the applicant in writing of that fact. The notification must identify any reasons interconnection could not be performed in accordance with the schedule and provide an estimated date for interconnection.

(f) Applications for interconnection and parallel operation of distributed generation must be processed by the utility in a nondiscriminatory manner and in the order that they are received. It is recognized that certain applications may require minor modifications while they are being reviewed by the utility. These minor modifications to a pending application do not require that it be considered incomplete and treated as a new or separate application.

Sec. 8. [216B.75] [REPORTING REQUIREMENTS.]

(a) Each electric utility shall maintain records concerning applications received for interconnection and parallel operation of distributed generation. The records must include the date each application is received, documents generated in the course of processing each application, correspondence regarding each application, and the final disposition of each application.

(b) As part of the reporting requirement under section 216C.052, subdivision 4, every electric utility shall file with the reliability administrator a distributed generation interconnection report for the preceding calendar year that identifies each distributed generation facility interconnected with the utility's distribution system. The report must list the new distributed generation facilities interconnected with the system since the previous year's report, any distributed generation facilities no longer interconnected with the utility's system since the previous report, the capacity of each facility, and the feeder or other point on the company's utility system where the facility is connected. The annual report must also identify all applications for interconnection received during the previous one-year period, and the disposition of the applications.

ARTICLE 5

CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2000, section 116C.61, subdivision 1, is amended to read:

Subdivision 1. ~~[REGIONAL, COUNTY AND LOCAL ORDINANCES, RULES, REGULATIONS, PRIMARY RESPONSIBILITY AND REGULATION OF SITE DESIGNATION, IMPROVEMENT, AND USE.]~~ To assure the paramount and controlling effect of ~~the provisions herein~~ this section over other state agencies; regional, county, and local governments; and special purpose government districts, the issuance of a ~~certificate of site compatibility permit or transmission line construction route permit~~ and subsequent purchase and use of ~~such~~ site or route locations for large electric power generating plant and high voltage transmission line purposes ~~shall be~~ is the sole site approval required to be obtained by the utility. ~~Such certificate or~~ The permit shall supersede ~~supersedes and preempt all preempts any~~ zoning, building, or land use rules, regulations, or ordinances promulgated by any regional, county, local, and special purpose government.

Sec. 2. Minnesota Statutes 2000, section 116C.62, is amended to read:

116C.62 [IMPROVEMENT OF SITES AND ROUTES.]

Utilities ~~which that~~ have acquired a site or route in accordance with sections 116C.51 to 116C.69 may proceed to construct or improve the site or route for the intended purposes at any time, subject to section 116C.61, subdivision 2; provided that, if the construction and improvement ~~commences more than~~ has not commenced within four years after a ~~certificate or~~ permit for the site or route has been issued, then the utility must certify to the board that the site or route continues to meet the conditions upon which the certificate of site compatibility or transmission line construction permit was issued.

Sec. 3. Minnesota Statutes 2000, section 116C.64, is amended to read:

116C.64 [FAILURE TO ACT.]

If the board fails to act within the times specified in section 116C.57, the applicant or any affected utility person may seek an order of the district court requiring the board to designate or refuse to designate a site or route.

Sec. 4. Minnesota Statutes 2000, section 116C.645, is amended to read:

116C.645 [REVOCATION OR SUSPENSION.]

A site ~~certificate permit or construction route~~ permit may be revoked or suspended by the board after adequate notice of the alleged grounds for revocation or suspension and a full and fair hearing in which the affected utility has an opportunity to confront any witness and respond to any evidence against it and to present rebuttal or mitigating evidence upon a finding by the board of:

(1) any false statement knowingly made in the application or in accompanying statements or studies required of the applicant, if a true statement would have warranted a change in the board's findings;

(2) failure to comply with material conditions of the site certificate or construction permit, or failure to maintain health and safety standards; or

(3) any material violation of the provisions of sections 116C.51 to 116C.69, any rule ~~promulgated pursuant thereto~~ adopted under these sections, or any order of the board.

Sec. 5. Minnesota Statutes 2000, section 116C.65, is amended to read:

116C.65 [JUDICIAL REVIEW.]

Any ~~utility applicant~~, party, or person aggrieved by the issuance of a ~~certificate site or route permit~~ or emergency ~~certificate of site compatibility or transmission line construction~~ permit from the board or a certification of continuing suitability filed by a utility with the board or by a final order in accordance with any rules ~~promulgated~~ adopted by the board, may appeal to the court of appeals in accordance with chapter 14. The appeal ~~shall~~ must be filed within 60 days after the publication in the State Register of notice of the issuance of the certificate or permit by the board or certification filed with the board or the filing of any final order by the board.

Sec. 6. Minnesota Statutes 2000, section 116C.66, is amended to read:

116C.66 [RULES.]

(a) The board, in order to give effect to the purposes of sections 116C.51 to 116C.69, ~~shall prior to July 1, 1978;~~ may adopt rules consistent with sections 116C.51 to 116C.69, including ~~promulgation~~ adoption of site and route designation criteria; the description of the information to be furnished by the utilities; establishment of minimum guidelines for public participation in the development, revision, and enforcement of any rule, plan, or program established by the board; procedures for the revocation or suspension of a construction permit or a certificate of site compatibility; the procedure and timeliness for proposing alternative routes and sites; and route exemption criteria and procedures.

~~No~~ (b) A rule adopted by the board ~~shall~~ may not grant priority to state-owned wildlife management areas over agricultural lands in the designation of route-avoidance areas.

(c) The provisions of chapter 14 ~~shall~~ apply to the appeal of rules adopted by the board to the same extent as it applies to the review of rules adopted by any other agency of state government.

(d) The chief administrative law judge shall, ~~prior to January 1, 1978;~~ adopt procedural rules for public hearings relating to the site and route designation process and to the route exemption process. The rules ~~shall~~ must attempt to maximize citizen participation in these processes.

Sec. 7. Minnesota Statutes 2000, section 116C.69, is amended to read:

116C.69 [~~BIENNIAL REPORT; APPLICATION FEES; APPROPRIATION; FUNDING.~~]

Subdivision 1. [~~BIENNIAL REPORT.~~] Before November 15 of each even-numbered year the board shall prepare and submit to the legislature a report of its operations, activities, findings, and recommendations concerning sections 116C.51 to 116C.69. The report shall also contain information on the board's biennial expenditures, its proposed budget for the following biennium, and the amounts paid in ~~certificate and permit application fees pursuant to subdivisions 2 and 2a~~ and in assessments pursuant to ~~subdivision 3~~ section 116C.69. The proposed budget for the following biennium ~~shall be~~ is subject to legislative review.

Subd. 2. [SITE APPLICATION FEE.] Every applicant for a site ~~certificate~~ permit shall pay to the board a fee in an amount equal to \$500 for each \$1,000,000 of production plant investment in the proposed installation as defined in the Federal Power Commission Uniform System of Accounts. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. The applicant shall pay within 30 days of notification any additional fees reasonably necessary for completion of the site evaluation and designation process by the board. ~~In no event shall~~ The total fees required of the applicant under this subdivision must never exceed an amount equal to 0.001 of ~~said~~ the production plant investment ~~(, which equals \$1,000 for each \$1,000,000)~~. All money received ~~pursuant to~~ under this subdivision ~~shall~~ must be deposited in a special account. Money in the

account is appropriated to the board to pay expenses incurred in processing applications for ~~certificates~~ site permits in accordance with sections 116C.51 to 116C.69 and ~~in the event~~, if the expenses are less than the fee paid, to refund the excess to the applicant.

Subd. 2a. [ROUTE APPLICATION FEE.] Every applicant for a transmission line ~~construction~~ route permit shall pay to the board a base fee of \$35,000 plus a fee in an amount equal to \$1,000 per mile length of the longest proposed route. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. ~~In the event~~ If the actual cost of processing an application up to the board's final decision to designate a route exceeds ~~the above~~ this fee schedule, the board may assess the applicant any additional fees necessary to cover the actual costs, not to exceed an amount equal to \$500 per mile length of the longest proposed route. All money received ~~pursuant to~~ under this subdivision ~~shall~~ must be deposited in a special account. Money in the account is appropriated to the board to pay expenses incurred in processing applications for ~~construction~~ route permits in accordance with sections 116C.51 to 116C.69 and ~~in the event~~, if the expenses are less than the fee paid, to refund the excess to the applicant.

