

164.24 **ARTICLE 7**
164.25 **ENVIRONMENT AND ENERGY**

128.6 **ARTICLE 16**
128.7 **ENERGY**

164.26Section 1. **APPROPRIATIONS.**

164.27 The sums shown in the columns marked "Appropriations" are added to the
164.28 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the
164.29 agencies and for the purposes specified in this article. The appropriations are from the
164.30 general fund, or another named fund, and are available for the fiscal year indicated for
164.31 each purpose. The figures "2016" and "2017" used in this article mean that the addition
165.1 to the appropriations listed under them are available for the fiscal year ending June 30,
165.2 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second
165.3 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day
165.4 following final enactment.

165.5 **APPROPRIATIONS**

165.6 **Available for the Year**

165.7 **Ending June 30**

165.8 **2016** **2017**

165.9 Sec. 2. **POLLUTION CONTROL AGENCY**

165.10Subdivision 1. **Total Appropriation** **\$** **143,000** **\$** **6,867,000**

165.11 Appropriations by Fund

165.12	<u>2016</u>	<u>2017</u>	
165.13 <u>General</u>	<u>143,000</u>	<u>2,759,000</u>	
165.14 <u>Environmental</u>	<u>-0-</u>	<u>4,108,000</u>	

165.15 Subd. 2. **Water** -0- 1,146,000

165.16 \$923,000 the second year is to meet the
 165.17 increased demand for technical assistance
 165.18 and review of municipal water infrastructure
 165.19 projects that will be generated by increased
 165.20 grant funding through the Public Facilities
 165.21 Authority. This is a onetime appropriation
 165.22 and is available until June 30, 2019.

165.23 \$108,000 the second year is from the
 165.24 environmental fund to manage a rulemaking
 165.25 process to enhance equity in the water
 165.26 program permit fee structure.

165.27 \$115,000 the second year is for the working
 165.28 lands program feasibility study and program
 165.29 plan. This is a onetime appropriation and is
 165.30 available until June 30, 2018.

165.31 Subd. 3. **Land** -0- 432,000

165.32 \$432,000 the second year is to manage
 165.33 contaminated sediment projects at multiple
 165.34 sites identified in the St. Louis River
 166.1 remedial action plan to restore water quality
 166.2 in the St. Louis River area of concern. This
 166.3 amount is added to the base for fiscal years
 166.4 2018, 2019, and 2020 only.

166.5 Subd. 4. Environmental Assistance and		
166.6 Cross-Media	-0-	<u>4,000,000</u>

166.7 \$4,000,000 is appropriated from the
 166.8 environmental fund for SCORE block grants
 166.9 to counties. This amount is in addition to the
 166.10 amounts appropriated in Laws 2015, First
 166.11 Special Session chapter 4, article 3, section 2,
 166.12 subdivision 5. The forecast base for SCORE
 166.13 grants in fiscal year 2018 is \$21,250,000 and
 166.14 in fiscal year 2019 and later is \$25,250,000.

166.15 Subd. 5. Administrative Services	143,000	<u>1,289,000</u>
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166.16 \$143,000 the first year and \$1,289,000
 166.17 the second year are for legal support costs
 166.18 related to the agency's environmental review
 166.19 and permitting decisions on the PolyMet
 166.20 NorthMet project. This is a onetime
 166.21 appropriation and is available until June 30,
 166.22 2019.

166.23 Sec. 3. BOARD OF WATER AND SOIL		
166.24 RESOURCES	\$ -0-	\$ <u>729,000</u>

166.25 \$479,000 the second year is for the working
 166.26 lands program feasibility study and program
 166.27 plan. This is a onetime appropriation and is
 166.28 available until June 30, 2018.

166.29 \$250,000 the second year is to initiate
 166.30 development and coordination of Minnesota
 166.31 River Basin goals and strategies for sediment
 166.32 reduction, flow reduction, and nutrient
 166.33 reduction. This is a onetime appropriation.

167.1 Sec. 4. **[103F.519] WORKING LANDS WATERSHED RESTORATION**
 167.2 **PROGRAM.**

167.3 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
 167.4 have the meanings given.

- 167.5 (b) "Advanced biofuel" has the meaning given in section 239.051, subdivision 1a.
- 167.6 (c) "Agricultural use" has the meaning given in section 17.81, subdivision 4.
- 167.7 (d) "Biomass processing facility" means a facility producing electricity, advanced
- 167.8 biofuel, renewable chemical, or biomass thermal energy from perennial crops.
- 167.9 (e) "Biomass thermal energy" means energy generated from biomass for commercial
- 167.10 heat or industrial process heat.
- 167.11 (f) "Board" means the Board of Water and Soil Resources.
- 167.12 (g) "Perennial crops" has the meaning given in section 41A.15, subdivision 9.
- 167.13 (h) "Renewable chemical" has the meaning given in section 41A.15, subdivision 10.
- 167.14 Subd. 2. **Establishment.** The board, in consultation with the commissioner of
- 167.15 agriculture, shall administer a program to incentivize the establishment and maintenance
- 167.16 of perennial crops. The board shall contract with landowners and give priority to contracts
- 167.17 that implement water protection actions as identified in a completed watershed restoration
- 167.18 and protection strategy developed under section 114D.26.
- 167.19 Subd. 3. **Eligible land.** Land eligible under this section must:
- 167.20 (1) have been in agricultural use for annual crop production or have been set aside,
- 167.21 enrolled, or diverted under another federal or state government program for at least two
- 167.22 of the last five years before the date of application; and
- 167.23 (2) not be currently set aside, enrolled, or diverted under another federal or state
- 167.24 government program.
- 167.25 Subd. 4. **Contract terms; use as livestock feed.** (a) The board shall offer a contract
- 167.26 rate of no more than 90 percent of the most recent federal conservation reserve program
- 167.27 payment for the county in which the land is located. The board may make additional
- 167.28 payments to assist with the establishment of perennial crops.
- 167.29 (b) Contracts must be at least ten years in duration.
- 167.30 (c) Perennial crops grown on land enrolled under this section may be used by a
- 167.31 biomass processing facility or for livestock feed. Perennial crops may be processed in a
- 167.32 manner that utilizes a portion of the plant for livestock.
- 167.33 (d) The board shall prioritize land with the highest potential to leverage federal
- 167.34 funding.
- 167.35 (e) The board may establish additional contract terms.
- 168.1 Subd. 5. **Pilot watershed selection.** The board may select up to two watersheds in
- 168.2 which to conduct an initial pilot program of up to 100,000 total acres. Project watersheds
- 168.3 must have, as determined by the board:

168.4 (1) a completed watershed restoration and protection strategy developed under
168.5 section 114D.26, or a hydrological simulation program model approved by the Pollution
168.6 Control Agency;

168.7 (2) multiple water quality impairments;

168.8 (3) access to a viable proposed biomass processing facility for the perennial crops
168.9 grown under this section; and

168.10 (4) sufficient acres of cropland available for perennial crop production to adequately
168.11 supply the proposed biomass processing facility.

168.12 Sec. 5. Minnesota Statutes 2014, section 115B.48, is amended by adding a subdivision
168.13 to read:

168.14 Subd. 10. **Owner or operator.** "Owner or operator" means a person who:

168.15 (1) owns or has owned a dry cleaning facility during the time the dry cleaning
168.16 facility operated; or

168.17 (2) operates or has operated a dry cleaning facility.

168.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

168.19 Sec. 6. Minnesota Statutes 2014, section 115B.50, subdivision 3, is amended to read:

168.20 Subd. 3. **Limitation on amount that may be spent.** The commissioner may not, in
168.21 a single fiscal year, make expenditures from the account related to a single dry cleaning
168.22 facility that exceed ~~20 percent of the balance in the account at the beginning of the fiscal~~
168.23 year \$100,000.

168.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

168.25 Sec. 7. Minnesota Statutes 2014, section 115B.50, is amended by adding a subdivision
168.26 to read:

168.27 Subd. 4. **Reimbursement adjustment rulemaking.** The commissioner may use
168.28 the expedited rulemaking process under section 14.389 to adjust reimbursement dollar
168.29 amounts contained in the rules established under subdivision 2.

128.8 Section 1. Minnesota Statutes 2014, section 115C.09, subdivision 1, is amended to read:

128.9 Subdivision 1. **Reimbursable costs.** (a) The board shall provide reimbursement to
128.10 eligible applicants for reimbursable costs.

128.11 (b) The following costs are reimbursable for purposes of this chapter:

128.12 (1) corrective action costs incurred by the applicant and documented in a form
128.13 prescribed by the board, ~~except the costs related to the physical removal of a tank,~~
128.14 Corrective action costs incurred by the applicant include costs for physical removal of
128.15 a tank when the physical removal is part of a corrective action, regardless of whether
128.16 the tank is leaking at the time of removal, and the removal is directed or approved by
128.17 the commissioner;

128.18 (2) costs that the responsible person is legally obligated to pay as damages to third
128.19 parties for bodily injury, property damage, or corrective action costs incurred by a third
128.20 party caused by a release where the responsible person's liability for the costs has been
128.21 established by a court order or court-approved settlement; and

128.22 (3) up to 180 days of interest costs associated with the financing of corrective action
128.23 and incurred by the applicant in a written extension of credit or loan that has been signed by
128.24 the applicant and executed after July 1, 2002, provided that the applicant documents that:

128.25 (i) the interest costs are incurred as a result of an extension of credit or loan from a
128.26 financial institution; and

128.27 (ii) the board has not considered the application within the applicable time frame
128.28 specified in subdivision 2a, paragraph (c).

128.29 Interest costs meeting the requirements of this clause are eligible only when they are
128.30 incurred between the date a complete initial application is received by the board, or the
128.31 date a complete supplemental application is received by the board, and the date that the
128.32 board first notifies the applicant of its reimbursement determination. An application is
128.33 complete when the information reasonably required or requested by the board's staff
128.34 from the applicant has been received by the board's staff. Interest costs are not eligible
129.1 for reimbursement to the extent they exceed two percentage points above the adjusted
129.2 prime rate charged by banks, as defined in section 270C.40, subdivision 5, at the time the
129.3 extension of credit or loan was executed.

129.4 (c) A cost for liability to a third party is incurred by the responsible person when an
129.5 order or court-approved settlement is entered that sets forth the specific costs attributed
129.6 to the liability. Except as provided in this paragraph, reimbursement may not be made
129.7 for costs of liability to third parties until all eligible corrective action costs have been
129.8 reimbursed. If a corrective action is expected to continue in operation for more than one
129.9 year after it has been fully constructed or installed, the board may estimate the future
129.10 expense of completing the corrective action and, after subtracting this estimate from the
129.11 total reimbursement available under subdivision 3, reimburse the costs for liability to third
129.12 parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

129.13 Sec. 2. Minnesota Statutes 2014, section 115C.09, subdivision 3, is amended to read:

129.14 Subd. 3. **Reimbursements; subrogation; appropriation.** (a) The board shall
129.15 reimburse an eligible applicant from the fund for 90 percent of the total reimbursable costs
129.16 incurred at the site, except that the board may reimburse an eligible applicant from the
129.17 fund for greater than 90 percent of the total reimbursable costs, if the applicant previously
129.18 qualified for a higher reimbursement rate. For costs associated with a release from a tank
129.19 in transport, the board may reimburse a maximum of \$100,000.