Subd. 3. [FUNDING; ASSESSMENT.] (a) The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site ~~certificates~~ and ~~construction~~ route permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

(b) Each share ~~shall~~ must be determined as follows:

(1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.667; ~~;~~ plus

(2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.333, as determined by the board.

(c) The assessment ~~shall~~ must be credited to the special revenue fund and ~~shall~~ be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of ~~said~~ the assessment and its demand of payment thereof.

(d) The total amount ~~which that~~ may be assessed to the several utilities under the authority of this subdivision ~~shall~~ may not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision.

(e) The assessment for the second quarter of each fiscal year ~~shall~~ must be adjusted to compensate for the amount by which actual expenditures by the board for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 8. [INSTRUCTION TO REVISOR.]

(a) The revisor of statutes shall renumber Minnesota Statutes, section 116C.69, subdivision 1, as Minnesota Statutes, section 116C.681.

(b) The revisor of statutes shall change all references as appropriate to Minnesota Statutes, section 216B.241 to Minnesota Statutes, section 216B.2411, including references to appropriate subdivisions, if known, in this act and in Minnesota Statutes, chapters 216A, 216B and 216C, and in the Minnesota Rules associated with those chapters.

ARTICLE 6

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 2000, section 216A.03, subdivision 3a, is amended to read:

Subd. 3a. [POWERS AND DUTIES OF CHAIR.] The chair ~~shall be~~ is the principal executive officer of the commission and shall preside at meetings of the commission. The responsibilities of the chair shall organize include:

- (1) organizing the work of the commission ~~and may make;~~
- (2) making assignments to commission members, ~~appoint committees and give as appropriate;~~
- (3) appointing subcommittees;
- (4) giving direction to the commission staff through the executive secretary subject to the approval of the commission;
- (5) supervising the work of the executive secretary; and
- (6) in coordination with the executive secretary, participating in employment and termination decisions, including representing the commission in grievance proceedings; addressing employee complaints and grievances; developing and implementing the agency budget; testifying before legislative committees and working with legislators as requested; determining agency-wide training needs and initiatives; implementing computer technology updates; administering and implementing relations with the department of commerce, the office of the attorney general, and other agencies; and developing and implementing strategies for the commission to adapt to rapid changes in the industries the commission oversees.

Sec. 2. Minnesota Statutes 2000, section 216B.095, is amended to read:

216B.095 [DISCONNECTION DURING COLD WEATHER.]

The commission shall amend its rules governing disconnection of residential utility customers who are unable to pay for utility service during cold weather to include the following:

- (1) coverage of customers whose household income is less than ~~185 percent of the federal poverty level~~ 50 percent of the state median income;
- (2) a requirement that a customer who pays the utility at least ten percent of the customer's income or the full amount of the utility bill, whichever is less, in a cold weather month cannot be disconnected during that month;
- (3) that the ten percent figure in clause (2) must be prorated between energy providers proportionate to each provider's share of the customer's total energy costs where the customer receives service from more than one provider;
- (4) ~~that a customer's household income does not include any amount received for energy assistance;~~
- (5) (4) verification of income by the local energy assistance provider or the utility, unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance, that uses income eligibility in an amount at or below the income eligibility in clause (1); ~~and~~
- (6) (5) a requirement that the customer receive, ~~from the local energy assistance provider or other entity, budget counseling and referral~~ referrals to energy assistance programs, weatherization, conservation, or other programs likely to reduce the customer's consumption of energy bills;

(6) a requirement that customers who have demonstrated an inability to pay on forms for such purposes provided by the utility, and who make reasonably timely payments to the utility under a payment plan that considers the financial resources of the household, cannot be disconnected from utility services from October 15 to April 15. A customer who is receiving energy assistance is deemed to have demonstrated an inability to pay.

For the purpose of clause (2), the "customer's income" means the actual monthly income of the customer except for a customer who is normally employed only on a seasonal basis and whose annual income is over 135 percent of the federal poverty level, in which case the customer's income is or the average monthly income of the customer computed on an annual calendar year basis, whichever is less, and does not include any amount received for energy assistance.

Sec. 3. Minnesota Statutes 2000, section 216B.097, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION; NOTICE TO RESIDENTIAL CUSTOMER.] (a) A municipal utility or a cooperative electric association must not disconnect the utility service of a residential customer during the period between October 15 and April 15 if the disconnection affects the primary heat source for the residential unit when the following conditions are met:

- ~~(1) the disconnection would occur during the period between October 15 and April 15;~~
- ~~(2) (1) the customer has declared inability to pay on forms provided by the utility. For the purpose of this clause, a customer that is receiving energy assistance is deemed to have demonstrated an inability to pay;~~
- ~~(3) (2) the household income of the customer is less than 185 percent of the federal poverty level, as documented by the customer to the utility; and 50 percent of the state median income;~~
- (3) verification of income may be conducted by the local energy assistance provider or the utility, unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance, that uses income eligibility in an amount at or below the income eligibility in clause (2);
- ~~(4) the customer's a customer whose account is current for the billing period immediately prior to October 15 or the customer has entered who, at any time, enters into a payment schedule that considers the financial resources of the household and is reasonably current with payments under the schedule; and~~
- (5) the customer receives referrals to energy assistance programs, and weatherization, conservation, or other programs to reduce the customer's energy bills.

(b) A municipal utility or a cooperative electric association must, between August 15 and October 15 of each year, notify all residential customers of the provisions of this section.

Sec. 4. [216B.098] [CUSTOMER PROTECTIONS.]

Subdivision 1. [APPLICABILITY.] This section applies to residential customers of public utilities, municipal utilities, and cooperative electric associations.

Subd. 2. [BUDGET BILLING PLANS.] A utility shall offer a customer a budget billing plan for payment of charges for service, including adequate notice to customers prior to changing budget payment amounts. Municipal utilities having 3,000 or fewer customers are exempt from this requirement. Municipal utilities having more than 3,000 customers shall implement this requirement within two years of the effective date of this chapter.

Subd. 3. [PAYMENT AGREEMENTS.] A utility shall offer a payment agreement for the payment of arrears.

Subd. 4. [UNDERCHARGES.] A utility shall offer a payment agreement to customers who have been undercharged if no culpable conduct by the customer or resident of the customer's household caused the undercharge. The agreement must cover a period equal to the time over which the undercharge occurred. No interest or delinquency fee may be charged under this agreement.

Subd. 5. [MEDICALLY NECESSARY EQUIPMENT.] A utility shall reconnect or continue service to a customer's residence where a medical emergency exists or where medical equipment requiring electricity is necessary to sustain life is in use, provided that the utility receives from a medical doctor written certification, or initial certification by telephone and written certification within five business days, that failure to reconnect or continue service will impair or threaten the health or safety of a resident of the customer's household. The customer must enter into a payment agreement.

Subd. 6. [COMMISSION AUTHORITY.] The commission, or staff designated by the commission, has the authority to order resolutions of disputes involving alleged violations of this chapter or any other disputes involving public utilities coming within its jurisdiction.

Sec. 5. Minnesota Statutes 2000, section 216B.16, subdivision 15, is amended to read:

Subd. 15. [LOW-INCOME RATE PROGRAMS; REPORT.] (a) The commission may consider ability to pay as a factor in setting utility rates and may establish programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. ~~The commission shall order a pilot program for at least one utility. In ordering pilot programs, the commission shall consider the following:~~

~~(1) the potential for low-income programs to provide savings to the utility for all collection costs including but not limited to: costs of disconnecting and reconnecting residential ratepayers' service, all activities related to the utilities' attempt to collect past due bills, utility working capital costs, and any other administrative costs related to inability to pay programs and initiatives;~~

~~(2) the potential for leveraging federal low-income energy dollars to the state; and~~

~~(3) the impact of energy costs as a percentage of the total income of a low-income residential customer.~~

~~(b) In determining the structure of the pilot utility program, the commission shall:~~

~~(1) consult with advocates for and representatives of low-income utility customers, administrators of energy assistance and conservation programs, and utility representatives;~~

~~(2) coordinate eligibility for the program with the state and federal energy assistance program and low-income residential energy programs, including weatherization programs; and~~

~~(3) evaluate comprehensive low-income programs offered by utilities in other states.~~

~~(c) The commission shall implement at least one pilot project by January 1, 1995, and shall allow a utility required to implement a pilot project to recover the net costs of the project in the utility's rates.~~

~~(d) The commission, in conjunction with the commissioner of the department of public service and the commissioner of economic security, shall review low-income rate programs and shall report to the legislature by January 1, 1998. The report must include:~~

~~(1) the increase in federal energy assistance money leveraged by the state as a result of this program;~~

~~(2) the effect of the program on low-income customer's ability to pay energy costs;~~

~~(3) the effect of the program on utility customer bad debt and arrearages;~~

(4) the effect of the program on the costs and numbers of utility disconnections and reconnections and other costs incurred by the utility in association with inability to pay programs;

(5) the ability of the utility to recover the costs of the low-income program without a general rate change;

(6) how other ratepayers have been affected by this program;

(7) recommendations for continuing, eliminating, or expanding the low-income pilot program; and

(8) how general revenue funds may be utilized in conjunction with low-income programs:

(b) The purpose of the low-income programs is to lower the percentage of income that low-income households devote to energy bills, to increase customer payments, and to lower utility costs associated with customer account collection activities. In ordering low-income programs, the commission may require utilities to file program evaluations, including the effect of the program on participant household energy burdens, the coordination of other available low-income bill payment and conservation resources, the effect of the program on service disconnections, and the effect of the program on customer payment behavior, utility collection costs, arrearages, and bad debt.

Sec. 6. [216B.79] [PREVENTATIVE MAINTENANCE.]

(a) The commission has the authority to ensure that public utilities are making adequate infrastructure investments and undertaking sufficient preventative maintenance with regard to such facilities.

(b) The commission may make appropriate adjustments in a utility's rates, or make a recommendation to the Federal Energy Regulatory Commission to make an appropriate adjustment in a utility's allowed rate of return on those utilities' transmission facilities, to provide incentive and offset the costs of new energy infrastructure facility construction.

Sec. 7. Minnesota Statutes 2000, section 216C.41, subdivision 5, is amended to read:

Subd. 5. [AMOUNT OF PAYMENT.] (a) An incentive payment is based on the number of kilowatt hours of electricity generated. The amount of the payment is 1.5 cents per kilowatt hour. For electricity generated by qualified wind energy conversion facilities, the incentive payment under this section is limited to no more than 100 megawatts of nameplate capacity. During any period in which qualifying claims for incentive payments exceed 100 megawatts of nameplate capacity, the payments must be made to producers in the order in which the production capacity was brought into production.

(b) Beginning January 1, 2002, the total size of a wind energy conversion system under this section must be determined according to this paragraph. Unless the systems are interconnected with different distribution systems, the nameplate capacity of one wind energy conversion system must be combined with the nameplate capacity of any other wind energy conversion system that is:

(1) located within five miles of the wind energy conversion system;

(2) constructed within the same calendar year as the wind energy conversion system; and

(3) under common ownership.

In the case of a dispute, the commissioner of commerce shall determine the total size of the system, and shall draw all reasonable inferences in favor of combining the systems.

(c) In making a determination under paragraph (b), the commissioner of commerce may determine that two wind energy conversion systems are under common ownership when the underlying ownership structure contains similar persons or entities, even if the ownership shares differ between the two systems. Wind energy conversion systems are not under common ownership solely because the same person or entity provided equity financing for the systems.

Sec. 8. Minnesota Statutes 2000, section 216C.41, is amended by adding a subdivision to read:

Subd. 6. [OWNERSHIP; FINANCING; CURE.] (a) For the purposes of subdivision 1, paragraph (c), clause (2), a wind energy conversion facility qualifies if it is owned at least 51 percent by one or more of any combination of the entities listed in that clause.

(b) A subsequent owner of a qualified facility may continue to receive the incentive payment for the duration of the original payment period if the subsequent owner qualifies for the incentive under subdivision 1.

(c) Nothing in this section may be construed to deny incentive payment to an otherwise qualified facility that has obtained debt or equity financing for construction or operation as long as the ownership requirements of subdivision 1 and this subdivision are met. If, during the incentive payment period for a qualified facility, the owner of the facility is in default of a lending agreement and the lender takes possession of and operates the facility and makes reasonable efforts to transfer ownership of the facility to an entity other than the lender, the lender may continue to receive the incentive payment for electricity generated and sold by the facility for a period not to exceed 18 months. A lender who takes possession of a facility shall notify the commissioner immediately on taking possession and, at least quarterly, document efforts to transfer ownership of the facility.

(d) If, during the incentive payment period, a qualified facility loses the right to receive the incentive because of changes in ownership, the facility may regain the right to receive the incentive upon cure of the ownership structure that resulted in the loss of eligibility and may reapply for the incentive, but in no case may the payment period be extended beyond the original ten-year limit.

(e) A subsequent or requalifying owner under paragraph (b) or (d) retains the facility's original priority order for incentive payments as long as the ownership structure requalifies within two years from the date the facility became unqualified or two years from the date a lender takes possession.

Sec. 9. [REPEALER.]

Minnesota Statutes 2000, sections 216B.241 and 216C.18 are repealed.

Sec. 10. [EFFECTIVE DATE.]

Articles 3 to 6 are effective the day following final enactment.

ARTICLE 7

SAFETY AND SERVICE STANDARDS

Section 1. [216B.81] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in this article have the meanings given them in this section.

Subd. 2. [AVERAGE NUMBER OF CUSTOMERS SERVED.] "Average number of customers served" means the number of active, metered, customer accounts available in a utility's interruption-reporting database on the day that an interruption occurs.

Subd. 3. [CIRCUIT.] "Circuit" means a set of conductors serving customer loads that are capable of being separated from the serving substation automatically by a recloser, fuse, sectionalizing equipment, and other devices.

Subd. 4. [COMPONENT.] "Component" means a piece of equipment, a line, a section of line, or a group of items that is an entity for purposes of reporting, analyzing, and predicting interruptions.

Subd. 5. [CUSTOMER.] "Customer" means a contiguous electrical service location, regardless of the number of meters at the location.

Subd. 6. [CUSTOMER INTERRUPTION.] "Customer interruption" means the loss of service due to a forced outage for more than five minutes, for one or more customers, which is the result of one or more component failures.

Subd. 7. [CUSTOMERS' INTERRUPTIONS CAUSED BY POWER RESTORATION PROCESS.] "Customers' interruptions caused by power restoration process" means when customers lose power as a result of the process of restoring power. The duration of these outages is included in the customer-minutes of interruption. Only the customers affected by the power restoration outages that were not affected by the original outage are added to the number of customer interruptions.

Subd. 8. [CUSTOMER-MINUTES OF INTERRUPTION.] "Customer-minutes of interruption" means the number of minutes of forced outage duration multiplied by the number of customers affected.

Subd. 9. [ELECTRIC DISTRIBUTION LINE.] "Electric distribution line" means circuits operating at less than 40,000 volts.

Subd. 10. [FORCED OUTAGE.] "Forced outage" means an outage that cannot be deferred.

Subd. 11. [MAJOR CATASTROPHIC EVENTS.] "Major catastrophic events" means events that are beyond the utility's control that result in widespread system damages causing customer interruptions that affect at least ten percent of the customers in the system or in an operating area or that result in customers being without electric service for durations of at least 24 hours.

Subd. 12. [MAJOR STORM.] "Major storm" means a period of severe adverse weather resulting in widespread system damage causing customer interruptions that affect at least ten percent of the customers on the system or in an operating area or that result in customers being without electric service for durations of at least 24 hours.

Subd. 13. [MOMENTARY INTERRUPTION.] "Momentary interruption" means an interruption of electric service with a duration shorter than the time necessary to be classified as a customer interruption.