129.20 ~~Not more than \$1,000,000 may be reimbursed for costs associated with a single~~
129.21 ~~release, regardless of the number of persons eligible for reimbursement, and not more than~~
129.22 ~~\$2,000,000 may be reimbursed for costs associated with a single tank facility release.~~

129.23 (b) A reimbursement may not be made from the fund under this chapter until the
129.24 board has determined that the costs for which reimbursement is requested were actually
129.25 incurred and were reasonable.

129.26 (c) When an applicant has obtained responsible competitive bids or proposals
129.27 according to rules promulgated under this chapter prior to June 1, 1995, the eligible costs
129.28 for the tasks, procedures, services, materials, equipment, and tests of the low bid or proposal
129.29 are presumed to be reasonable by the board, unless the costs of the low bid or proposal are
129.30 substantially in excess of the average costs charged for similar tasks, procedures, services,
129.31 materials, equipment, and tests in the same geographical area during the same time period.

129.32 (d) When an applicant has obtained a minimum of two responsible competitive bids or
129.33 proposals on forms prescribed by the board and where the rules ~~promulgated~~ adopted under
129.34 this chapter after June 1, 1995, designate maximum costs for specific tasks, procedures,
130.1 services, materials, equipment and tests, the eligible costs of the low bid or proposal are
130.2 deemed reasonable if the costs are at or below the maximums set forth in the rules.

130.3 (e) Costs incurred for change orders executed as prescribed in rules ~~promulgated~~
130.4 adopted under this chapter after June 1, 1995, are presumed reasonable if the costs are
130.5 at or below the maximums set forth in the rules, unless the costs in the change order are
130.6 above those in the original bid or proposal or are unsubstantiated and inconsistent with the
130.7 process and standards required by the rules.

130.8 (f) A reimbursement may not be made from the fund in response to either an initial
130.9 or supplemental application for costs incurred after June 4, 1987, that are payable under
130.10 an applicable insurance policy, except that if the board finds that the applicant has made
130.11 reasonable efforts to collect from an insurer and failed, the board shall reimburse the
130.12 applicant.

130.13 (g) If the board reimburses an applicant for costs for which the applicant has
130.14 insurance coverage, the board is subrogated to the rights of the applicant with respect to
130.15 that insurance coverage, to the extent of the reimbursement by the board. The board may
130.16 request the attorney general to bring an action in district court against the insurer to enforce
130.17 the board's subrogation rights. Acceptance by an applicant of reimbursement constitutes
130.18 an assignment by the applicant to the board of any rights of the applicant with respect to
130.19 any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this
130.20 paragraph, the board may instead request a return of the reimbursement under subdivision
130.21 5 and may employ against the applicant the remedies provided in that subdivision, except
130.22 where the board has knowingly provided reimbursement because the applicant was denied
130.23 coverage by the insurer.

130.24 (h) Money in the fund is appropriated to the board to make reimbursements under
130.25 this chapter. A reimbursement to a state agency must be credited to the appropriation
130.26 account or accounts from which the reimbursed costs were paid.

130.27 (i) The board may reduce the amount of reimbursement to be made under this
130.28 chapter if it finds that the applicant has not complied with a provision of this chapter, a
130.29 rule or order issued under this chapter, or one or more of the following requirements:

130.30 (1) the agency was given notice of the release as required by section 115.061;

130.31 (2) the applicant, to the extent possible, fully cooperated with the agency in
130.32 responding to the release;

130.33 (3) the state rules applicable after December 22, 1993, to operating an underground
130.34 storage tank and appurtenances without leak detection;

131.1 (4) the state rules applicable after December 22, 1998, to operating an underground
131.2 storage tank and appurtenances without corrosion protection or spill and overfill
131.3 protection; and

131.4 (5) the state rule applicable after November 1, 1998, to operating an aboveground
131.5 tank without a dike or other structure that would contain a spill at the aboveground tank site.

131.6 (j) The reimbursement may be reduced as much as 100 percent for failure by
131.7 the applicant to comply with the requirements in paragraph (i), clauses (1) to (5). In
131.8 determining the amount of the reimbursement reduction, the board shall consider:

131.9 (1) the reasonable determination by the agency that the noncompliance poses a
131.10 threat to the environment;

131.11 (2) whether the noncompliance was negligent, knowing, or willful;

131.12 (3) the deterrent effect of the award reduction on other tank owners and operators;

131.13 (4) the amount of reimbursement reduction recommended by the commissioner; and

131.14 (5) the documentation of noncompliance provided by the commissioner.

131.15 (k) An applicant may request that the board issue a multiparty check that includes each
131.16 lender who advanced funds to pay the costs of the corrective action or to each contractor
131.17 or consultant who provided corrective action services. This request must be made by filing
131.18 with the board a document, in a form prescribed by the board, indicating the identity of the
131.19 applicant, the identity of the lender, contractor, or consultant, the dollar amount, and the
131.20 location of the corrective action. The applicant must submit a request for the issuance
131.21 of a multiparty check for each application submitted to the board. Payment under this
131.22 paragraph does not constitute the assignment of the applicant's right to reimbursement
131.23 to the consultant, contractor, or lender. The board has no liability to an applicant for a
131.24 payment issued as a multiparty check that meets the requirements of this paragraph.

168.30 Sec. 8. Minnesota Statutes 2014, section 115C.13, is amended to read:

168.31 **115C.13 REPEALER.**

169.1 Sections 115C.01, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05,
169.2 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.093, 115C.094, 115C.10, 115C.11,
169.3 115C.112, 115C.113, 115C.12, and 115C.13, are repealed effective June 30, ~~2017~~ 2022.

131.25 Sec. 3. Minnesota Statutes 2014, section 116C.779, subdivision 1, is amended to read:

131.26 Subdivision 1. **Renewable development account.** (a) Except as provided in
131.27 subdivision 1a, the public utility that owns the Prairie Island nuclear generating plant
131.28 must transfer to a renewable development account \$500,000 each year for each dry cask
131.29 containing spent fuel that is located at the Prairie Island power plant for each year the plant
131.30 is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the
131.31 commission pursuant to paragraph (c). The fund transfer must be made if nuclear waste
131.32 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for
131.33 any part of a year.

131.34 (b) Except as provided in subdivision 1a, the public utility that owns the Monticello
131.35 nuclear generating plant must transfer to the renewable development account \$350,000
132.1 each year for each dry cask containing spent fuel that is located at the Monticello nuclear
132.2 power plant for each year the plant is in operation, and \$5,250,000 each year the plant is
132.3 not in operation if ordered by the commission pursuant to paragraph (c). The fund transfer
132.4 must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage
132.5 facility at Monticello for any part of a year.

132.6 (c) After discontinuation of operation of the Prairie Island nuclear plant or the
132.7 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
132.8 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
132.9 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
132.10 facility for any year in which the commission finds, by the preponderance of the evidence,
132.11 that the public utility did not make a good faith effort to remove the spent nuclear
132.12 fuel stored at the facility to a permanent or interim storage site out of the state. This
132.13 determination shall be made at least every two years.

132.14 (d) Funds in the account may be expended only for any of the following purposes:

132.15 (1) to increase the market penetration within the state of renewable electric energy
132.16 resources at reasonable costs;

132.17 (2) to promote the start-up, expansion, and attraction of renewable electric energy
132.18 projects and companies within the state;

132.19 (3) to stimulate research and development within the state into renewable electric
132.20 energy technologies; and

132.21 (4) to develop near-commercial and demonstration scale renewable electric projects
132.22 or near-commercial and demonstration scale electric infrastructure delivery projects if
132.23 those delivery projects enhance the delivery of renewable electric energy.

132.24 The utility that owns a nuclear generating plant is eligible to apply for renewable
132.25 development account grants.

132.26 (e) Expenditures authorized by this subdivision from the account may be made only
132.27 after approval by order of the Public Utilities Commission upon a petition by the public
132.28 utility. The commission may approve proposed expenditures, may disapprove proposed
132.29 expenditures that it finds to be not in compliance with this subdivision or otherwise
132.30 not in the public interest, and may, if agreed to by the public utility, modify proposed
132.31 expenditures. The commission may approve reasonable and necessary expenditures
132.32 for administering the account in an amount not to exceed five percent of expenditures.
132.33 Commission approval is not required for expenditures required under subdivisions 2
132.34 and 3, section 116C.7791, or other law.

132.35 (f) The account shall be managed by the public utility but the public utility must
132.36 consult about account expenditures with an advisory group that includes, among others,
133.1 representatives of its ratepayers. The commission may require that other interests be
133.2 represented on the advisory group. The advisory group must be consulted with respect to
133.3 the general scope of expenditures in designing a request for proposal and in evaluating
133.4 projects submitted in response to a request for proposals. In addition to consulting with the
133.5 advisory group, the public utility must utilize an independent third-party expert to evaluate
133.6 proposals submitted in response to a request for proposal, including all proposals made by
133.7 the public utility. A request for proposal for research and development under paragraph (d),
133.8 clause (3), may be limited to or include a request to higher education institutions located in
133.9 Minnesota for multiple projects authorized under paragraph (d), clause (3). The request for
133.10 multiple projects may include a provision that exempts the projects from the third-party
133.11 expert review and instead provides for project evaluation and selection by a merit peer
133.12 review grant system. The utility should attempt to reach agreement with the advisory
133.13 group after consulting with it but the utility has full and sole authority to determine which
133.14 expenditures shall be submitted to the commission for commission approval. In the
133.15 process of determining request for proposal scope and subject and in evaluating responses
133.16 to request for proposals, the public utility must strongly consider, where reasonable,
133.17 potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

133.18 (g) Funds in the account may not be directly appropriated by the legislature by a law
133.19 enacted after January 1, 2012, and unless appropriated by a law enacted prior to that date
133.20 may be expended only pursuant to an order of the commission according to this subdivision.

133.21 (h) A request for proposal for renewable energy generation projects must, when
133.22 feasible and reasonable, give preference to projects that are most cost-effective for a
133.23 particular energy source.

133.24 (i) The public utility must annually, by February 15, report to the chairs and ranking
133.25 minority members of the legislative committees with jurisdiction over energy policy on
133.26 projects funded by the account for the prior year and all previous years. The report must,
133.27 to the extent possible and reasonable, itemize the actual and projected financial benefit to
133.28 the public utility's ratepayers of each project.