Subd. 14. [OPERATING AREA.] "Operating area" means a geographical subdivision of each electric utility's service territory that functions under the direction of a company office and may be used for reporting interruptions under this article. These areas may also be referred to as regions, divisions, or districts.

Subd. 15. [OUTAGE.] "Outage" means the failure of a power system component that results in one or more customer interruptions.

Subd. 16. [OUTAGE DURATION.] "Outage duration" means the one minute or greater period from the initiation of an interruption to a customer until service has been restored to that customer.

Subd. 17. [PARTIAL CIRCUIT OUTAGE CUSTOMER COUNT.] "Partial circuit outage customer count" means when only part of a circuit experiences an outage, the number of customers affected is estimated, unless an actual count is available. When power is partially restored, the number of customers restored is also estimated. Most utilities use estimates based on the portion of the circuit restored.

Subd. 18. [PLANNED OUTAGES.] "Planned outages" means those outages scheduled by the utility. These interruptions are sometimes necessary to connect new customers or perform maintenance activities safely. They must not be included in the calculation of reliability indexes.

Subd. 19. [RELIABILITY.] "Reliability" means the degree to which electric service is supplied without interruption.

Subd. 20. [RELIABILITY INDEXES.] "Reliability indexes" include the following performance indices for measuring frequency and duration of service interruptions:

(a) The system average interruption frequency index is the average number of interruptions per customer per year. It is determined by dividing the total annual number of customer interruptions by the average number of customers served during the year.

(b) The system average interruption duration index is the average customer-minutes of interruption per customer. It is determined by dividing the annual sum of customer-minutes of interruption by the average number of customers served during the year.

(c) The customer average interruption duration index is the average customer-minutes of interruption per customer interruption. It approximates the average length of time required to complete service restoration. It is determined by dividing the annual sum of all customer-minutes of interruption durations by the annual number of customer interruptions.

Sec. 2. [216B.82] [RECORDING SERVICE INTERRUPTION INDEXES.]

Subdivision 1. [SYSTEM INTERRUPTION DATA.] Each electric utility with 10,000 retail customers or more shall keep a record of the necessary interruption data and calculate the system average interruption frequency index, system average interruption duration index, and customer average interruption duration index of its system, and of each operating area, if applicable, at the end of each calendar year for the previous 12-month period.

Subd. 2. [CIRCUIT INTERRUPTION DATA.] Unless a utility uses alternative criteria as provided in section 216B.83, subdivision 2, paragraph (d), each utility also shall, at the end of each calendar year, calculate the system average interruption frequency index, system average interruption duration index, and customer average interruption duration index for each circuit in each operating area. Each circuit in each operating area must then be listed in order separately according to its system average interruption frequency index, its system average interruption duration index, and its customer average interruption duration index, beginning with the highest values for each index.

Sec. 3. [216B.83] [ANNUAL REPORT.]

Subdivision 1. [SUMMARY REPORT GENERALLY.] Beginning on July 1, 2002, and by July 1 of every year thereafter, each electric utility with 10,000 retail customers or more shall file with the commission, or in the case of a cooperative electric association or municipal utility, with the local governing body of the utility or association a report summarizing various measures of reliability. The form of the report is subject to review and comment by the commission staff. Names and numbers used to identify operating areas or individual circuits may conform to the utility's practice, but should allow ready identification of the geographic location or the general area served. Electronic recording and reporting of the required data and information is encouraged.

Subd. 2. [INFORMATION REQUIRED.] (a) The report must include at least the information described in paragraphs (b) to (h).

(b) The report must provide an overall assessment of the reliability of performance including the aggregate system average interruption frequency index, system average interruption duration index, and customer average interruption duration index by system and each operating area, as applicable.

(c) The report must include a list of the worst performing circuits based on system average interruption frequency index, system average interruption duration index, and customer average interruption duration index for the calendar year. This portion of the report must describe the actions that the utility has taken or will take to remedy the conditions responsible for each listed circuit's unacceptable performance. The actions taken or planned should be briefly described. Target dates for corrective actions must be included in the report. When the utility determines that actions on its part are unwarranted, its report shall provide adequate justification for that conclusion.

(d) Utilities that use or prefer alternative criteria for measuring individual circuit performance to those described in paragraphs (b) and (c) and that are required by this section to submit an annual report of reliability data, shall submit their alternative listing of circuits along with the criteria used to rank circuit performance.

(e) Information must be included with respect to any report on the accomplishment of the improvements proposed in prior reports for which completion has not been previously reported.

(f) The report must describe any new reliability or power quality programs and changes that are made to existing programs.

(g) It must include a status report of any long-range electric distribution plans.

(h) In addition to the information included in paragraph (b), each utility that has the technical capability and administrative resources shall report the following additional service quality information:

(1) route miles of electric distribution line reconstructed during the year, with separate totals for single- and three-phase circuits provided;

(2) total route miles of electric distribution line in service at year's end, segregated by voltage level;

(3) monthly average speed of answer for telephone calls received regarding emergencies;

(4) the average number of calendar days a utility takes to install and energize service to a customer site once it is ready to receive service, with a separate average calculated for each month, including all extensions energized during the calendar month;

(5) the total number of written and telephone customer complaints received in the areas of safety, outages, power quality, customer property damage, and other areas, by month filed;

(6) total annual tree-trimming budget and actual expenses; and

(7) total annual projected and actual miles of tree-trimmed distribution line.

Sec. 4. [216B.84] [INITIAL HISTORICAL RELIABILITY PERFORMANCE REPORT.]

(a) Each electric utility with 10,000 retail customers or more that has historically used measures of system, operating area, and circuit reliability performance shall initially submit annual system average interruption frequency index, system average interruption duration index, and customer average interruption duration index data for the previous three years. Those utilities that have this data for some time period less than three years shall submit data for those years it is available.

(b) Those utilities whose historical reliability performance data is similar or related to those measures listed in paragraph (a), but differs due to how the parameters are defined or calculated, shall submit the data it has and explain any material differences from the prescribed indices. After the effective date of this section, utilities shall modify their reliability performance measures to conform to those specified in sections 216B.80 to 216B.86 for purposes of consistent reporting of comparable data in the future.

Sec. 5. [216B.85] [INTERRUPTIONS OF SERVICE; RECORDS; NOTICE.]

Subdivision 1. [RECORDS.] (a) Each utility shall keep records of all interruptions to service affecting the entire distribution system of any single community or an important division of a community, and include in the records each interruption's location, date and time, and duration; the approximate number of customers affected; the circuit or circuits involved; and, when known, the cause of each interruption.

(b) When complete distribution systems or portions of communities have service furnished from unattended stations, these records must be kept to the extent practicable. The record of unattended stations shall show interruptions that require attention to restore service, with the estimated time of interruption. Breaker or fuse operations affecting service should also be indicated even though duration of interruption may not be known.

Subd. 2. [NOTICE OF INTERRUPTIONS OF BULK POWER SUPPLY FACILITIES.] (a) Each utility owning or operating bulk power supply facilities shall record any event described in clauses (1) to (5) involving any generating unit or electric facilities operating at a nominal voltage of 69 kilovolts or higher, and shall make such records available to the commission semi-annually or upon request of the commission:

(1) any interruption or loss of service to customers for 15 minutes or more to aggregate firm loads in excess of 200,000 kilowatts;

(2) any interruption or loss of service to customers for 15 minutes or more to aggregate firm loads exceeding the lesser of 100,000 kilowatts or one-half of the current annual system peak load and not required recorded under clause (1);

(3) any decision to issue a public request for reduction in use of electricity;

(4) an action to reduce firm customer loads by reduction of voltage for reasons of maintaining adequacy of bulk electric power supply; and

(5) any action to reduce firm customer loads by manual switching, operation of automatic load-shedding devices, or any other means for reasons of maintaining adequacy of bulk electric power supply.

Subd. 3. [NOTICE OF OTHER INTERRUPTIONS OF POWER.] Each utility shall record service interruptions of 60 minutes or more to an entire distribution substation bus or entire feeder serving either 500 or more customers or entire cities or villages having 200 or more customers.

Subd. 4. [INFORMATION REQUIRED.] The written records required in subdivisions 2 and 3 must include the date, time, duration, general location, approximate number of customers affected, identification of circuit or circuits involved, and, when known, the cause of the interruption. When extensive interruptions occur, as from a storm, a narrative record including the extent of the interruptions and system damage, estimated number of customers affected, and a list of entire communities interrupted may be recorded in lieu of records of individual interruptions. When customer service interruptions are necessary, the utility shall make reasonable efforts to notify affected customers in advance.

Sec. 6. [216B.86] [CUSTOMERS' COMPLAINTS.]

Each utility shall keep a record of complaints received by it from its customers in regard to safety or service, and the operation of its system, with appropriate response times designated for critical safety and monetary loss situations and shall investigate if appropriate. The record must show the name and address of the complainant, the date and nature of the complaint, the priority assigned to the assistance, and its disposition and the time and date of its disposition.

Sec. 7. [216B.87] [STANDARDS FOR DISTRIBUTION UTILITIES.]

(a) The commission and each cooperative electric association and municipal utility shall, only as resources allow, adopt standards for safety, reliability, and service quality for distribution utilities. Standards for cooperative electric associations and municipal utilities should be as consistent as possible with the commission standards.

(b) Reliability standards must be based on the system average interruption frequency index, system average interruption duration index, and customer average interruption duration index measurement indices. Service quality standards must specify, if technically and administratively feasible:

- (1) average call center response time;
- (2) customer disconnection rate;
- (3) meter-reading frequency;
- (4) complaint resolution response time; and
- (5) service extension request response time.

(c) Minimum performance standards developed under this section must treat similarly situated distribution systems similarly and recognize differing characteristics of system design and hardware.

(d) Electric distribution utilities shall comply with all applicable governmental and industry standards required for the safety, design, construction and operation of electric distribution facilities, including section 326.243.

Sec. 8. [COST BENEFIT ANALYSIS.]

The commissioner of commerce shall provide an analysis of the costs and benefits to consumers and utilities of the provisions of sections 1 to 7, including any recommended changes to those provisions, to the chairs of the house of representatives and senate policy and finance committees with jurisdiction over electric utility issues by February 1, 2002.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 7, are effective July 1, 2003. Section 8 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to energy; enacting the Minnesota Energy Security and Reliability Act; requiring an energy security blueprint and a state reliability plan; providing for essential energy infrastructure; eliminating the requirement for individual utility plans; creating position of independent reliability administrator; modifying provisions for siting, routing, and determining the need for large electric power facilities; regulating conservation expenditures by energy utilities and eliminating state pre-approval of conservation plans by public utilities; encouraging regulatory flexibility in supplying and obtaining energy; regulating interconnection of distributed utility resources; providing for safety and service standards from distribution utilities; clarifying the state cold weather disconnection requirements; authorizing municipal utilities, municipal power agencies, cooperative utilities, and investor-owned utilities to form joint ventures to provide utility services; requiring reports; making technical, conforming, and clarifying changes; amending Minnesota Statutes 2000, sections 116.07, subdivision 4a; 116C.52, subdivision 10; 116C.53, subdivisions 2, 3; 116C.57, subdivisions 1, 2, 4, by adding subdivisions; 116C.58; 116C.59, subdivisions 1, 4; 116C.60; 116C.61, subdivision 1; 116C.62; 116C.64; 116C.645; 116C.65; 116C.66; 116C.69; 216A.03, subdivision 3a; 216B.095; 216B.097, subdivision 1; 216B.16, subdivisions 7, 15; 216B.2421, subdivision 2, by adding a subdivision; 216B.2422, subdivision 2; 216B.243, subdivisions 2, 3, 4, by adding a subdivision; 216C.41, subdivision 5, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116C; 216B; 216C; 452; repealing Minnesota Statutes 2000, sections 116C.55; 116C.57, subdivisions 3, 5, 5a; 116C.67; 216B.241; 216C.18."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knoblach from the Committee on Capital Investment to which was referred:

H. F. No. 980, A bill for an act relating to public construction and remodeling projects; exempting park buildings from legislative notification and review requirements; amending Minnesota Statutes 2000, section 16B.335, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 16B.335, subdivision 1, is amended to read:

Subdivision 1. [CONSTRUCTION AND MAJOR REMODELING.] (a) The commissioner, or any other recipient to whom an appropriation is made to acquire or better public lands or buildings or other public improvements of a capital nature, must not prepare final plans and specifications for any construction, major remodeling, or land acquisition in anticipation of which the appropriation was made until the agency that will use the project has presented the program plan and cost estimates for all elements necessary to complete the project to the chair of the senate finance committee and the chair of the house ways and means committee and the chairs have made their recommendations, and the chair of the house capital investment committee is notified. "Construction or major remodeling" means construction of a new building, a substantial addition to an existing building, or a substantial change to the interior configuration of an existing building. The presentation must note any significant changes in the work that will be done, or in its cost, since the appropriation for the project was enacted or from the predesign submittal. The program plans and estimates must be presented for review at least two weeks before a recommendation is needed. The recommendations are advisory only. Failure or refusal to make a recommendation is considered a negative recommendation. The chairs of the senate finance committee, the house capital investment committee, and the house ways and means committee must also be notified whenever there is a substantial change in a construction or major remodeling project, or in its cost.

(b) Capital projects exempt from the requirements of this subdivision include demolition or decommissioning of state assets, hazardous material projects, utility infrastructure projects, environmental testing, parking lots, exterior lighting, fencing, highway rest areas, truck stations, storage facilities not consisting primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds, athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer separation projects, water and wastewater facilities, port development projects for which the commissioner of transportation has entered into an assistance agreement under section 457A.04, ice centers, a local government project with a construction cost of less than \$1,500,000, or any other capital project with a construction cost of less than ~~\$500,000~~ \$750,000."

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before the semicolon and insert "increasing the construction cost limits under which capital projects are exempt from legislative notification and review"

With the recommendation that when so amended the bill pass.

The report was adopted.

Bishop from the Committee on Ways and Means to which was referred:

H. F. No. 1266, A bill for an act relating to agriculture; providing funding for the department of agriculture, the board of animal health, the Minnesota horticultural society, and the agricultural utilization research institute; changing certain fees and charges; creating, extending, and expanding certain programs; establishing, changing,

and clarifying terms and procedures; refunding certain fines; appropriating money; amending Minnesota Statutes 2000, sections 17.102, subdivision 3; 17.1025; 17.117; 17.85; 18B.065, subdivision 5; 18C.425, subdivisions 2, 6; 18E.04, subdivisions 2, 4, 5; 21.85, subdivision 12; 27.041, subdivision 2; 28A.04, subdivision 1; 28A.08, subdivision 3; 28A.085, subdivision 4; 29.22, subdivision 2; 31.11; 31.39; 32.392; 32.394, subdivisions 8, 8a, 8b, 8e; 34.07; 38.02, subdivision 1; 41A.09, subdivision 2a; 103B.3369, subdivision 5; 116.07, subdivision 7; 116O.09, subdivision 1a; 223.17, subdivision 3; 231.16; proposing coding for new law in Minnesota Statutes, chapters 17; 28A; 32; 41A; repealing Minnesota Statutes 2000, sections 31.11, subdivision 2; 169.851; 169.872.

Reported the same back with the following amendments:

Page 5, delete lines 19 and 20

Page 5, lines 31 and 35, delete "bovine"

Page 7, line 20, delete "\$100,000" and insert "\$50,000 each year"

Page 7, line 35, delete "\$200,000" and insert "\$100,000 each year"

Page 7, line 44, delete "\$420,000" and insert "\$210,000 each year"

Page 33, delete section 15

Page 49, after line 31, insert:

"Sec. 32. Minnesota Statutes 2000, section 32.394, subdivision 8d, is amended to read:

Subd. 8d. [PROCESSOR ASSESSMENT.] (a) A manufacturer shall pay to the commissioner a fee for fluid milk processed and milk used in the manufacture of fluid milk products sold for retail sale in Minnesota. Beginning ~~May 1, 1993~~ July 1, 2001, the fee is ~~six~~ seven cents per hundredweight. ~~If the commissioner determines that a different fee, not less than five cents and not more than nine cents per hundredweight, when combined with general fund appropriations and fees charged under sections 31.39 and 32.394, subdivision 8, is needed to provide adequate funding for the Grades A and B inspection programs and the administration and enforcement of Laws 1993, chapter 65, the commissioner may, by rule, change the fee on processors within the range provided within this subdivision.~~

(b) Processors must report quantities of milk processed under paragraph (a) on forms provided by the commissioner. Processor fees must be paid monthly. The commissioner may require the production of records as necessary to determine compliance with this subdivision.