133.29 (j) A project receiving funds from the account must produce a written final report
133.30 that includes sufficient detail for technical readers and a clearly written summary for
133.31 nontechnical readers. The report must include an evaluation of the project's financial,
133.32 environmental, and other benefits to the state and the public utility's ratepayers.

133.33 (k) Final reports, any mid-project status reports, and renewable development account
133.34 financial reports must be posted online on a public Web site designated by the commission.

134.1 (l) All final reports must acknowledge that the project was made possible in whole
134.2 or part by the Minnesota renewable development fund, noting that the fund is financed
134.3 by the public utility's ratepayers.

134.4 Sec. 4. Minnesota Statutes 2014, section 116C.779, is amended by adding a subdivision
134.5 to read:

134.6 Subd. 1a. **Payment termination.** (a) The commissioner shall track the cumulative
134.7 transfers made to the account each year since 1999 for each dry cask containing spent fuel
134.8 that is stored at an independent spent-fuel storage facility at Prairie Island or Monticello.
134.9 During the time when state law required the public utility to transfer a specific amount of
134.10 funds to the account for all the casks stored, the per-cask allocation shall be calculated by
134.11 dividing the total amount transferred by the number of casks stored that year.

134.12 (b) When the commissioner determines that the cumulative transfers calculated
134.13 under paragraph (a) for a specific cask reach \$10,000,000, the commissioner shall notify
134.14 the public utility that no additional transfers to the account for that cask shall be made.

134.15 (c) This subdivision does not affect any provisions of subdivision 1, paragraph (a) or
134.16 (b), with respect to transfers to the account made after a plant has ceased operation.

134.17 Sec. 5. Minnesota Statutes 2014, section 216A.03, subdivision 1, is amended to read:

134.18 Subdivision 1. **Members.** The Public Utilities Commission shall consist of ~~five~~ nine
134.19 members, ~~eight~~ of whom shall each represent one of the state's congressional districts, and
134.20 ~~one~~ member appointed at large. At the time of appointment, each member, except for the
134.21 ~~at-large~~ appointee, must reside in the congressional district the member is to represent.
134.22 The terms of members shall be six years and until their successors have been appointed
134.23 and qualified. Each commissioner shall be appointed by the governor by and with the
134.24 advice and consent of the senate. Not more than ~~three~~ five commissioners shall belong
134.25 to the same political party. ~~At least one commissioner must have been domiciled at the~~
134.26 ~~time of appointment outside the seven-county metropolitan area. If the membership of the~~
134.27 ~~commission after July 31, 1986, does not consist of at least one member domiciled at the~~
134.28 ~~time of appointment outside the seven-county metropolitan area, the membership shall~~
134.29 ~~conform to this requirement following normal attrition of the present commissioners.~~ The
134.30 governor when selecting commissioners shall give consideration to persons learned in the
134.31 law or persons who have engaged in the profession of engineering, public accounting,
134.32 property and utility valuation, finance, physical or natural sciences, production agriculture,
134.33 or natural resources as well as being representative of the general public.

135.1 For purposes of this subdivision, "seven-county metropolitan area" means Anoka,
135.2 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.

135.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

135.4 Sec. 6. Minnesota Statutes 2014, section 216A.03, is amended by adding a subdivision
135.5 to read:

135.6 Subd. 2a. **Transition.** (a) Until the governor has appointed commissioners from
135.7 each congressional district and one at-large commissioner, this subdivision governs
135.8 membership of the commission.

135.9 (b) Members of the commission as of July 1, 2016, shall continue to serve until the
135.10 expiration of their terms.

135.11 (c) No later than October 1, 2016, the governor shall appoint commissioners from
135.12 the first, seventh, and eighth congressional districts for terms to begin January 2, 2017.

135.13 (d) No later than October 1, 2018, the governor shall appoint a commissioner from
135.14 the second congressional district for a term to begin January 7, 2019.

135.15 (e) No later than October 1, 2019, the governor shall appoint commissioners from
135.16 the third, fourth, and fifth congressional districts for terms to begin January 6, 2020.

135.17 (f) No later than October 1, 2020, the governor shall appoint a commissioner from
135.18 the sixth congressional district for a term to begin January 4, 2021.

135.19 (g) No later than October 1, 2021, the governor shall appoint an at-large
135.20 commissioner for a term to begin January 3, 2022.

135.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

135.22 Sec. 7. Minnesota Statutes 2014, section 216B.1641, is amended to read:

135.23 **216B.1641 COMMUNITY SOLAR GARDEN.**

135.24 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a
135.25 plan with the commission to operate a community solar garden program which shall begin
135.26 operations within 90 days after commission approval of the plan. Other public utilities
135.27 may file an application at their election. The community solar garden program must be
135.28 designed to offset the energy use of not less than five subscribers in each community
135.29 solar garden facility of which no single subscriber has more than a 40 percent interest.
135.30 The owner of the community solar garden may be a public utility or any other entity or
135.31 organization that contracts to sell the output from the community solar garden to the
135.32 utility under section 216B.164. There shall be no limitation on the number or cumulative
136.1 generating capacity of community solar garden facilities other than the limitations imposed
136.2 under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

136.3 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
136.4 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for
136.5 the electricity generated in proportion to the size of their subscription. The solar garden
136.6 must have a nameplate capacity of no more than one megawatt. Each subscription shall be
136.7 sized to represent at least 200 watts of the community solar garden's generating capacity
136.8 and to supply, when combined with other distributed generation resources serving the
136.9 premises, no more than 120 percent of the average annual consumption of electricity by
136.10 each subscriber at the premises to which the subscription is attributed.

136.11 (c) The solar generation facility must be located in the service territory of the public
136.12 utility filing the plan. Subscribers must be retail customers of the public utility located in
136.13 the same county or a county contiguous to where the facility is located.

136.14 (d) The public utility must purchase from the community solar garden all energy
136.15 generated by the solar garden. The purchase shall be at the rate calculated under section
136.16 216B.164, subdivision 10, or, until that rate for the public utility has been approved by
136.17 the commission, the applicable retail rate. A solar garden is eligible for any incentive
136.18 programs offered under either section 116C.7792 or section 216C.415. A subscriber's
136.19 portion of the purchase shall be provided by a credit on the subscriber's bill.

136.20 (e) The commission may approve, disapprove, or modify a community solar garden
136.21 program. Any plan approved by the commission must:

136.22 (1) reasonably allow for the creation, financing, and accessibility of community
136.23 solar gardens;

136.24 (2) establish uniform standards, fees, and processes for the interconnection
136.25 of community solar garden facilities that allow the utility to recover reasonable
136.26 interconnection costs for each community solar garden;

136.27 (3) not apply different requirements to utility and nonutility community solar garden
136.28 facilities;

136.29 (4) be consistent with the public interest;

136.30 (5) identify the information that must be provided to potential subscribers to ensure
136.31 fair disclosure of future costs and benefits of subscriptions;

136.32 (6) include a program implementation schedule;

136.33 (7) identify all proposed rules, fees, and charges; ~~and~~

136.34 (8) identify the means by which the program will be promoted; ~~;~~

137.1 (9) certify that the utility and the owner of a solar garden will submit copies of all
137.2 marketing and promotional material and sample contracts to the commission, and that
137.3 the materials will be updated periodically;

137.4 (10) provide a mechanism for subscribers to transfer subscriptions to other new or
137.5 current subscribers;

137.6 (11) require an owner of a solar garden and the utility purchasing electricity
137.7 generated by the solar garden to forward customer complaints regarding the operation of
137.8 the solar garden to the commission; and

137.9 (12) reflect the commission's determination that:

137.10 (i) the plan is financially viable; and

137.11 (ii) the contract between a subscriber and the owner of a solar garden is fair,
137.12 reasonable, and not discriminatory.

137.13 (f) Notwithstanding any other law, neither the manager of nor the subscribers to a
137.14 community solar garden facility shall be considered a utility solely as a result of their
137.15 participation in the community solar garden facility.

137.16 (g) Within 180 days of commission approval of a plan under this section, a utility
137.17 shall begin crediting subscriber accounts for each community solar garden facility in
137.18 its service territory, and shall file with the commissioner of commerce a description of
137.19 its crediting system.

137.20 (h) For the purposes of this section, the following terms have the meanings given:

137.21 (1) "subscriber" means a retail customer of a utility who owns one or more
137.22 subscriptions of a community solar garden facility interconnected with that utility; and

137.23 (2) "subscription" means a contract between a subscriber and the owner of a solar
137.24 garden.

137.25 **EFFECTIVE DATE.** This section is effective the day following final enactment
137.26 and applies to any plan submitted to the commission for approval on or after that date.

137.27 Sec. 8. Minnesota Statutes 2014, section 216B.241, subdivision 1, is amended to read:

137.28 Subdivision 1. **Definitions.** For purposes of this section and section 216B.16,
137.29 subdivision 6b, the terms defined in this subdivision have the meanings given them.

137.30 (a) "Commission" means the Public Utilities Commission.

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

137.32 (c) "Department" means the Department of Commerce.

137.33 (d) "Energy conservation" means demand-side management of energy supplies
137.34 resulting in a net reduction in energy use. Load management that reduces overall energy
137.35 use is energy conservation.

138.1 (e) "Energy conservation improvement" means a project that results in energy
138.2 efficiency or energy conservation. Energy conservation improvement may include waste
138.3 heat that is recovered and converted into electricity, but does not include electric utility
138.4 infrastructure projects approved by the commission under section 216B.1636. Energy
138.5 conservation improvement also includes waste heat recovered and used as thermal energy.

138.6 (f) "Energy efficiency" means measures or programs, including energy conservation
138.7 measures or programs, that target consumer behavior, equipment, processes, or devices
138.8 designed to produce either an absolute decrease in consumption of electric energy or natural
138.9 gas or a decrease in consumption of electric energy or natural gas on a per unit of production
138.10 basis without a reduction in the quality or level of service provided to the energy consumer.

138.11 (g) "Gross annual retail energy sales" means annual electric sales to all retail
138.12 customers in a utility's or association's Minnesota service territory or natural gas
138.13 throughput to all retail customers, including natural gas transportation customers, on a
138.14 utility's distribution system in Minnesota. For purposes of this section, gross annual
138.15 retail energy sales exclude:

138.16 (1) gas sales to:

138.17 (i) a large energy facility;

138.18 (ii) a large customer facility whose natural gas utility has been exempted by the
138.19 commissioner under subdivision 1a, paragraph (b), with respect to natural gas sales made
138.20 to the large customer facility; ~~and~~

138.21 (iii) a commercial gas customer facility whose natural gas utility has been exempted
138.22 by the commissioner under subdivision 1a, paragraph (c), with respect to natural gas sales
138.23 made to the commercial gas customer facility; and

138.24 (iv) a pipeline facility; and

138.25 (2) electric sales to:

138.26 (i) a large customer facility whose electric utility has been exempted by the
138.27 commissioner under subdivision 1a, paragraph (b), with respect to electric sales made to
138.28 the large customer facility; and

138.29 (ii) a pipeline facility.