(c) The commissioner may create within the department a dairy consulting program to provide assistance to dairy producers who are experiencing problems meeting the sanitation and quality requirements of the dairy laws and rules.

The commissioner may use money appropriated from the dairy services account created in subdivision 9 to pay for the program authorized in this paragraph."

Page 60, after line 21, insert:

"Sec. 41. Minnesota Statutes 2000, section 169.871, subdivision 1, is amended to read:

Subdivision 1. [CIVIL LIABILITY.] (a) The owner or lessee of a vehicle that is operated with a gross weight in excess of a weight limit imposed under sections 169.825 and 169.832 to 169.851 and 169.87 or a shipper who ships

or tenders goods for shipment in a single truck or combination vehicle that exceeds a weight limit imposed under sections 169.825 and 169.832 to 169.851 and 169.87 is liable for a civil penalty as follows:

(1) if the total gross excess weight is not more than 1,000 pounds, one cent per pound for each pound in excess of the legal limit;

(2) if the total gross excess weight is more than 1,000 pounds but not more than 3,000 pounds, \$10 plus five cents per pound for each pound in excess of 1,000 pounds;

(3) if the total gross excess weight is more than 3,000 pounds but not more than 5,000 pounds, \$110 plus ten cents per pound for each pound in excess of 3,000 pounds;

(4) if the total gross excess weight is more than 5,000 pounds but not more than 7,000 pounds, \$310 plus 15 cents per pound for each pound in excess of 5,000 pounds;

(5) if the total gross excess weight is more than 7,000 pounds, \$610 plus 20 cents per pound for each pound in excess of 7,000 pounds.

(b) Any penalty imposed upon a defendant under this subdivision shall not exceed the penalty prescribed by this subdivision. Any fine paid by the defendant in a criminal overweight action that arose from the same overweight violation shall be applied toward payment of the civil penalty under this subdivision. A peace officer or department of public safety employee described in section 299D.06 who cites a driver for a violation of the weight limitations established by sections 169.81 to 169.851 and 169.87 shall give written notice to the driver that the driver or another may also be liable for the civil penalties provided herein in the same or separate proceedings.

(c) A penalty imposed upon the owner or lessee of a vehicle transporting milk from the point of production to the point of first processing that is based on violations identified by the use of shippers weight records under section 169.872, must not exceed an aggregate of \$10,000 for the 14 days immediately prior to the imposition of the penalty.

Sec. 42. Minnesota Statutes 2000, section 169.872, subdivision 1, is amended to read:

Subdivision 1. [RECORD KEEPING.] (a) A person who weighs goods before or after unloading or a person who loads or unloads goods on the basis of liquid volume measure shall keep a written record of the origin, weight and composition of each shipment, the date of loading or receipt, the name and address of the shipper, the total number of axles on the vehicle or combination of vehicles, and the registration number of the power unit or some other means of identification by which the shipment was transported. Except as provided in paragraph (b), the record shall be retained for 30 days and shall be open to inspection and copying by a state law enforcement officer or motor transport representative, except state conservation officers, upon demand. No search warrant is required to inspect or copy the record.

(b) A person weighing a vehicle transporting milk from the point of production to the point of first processing shall retain the written record for 14 days.

(c) This subdivision does not apply to a person weighing goods who is not involved in the shipping, receiving and transporting of those goods, or to a person weighing raw and unfinished farm products transported in a single unit vehicle with not more than three axles or by a trailer towed by a farm tractor when the transportation is the first haul of the product."

Page 62, line 36, delete "sections" and insert "section" and delete the semicolon

Page 63, line 1, delete "169.851; and 169.872, are" and insert ", is"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 9, after the first semicolon, insert "providing a civil penalty;"

Page 1, line 12, delete "subdivisions 2, 6" and insert "subdivision 2"

Page 1, line 16, after "8b," insert "8d,"

Page 1, line 19, after the first semicolon, insert "169.871, subdivision 1; 169.872, subdivision 1;"

Page 1, line 22, delete "sections" and insert "section"

Page 1, line 23, delete "; 169.851; 169.872"

With the recommendation that when so amended the bill pass.

The report was adopted.

Goodno from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 1446, A bill for an act relating to family law; reforming and recodifying the law relating to marriage dissolution, child custody, child support, maintenance, and property division; clarifying certain medical support bonus incentive provisions; making style and form changes; amending Minnesota Statutes 2000, sections 256.9791; 518.002; 518.003, subdivisions 1 and 3; 518.005; 518.01; 518.02; 518.03; 518.04; 518.05; 518.055; 518.06; 518.07; 518.09; 518.10; 518.11; 518.12; 518.13; 518.131; 518.14, subdivision 1; 518.148; 518.155; 518.156; 518.157, subdivisions 1, 2, 3, 5, and 6; 518.158, subdivisions 2 and 4; 518.165; 518.166; 518.167, subdivisions 3, 4, and 5; 518.168; 518.1705, subdivision 6; 518.175, subdivisions 1, 1a, 2, 3, 5, 6, 7, and 8; 518.1751, subdivisions 1b, 2, 2a, 2b, 2c, and 3; 518.176; 518.177; 518.178; 518.179, subdivision 1; 518.18; 518.24; 518.25; 518.54, subdivisions 1, 5, 6, 7, and 8; 518.55; 518.552; 518.58; 518.581; 518.582; 518.612; 518.619; 518.62; 518.64, subdivisions 1 and 2; 518.641; 518.642; 518.646; and 518.65; proposing coding for new law in Minnesota Statutes, chapters 517A; and 518; proposing coding for new law as Minnesota Statutes, chapters 517B; and 517C; repealing Minnesota Statutes 2000, sections 518.111; 518.17; 518.171; 518.185; 518.255; 518.54, subdivisions 2, 4a, 13, and 14; 518.551; 518.5513; 518.553; 518.57; 518.575; 518.585; 518.5851; 518.5852; 518.5853; 518.61; 518.6111; 518.614; 518.615; 518.616; 518.617; 518.618; 518.6195; 518.64, subdivisions 4, 4a, and 5; and 518.66.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Knoblach from the Committee on Capital Investment to which was referred:

H. F. No. 2290, A bill for an act relating to higher education; Minnesota state colleges and universities; providing for acquisition of certain facilities by the board of trustees; modifying source of funding for certain capital improvements at St. Cloud State University; amending Minnesota Statutes 2000, section 136F.60, subdivision 2; Laws 2000, chapter 492, article 1, section 3, subdivision 19.

Reported the same back with the following amendments:

Page 1, line 12, after "ACQUISITION" insert "AND REAL PROPERTY TRANSACTIONS"

Page 1, delete lines 17 to 27

Page 2, delete lines 1 to 11 and insert:

"(b) The board may accept gifts to improve or acquire facilities as provided in this paragraph:

(1) for remodeling existing facilities if the remodeling does not materially increase the square footage of the facility;

(2) for the acquisition, construction, or remodeling costs of facilities for which state capital appropriations have been made and whose use will not be substantially changed; or

(3) for capital projects not authorized by the legislature if the board first certifies that project revenues, other gifts or grants, or other sources of capital funds are available for project costs and that no tuition revenues or state or federal appropriations are used for the capital or operating costs, including all program costs, salaries, and benefits, of the facility.

(c) The board may convey or lease real property under the board's control, with or without monetary consideration, to provide a facility for the primary benefit of a state college or university or its students if the board certifies that project revenues, other gifts or grants, or other sources of funds are available for project costs and that no tuition revenues or state or federal appropriations are used for the capital or operating costs, including all program costs, salaries, and benefits, of the facility. Agreements under this paragraph to convey, or to lease for a term not to exceed 30 years, subject to section 16A.695, may be made following requests for proposal or by direct negotiation. Conveyances by the board under this paragraph must be by quitclaim deed in a form approved by the attorney general. Land conveyed by the board must revert to the state if it is no longer used for the primary benefit of a state college or university or its students.