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

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

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

139.4 (i) "Large customer facility" means all buildings, structures, equipment, and
139.5 installations at a single site that collectively (1) impose a peak electrical demand on an
139.6 electric utility's system of not less than 20,000 kilowatts, measured in the same way as the
139.7 utility that serves the customer facility measures electrical demand for billing purposes or
139.8 (2) consume not less than 500 million cubic feet of natural gas annually. In calculating
139.9 peak electrical demand, a large customer facility may include demand offset by on-site
139.10 cogeneration facilities and, if engaged in mineral extraction, may aggregate peak energy
139.11 demand from the large customer facility's mining and processing operations.

139.12 (j) "Large energy facility" has the meaning given it in section 216B.2421,
139.13 subdivision 2, clause (1).

139.14 (k) "Load management" means an activity, service, or technology to change the
139.15 timing or the efficiency of a customer's use of energy that allows a utility or a customer to
139.16 respond to wholesale market fluctuations or to reduce peak demand for energy or capacity.

139.17 (l) "Low-income programs" means energy conservation improvement programs that
139.18 directly serve the needs of low-income persons, including low-income renters.

139.19 (m) "Petroleum products" has the meaning given in section 296A.01, subdivision 42,
139.20 and includes propane, as defined in section 216B.02, subdivision 3a.

139.21 (n) "Pipeline facility" means a pipeline located within Minnesota with a diameter of
139.22 six inches or greater and through which natural gas, petroleum, or petroleum products are
139.23 transported under pressure to a utility, petroleum refinery, or other wholesale customer.
139.24 Pipeline facility includes natural gas compressor stations, petroleum pumping stations,
139.25 and other facilities necessary to physically transport fuel through a pipeline to a wholesale
139.26 customer, but does not include facilities used to transport natural gas, petroleum, or
139.27 petroleum products within a petroleum refinery, storage, or manufacturing facility.

139.28 (o) "Qualifying utility" means a utility that supplies the energy to a customer that
139.29 enables the customer to qualify as a large customer facility.

139.30 ~~(n)~~ (p) "Waste heat recovered and used as thermal energy" means capturing
139.31 heat energy that would otherwise be exhausted or dissipated to the environment from
139.32 machinery, buildings, or industrial processes and productively using such recovered
139.33 thermal energy where it was captured or distributing it as thermal energy to other locations
139.34 where it is used to reduce demand-side consumption of natural gas, electric energy, or both.

139.35 ~~(o)~~ (q) "Waste heat recovery converted into electricity" means an energy recovery
139.36 process that converts otherwise lost energy from the heat of exhaust stacks or pipes used
140.1 for engines or manufacturing or industrial processes, or the reduction of high pressure
140.2 in water or gas pipelines.

140.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

140.4 Sec. 9. Minnesota Statutes 2014, section 216B.241, subdivision 1a, is amended to read:

140.5 Subd. 1a. **Investment, expenditure, and contribution; public utility.** (a) For
140.6 purposes of this subdivision and subdivision 2, "public utility" has the meaning given it
140.7 in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy
140.8 conservation improvements under this subdivision and subdivision 2 the following
140.9 amounts:

140.10 (1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues
140.11 from service provided in the state;

140.12 (2) for a utility that furnishes electric service, 1.5 percent of its gross operating
140.13 revenues from service provided in the state; and

140.14 (3) for a utility that furnishes electric service and that operates a nuclear-powered
140.15 electric generating plant within the state, two percent of its gross operating revenues
140.16 from service provided in the state.

140.17 For purposes of this paragraph (a), "gross operating revenues" do not include
140.18 revenues from large customer facilities exempted under paragraph (b), ~~or~~ from commercial
140.19 gas customers that are exempted under paragraph (c) or (e), or from a customer that is
140.20 a pipeline facility.

140.21 (b) The owner of a large customer facility may petition the commissioner to exempt
140.22 both electric and gas utilities serving the large customer facility from the investment and
140.23 expenditure requirements of paragraph (a) with respect to retail revenues attributable to
140.24 the large customer facility. The filing must include a discussion of the competitive or
140.25 economic pressures facing the owner of the facility and the efforts taken by the owner
140.26 to identify, evaluate, and implement energy conservation and efficiency improvements.
140.27 A filing submitted on or before October 1 of any year must be approved within 90 days
140.28 and become effective January 1 of the year following the filing, unless the commissioner
140.29 finds that the owner of the large customer facility has failed to take reasonable measures
140.30 to identify, evaluate, and implement energy conservation and efficiency improvements.
140.31 If a facility qualifies as a large customer facility solely due to its peak electrical demand
140.32 or annual natural gas usage, the exemption may be limited to the qualifying utility if
140.33 the commissioner finds that the owner of the large customer facility has failed to take
140.34 reasonable measures to identify, evaluate, and implement energy conservation and
140.35 efficiency improvements with respect to the nonqualifying utility. Once an exemption is
141.1 approved, the commissioner may request the owner of a large customer facility to submit,
141.2 not more often than once every five years, a report demonstrating the large customer
141.3 facility's ongoing commitment to energy conservation and efficiency improvement after
141.4 the exemption filing. The commissioner may request such reports for up to ten years after

141.5 the effective date of the exemption, unless the majority ownership of the large customer
141.6 facility changes, in which case the commissioner may request additional reports for up to
141.7 ten years after the change in ownership occurs. The commissioner may, within 180 days
141.8 of receiving a report submitted under this paragraph, rescind any exemption granted under
141.9 this paragraph upon a determination that the large customer facility is not continuing
141.10 to make reasonable efforts to identify, evaluate, and implement energy conservation
141.11 improvements. A large customer facility that is, under an order from the commissioner,
141.12 exempt from the investment and expenditure requirements of paragraph (a) as of
141.13 December 31, 2010, is not required to submit a report to retain its exempt status, except as
141.14 otherwise provided in this paragraph with respect to ownership changes. No exempt large
141.15 customer facility may participate in a utility conservation improvement program unless the
141.16 owner of the facility submits a filing with the commissioner to withdraw its exemption.