(d) For the purposes of this subdivision, "facility" includes, but is not limited to, student unions, recreational centers, and other facilities for student housing, athletics, parking, academic instruction, and administration.

(e) The board must report any capital project under paragraph (b) or (c) with a cost of \$3,000,000 or more to the chairs of the house and senate committees with jurisdiction over higher education finance, capital investment, and ways and means by January 15 each year."

With the recommendation that when so amended the bill pass.

The report was adopted.

Abrams from the Committee on Taxes to which was referred:

S. F. No. 1919, A bill for an act relating to the city of St. Paul; changing the membership and appointment process of the citizen review panel for neighborhood investments from the city's part of the sales tax; amending Laws 1998, chapter 389, article 8, section 37, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 16, delete "the appointments" and insert "an appointment from a ward" and delete "each" and insert "the"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 659, 980, 1266 and 2290 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 103, 564, 1441 and 1919 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Davids introduced:

H. F. No. 2487, A bill for an act relating to taxation; sales and use; exempting the purchase of construction materials and equipment used in expanding and improving the community building in the city of Chatfield for ambulance and police services and for other purposes; amending Minnesota Statutes 2000, sections 297A.71, by adding a subdivision; 297A.75.

The bill was read for the first time and referred to the Committee on Taxes.

Paulsen, Abrams, Rifenberg, Knoblach, Tingelstad, Seifert and Boudreau introduced:

H. F. No. 2488, A joint resolution relating to redistricting; establishing districting principles for legislative and congressional plans.

The bill was read for the first time and referred to the Committee on Redistricting.

Leppik, Stang, Dehler, Cassell, Tuma and Seifert introduced:

H. F. No. 2489, A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing an account in the state enterprise fund; authorizing expenditures from the medical education endowment fund; modifying appropriations for certain enrollments; modifying reciprocity provisions; adjusting assigned family responsibility; modifying grant provisions; establishing a grant program for certain students; providing for acquisition of certain facilities by the board of trustees; clarifying tuition refund policy for certain students; authorizing transfers from the tobacco use prevention and local public health endowment fund; deleting obsolete references; making various clarifying and technical changes; establishing a commission on University of Minnesota excellence; amending Minnesota Statutes 2000, sections 62J.694, subdivision 2, by adding a subdivision; 135A.031, subdivision 2; 136A.08, subdivisions 2 and 3; 136A.101, subdivisions 5a, 8; 136A.121, subdivisions 6, 9; 136A.125, subdivisions 2, 4; 136F.13, subdivision 1; 136F.60, subdivision 2; 137.10; 144.395, subdivisions 1, 2; 169.966; 299A.45, subdivisions 1, 4; 354.094, subdivision 2; 354.69; 356.24, subdivision 1; proposing coding for

new law in Minnesota Statutes, chapters 16A; 136A; 136F; repealing Minnesota Statutes 2000, sections 16A.87; 135A.06, subdivision 1; 136F.13, subdivision 2; Laws 1986, chapter 398, article 1, section 18; Laws 1994, chapter 643, section 66.

The bill was read for the first time and referred to the Committee on Ways and Means.

Biernat introduced:

H. F. No. 2490, A bill for an act relating to veterans affairs; appropriating money for a grant to plan a veterans' memorial on the banks of the Mississippi river.

The bill was read for the first time and referred to the Committee on State Government Finance.

Kubly, Gunther, Peterson, Swenson, Marquart, Abeler and Johnson, R., introduced:

H. F. No. 2491, A bill for an act relating to flood relief; providing disaster relief and mitigation measures for counties designated a major disaster area; authorizing the sale of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 486, A bill for an act relating to elections; requiring disclaimers in newspaper ads to be legible; amending Minnesota Statutes 2000, section 211B.05, subdivision 1.

The Senate has appointed as such committee:

Senators Lesewski, Scheid and Limmer.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 704, A bill for an act relating to health; creating exception from criminal rehabilitation provisions for emergency medical services personnel; amending Minnesota Statutes 2000, section 364.09.

The Senate has appointed as such committee:

Senators Lourey, Sams and Kiscaden.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 995, A bill for an act relating to horse racing; modifying license applicant requirements; modifying medication requirements; amending Minnesota Statutes 2000, sections 240.08, subdivision 2; and 240.24, subdivision 2.

H. F. No. 1383, A bill for an act relating to motor vehicles; repealing restrictions on handlebar height for motorcycles and motorized bicycles; amending Minnesota Statutes 2000, section 169.974, subdivision 3.

H. F. No. 525, A bill for an act relating to state government; revising conditions under which public employees receive daily payments for service on boards and councils; requiring groups to adopt standards for daily payments; amending Minnesota Statutes 2000, sections 15.0575, subdivision 3; 15.059, subdivision 3; and 214.09, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1968, 1772, 1613, 665, 1295, 1490, 518, 912, 1344 and 1429.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1043, 427, 1855, 1434, 1104, 1430, 1528, 1464, 997 and 1475.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1558, 1507 and 1437.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1968, A bill for an act relating to labor; requiring the certification and regulation of crane operators; authorizing civil penalties; proposing coding for new law as Minnesota Statutes, chapter 184C.

The bill was read for the first time.

Mullery moved that S. F. No. 1968 and H. F. No. 1276, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1772, A bill for an act relating to highways; restricting outdoor advertising on C. Elmer Anderson Memorial Highway; amending Minnesota Statutes 2000, section 161.14, subdivision 45.

The bill was read for the first time.

Wenzel moved that S. F. No. 1772 and H. F. No. 1549, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1613, A bill for an act relating to the environment; expanding the pollution control agency's authority to expedite permits; amending Minnesota Statutes 2000, section 116.07, subdivision 4d.

The bill was read for the first time.

Swenson moved that S. F. No. 1613 and H. F. No. 1827, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 665, A bill for an act relating to dispute resolution; providing for arbitration of disputes; adopting the Uniform Arbitration Act; amending Minnesota Statutes 2000, sections 80C.146, subdivision 2; 122A.40, subdivision 15; 122A.41, subdivision 13; 179.09; 325E.37, subdivision 5; 325F.665, subdivision 6; 469.1762; and 572A.02, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 572B; repealing Minnesota Statutes 2000, sections 572.08; 572.09; 572.10; 572.11; 572.12; 572.13; 572.14; 572.15; 572.16; 572.17; 572.18; 572.19; 572.20; 572.21; 572.22; 572.23; 572.24; 572.25; 572.26; 572.27; 572.28; 572.29; and 572.30.

The bill was read for the first time.

Smith moved that S. F. No. 665 and H. F. No. 1857, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1295, A bill for an act relating to local government; updating United States Department of Agriculture financing program for cities, counties, and towns, and expanding the uses to include city halls and child care facilities; amending Minnesota Statutes 2000, section 465.73.

The bill was read for the first time.

Otremba moved that S. F. No. 1295 and H. F. No. 2414, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1490, A bill for an act relating to the metropolitan council; providing for the transfer or disposal of interceptor facilities; proposing coding for new law in Minnesota Statutes, chapter 473.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 518, A bill for an act relating to veterans; providing for lifetime license plates for veterans and certain members of the military; authorizing special license plates for veterans of the United States military action in Grenada; exempting veterans from the special motor vehicle license plate design that identifies eligibility groups using decal stickers; amending Minnesota Statutes 2000, sections 168.12, subdivision 1; 168.123, subdivision 2; 168.1291, subdivision 1.

The bill was read for the first time and referred to the Committee on Transportation Policy.

S. F. No. 912, A bill for an act relating to highways; modifying provisions governing use of highway right-of-way by snowmobiles; amending Minnesota Statutes 2000, section 84.87, subdivision 1.

The bill was read for the first time.

Anderson, I., moved that S. F. No. 912 and H. F. No. 950, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1344, A bill for an act relating to employment; regulating payment of wages; prohibiting employers from requiring employees or job applicants to pay for background checks or training; amending Minnesota Statutes 2000, section 181.03; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the first time.

Sertich moved that S. F. No. 1344 and H. F. No. 1893, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1429, A bill for an act relating to occupational safety and health; providing an increase in penalties for certain serious violations; modifying safety committee requirements; amending Minnesota Statutes 2000, sections 182.666, subdivision 2; 182.676.

The bill was read for the first time.

Dorman moved that S. F. No. 1429 and H. F. No. 1169, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1043, A bill for an act relating to peace officers; prescribing grounds for license revocation, suspension, or denial; removing the requirement that the peace officer standards and training board report to the legislature on the activities of the minority recruiter; repealing the law empowering council members of certain cities to act as peace officers to suppress riotous or disorderly conduct; amending Laws 1997, chapter 239, article 1, section 9; proposing coding for new law in Minnesota Statutes, chapter 626; repealing Minnesota Statutes 2000, section 412.101.

The bill was read for the first time.

Hilstrom moved that S. F. No. 1043 and H. F. No. 570, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 427, A bill for an act relating to education; limiting teacher leave to teach in charter schools; amending Minnesota Statutes 2000, section 124D.10, subdivision 20.

The bill was read for the first time and referred to the Committee on Education Policy.

S. F. No. 1855, A bill for an act relating to education; amending charter schools provisions; obligating charter school operators to incorporate before entering into contracts; making teachers a majority of the members of the charter school board of directors by the end of a school's third year of operation; increasing the amount available to a sponsor to evaluate the performance of a charter school in its first three years of operation; establishing criteria the commissioner must use to approve or disapprove a charter school's application for building lease aid; amending Minnesota Statutes 2000, sections 124D.10, subdivisions 4, 15; 124D.11, subdivision 4.

The bill was read for the first time.

Seagren moved that S. F. No. 1855 and H. F. No. 1936, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1434, A bill for an act relating to waters; providing for administrative penalty orders; modifying water appropriation permit provisions; establishing fees; providing civil penalties; amending Minnesota Statutes 2000, sections 103G.271, subdivisions 1, 5, and 5a; and 103G.301, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 103G.

The bill was read for the first time.

Kelliher moved that S. F. No. 1434 and H. F. No. 1612, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1104, A bill for an act relating to the military; clarifying certain national guard eligibility and rank designation requirements; authorizing disposal of certain unused armory sites; authorizing certain armory payments; clarifying language on armory transfers; amending Minnesota Statutes 2000, sections 190.06, subdivision 1; 190.07; 193.144, subdivision 6; 193.145, subdivision 4; and 193.148.

The bill was read for the first time and referred to the Committee on State Government Finance.

S. F. No. 1430, A bill for an act relating to health; eliminating commissioner's reporting requirement for alcohol and drug counselors; providing for exchange of information for investigations of alcohol and drug counselors; modifying an exception relating to school counselors; amending Minnesota Statutes 2000, sections 148C.03, subdivision 1; 148C.099; 148C.11, subdivision 1.

The bill was read for the first time.

Nornes moved that S. F. No. 1430 and H. F. No. 1819, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1528, A bill for an act relating to the city of Edina; authorizing the city to impose additional restrictions on the recreational use of recreational motor vehicles on certain property; amending Minnesota Statutes 2000, section 84.90, by adding a subdivision.

The bill was read for the first time.

Erhardt moved that S. F. No. 1528 and H. F. No. 1526, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1464, A bill for an act relating to health; modifying provisions for lead poisoning prevention; requiring a real property seller provide buyer with well water test results; providing for certain alternative compliance methods for food, beverage, and lodging establishment inspections; repealing certain obsolete laws relating to hotel inspectors, duplication equipment, pay toilets, and enclosed sports arenas; amending Minnesota Statutes 2000, sections 144.9501, subdivisions 3, 4, 10, 11, 17, 17a, 18, 19, 20a, 20b, 20c, 21, 22, 22a, 23, 28a, 29, and by adding subdivisions; 144.9502, subdivision 8; 144.9503; 144.9504, subdivisions 1, 2, 5, 7, and 8; 144.9505; 144.9507, subdivision 5; 144.9508, subdivisions 1, 2, 3, 4, and 5; 144.9509, subdivisions 1 and 3; and 157.20, by adding a subdivision; repealing Minnesota Statutes 2000, sections 144.073; 144.08; 144.1222, subdivision 3; 144.9501, subdivision 32; 144.9502, subdivision 6; 144.9503, subdivision 6; 144.9504, subdivisions 4 and 11; 144.9505, subdivisions 2 and 5; 144.9506; 144.9508, subdivision 6; and 145.425.

The bill was read for the first time.

Nornes moved that S. F. No. 1464 and H. F. No. 1304, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 997, A bill for an act relating to utilities; authorizing the city of Austin municipal utilities commission to enter into joint ventures with the Freeborn-Mower counties cooperative electric power association.

The bill was read for the first time and referred to the Committee on Regulated Industries.

S. F. No. 1475, A bill for an act relating to public employment; expanding eligibility for the public employees group long-term care insurance program; amending Minnesota Statutes 2000, section 43A.318, subdivision 1.

The bill was read for the first time.

Biernat moved that S. F. No. 1475 and H. F. No. 1583, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1558, A bill for an act relating to the metropolitan council; modifying the cost allocation system for the metropolitan disposal system; amending Minnesota Statutes 2000, section 473.517, subdivision 3.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 1507, A bill for an act relating to state government; modifying state procurement provisions; amending Minnesota Statutes 2000, sections 16C.02, by adding a subdivision; 16C.03, subdivision 2; 16C.04, by adding a subdivision; 16C.05, subdivision 2; 16C.06, subdivisions 2, 3; 16C.081; 43A.047; 574.26, subdivision 2.

The bill was read for the first time.

Krinkie moved that S. F. No. 1507 and H. F. No. 1379, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1437, A bill for an act relating to local government; modifying the compensation limit for political subdivision employees; amending Minnesota Statutes 2000, sections 43A.17, subdivision 9; and 356.611, subdivision 1.

The bill was read for the first time.

Mares moved that S. F. No. 1437 and H. F. No. 1742, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

Seifert moved that the Consent Calendar be continued. The motion prevailed.

CALENDAR FOR THE DAY

Seifert moved that the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Skoglund moved that the name of Westrom be added as an author on H. F. No. 848. The motion prevailed.

Holberg moved that the name of Erhardt be added as an author on H. F. No. 1944. The motion prevailed.

Gray moved that the name of Paulsen be added as an author on H. F. No. 1974. The motion prevailed.

Seifert moved that the name of Paulsen be added as an author on H. F. No. 2383. The motion prevailed.

Rukavina moved that the names of Anderson, I., and Solberg be added as authors on H. F. No. 2450. The motion prevailed.

Kielkucki moved that H. F. No. 857, now on the Calendar for the Day, be returned to the General Register. The motion prevailed.

Ozment moved that H. F. No. 2191 be recalled from the Committee on Transportation Finance and be re-referred to the Committee on Capital Investment. The motion prevailed.

CERTIFICATION PURSUANT TO RULE 4.03 ON FINANCE AND REVENUE BILLS

April 25, 2001

Edward A. Burdick
Chief Clerk of the House of Representatives
The State of Minnesota

Dear Mr. Burdick:

House Rule 4.03 requires the Chair of the Committee on Ways and Means to certify to the House of Representatives that the Committee has reconciled any finance and revenue bills with the budget resolution and targets.

Please accept this letter as certification that H. F. Nos. 1266 and 2486 reconcile with the budget resolution, the Agriculture Finance budget target, and the Jobs and Economic Development Finance budget target.

Sincerely,

REPRESENTATIVE DAVE BISHOP
Chair, House Ways and Means Committee

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Abrams announced his intention to place H. F. Nos. 2486 and 1266 on the Fiscal Calendar for Thursday, April 26, 2001.

ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 10:00 a.m., Thursday, April 26, 2001. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Thursday, April 26, 2001.

EDWARD A. BURDICK, Chief Clerk, House of Representatives