141.17 (c) A commercial gas customer that is not a large customer facility and that
141.18 purchases or acquires natural gas from a public utility having fewer than 600,000 natural
141.19 gas customers in Minnesota may petition the commissioner to exempt gas utilities serving
141.20 the commercial gas customer from the investment and expenditure requirements of
141.21 paragraph (a) with respect to retail revenues attributable to the commercial gas customer.
141.22 The petition must be supported by evidence demonstrating that the commercial gas
141.23 customer has acquired or can reasonably acquire the capability to bypass use of the utility's
141.24 gas distribution system by obtaining natural gas directly from a supplier not regulated by
141.25 the commission. The commissioner shall grant the exemption if the commissioner finds
141.26 that the petitioner has made the demonstration required by this paragraph.

141.27 (d) The commissioner may require investments or spending greater than the amounts
141.28 required under this subdivision for a public utility whose most recent advance forecast
141.29 required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100
141.30 megawatts or greater within five years under midrange forecast assumptions.

141.31 (e) A public utility or owner of a large customer facility may appeal a decision of the
141.32 commissioner under paragraph (b), (c), or (d) to the commission under subdivision 2. In
141.33 reviewing a decision of the commissioner under paragraph (b), (c), or (d), the commission
141.34 shall rescind the decision if it finds that the required investments or spending will:

141.35 (1) not result in cost-effective energy conservation improvements; or

141.36 (2) otherwise not be in the public interest.

142.1 (f) No pipeline facility may participate in a utility conservation improvement
142.2 program.

142.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

142.4 Sec. 10. Minnesota Statutes 2014, section 216B.241, subdivision 1c, is amended to read:

142.5 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving
 142.6 goals for energy conservation improvement expenditures and shall evaluate an energy
 142.7 conservation improvement program on how well it meets the goals set.

142.8 (b) Each individual utility and association shall have an annual energy-savings
 142.9 goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the
 142.10 commissioner under paragraph (d). The savings goals must be calculated based on the
 142.11 most recent three-year weather-normalized average. A utility or association may elect to
 142.12 carry forward energy savings in excess of 1.5 percent for a year to the succeeding three
 142.13 calendar years, except that savings from electric utility infrastructure projects allowed
 142.14 under paragraph (d) may be carried forward for five years. A particular energy savings can
 142.15 be used only for one year's goal.

142.16 (c) The commissioner must adopt a filing schedule that is designed to have all
 142.17 utilities and associations operating under an energy-savings plan by calendar year 2010.

142.18 (d) In its energy conservation improvement plan filing, a utility or association may
 142.19 request the commissioner to adjust its annual energy-savings percentage goal based on
 142.20 its historical conservation investment experience, customer class makeup, load growth, a
 142.21 conservation potential study, or other factors the ~~commissioner determines warrants utility~~
 142.22 or association asserts warrant an adjustment. The commissioner:

142.23 (1) must approve a request by a municipal utility or cooperative electric association
 142.24 to adjust the utility's or association's annual energy-savings goal;

142.25 (2) may approve a request from a public utility to adjust its annual energy-savings
 142.26 goal; and

142.27 (3) may not approve is prohibited from approving a plan of a public utility that
 142.28 provides for an annual energy-savings goal of less than one percent of gross annual retail
 142.29 energy sales from energy conservation improvements.

142.30 A ~~public utility or association~~ may include in its energy conservation plan energy
 142.31 savings from electric utility infrastructure projects approved by the commission under
 142.32 section 216B.1636 or waste heat recovery converted into electricity projects ~~that, each of~~
 142.33 which may count as energy savings only in addition to a minimum energy-savings goal of
 142.34 at least one percent for energy conservation improvements. Energy savings from electric
 142.35 utility infrastructure projects, as defined in section 216B.1636, may be included in the
 143.1 energy conservation plan of a municipal utility or cooperative electric association. Electric
 143.2 utility infrastructure projects must result in increased energy efficiency greater than that
 143.3 which would have occurred through normal maintenance activity.

143.4 (e) An energy-savings goal is not satisfied by attaining the revenue expenditure
 143.5 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the
 143.6 energy-savings goal established in this subdivision.

143.7 (f) An association or utility is not required to make energy conservation investments
143.8 to attain the energy-savings goals of this subdivision that are not cost-effective even
143.9 if the investment is necessary to attain the energy-savings goals. For the purpose of
143.10 this paragraph, in determining cost-effectiveness, the commissioner shall consider the
143.11 costs and benefits to ratepayers, the utility, participants, and society. In addition, the
143.12 commissioner shall consider the rate at which an association or municipal utility is
143.13 increasing its energy savings and its expenditures on energy conservation.

143.14 (g) On an annual basis, the commissioner shall produce and make publicly available
143.15 a report on the annual energy savings and estimated carbon dioxide reductions achieved
143.16 by the energy conservation improvement programs for the two most recent years for
143.17 which data is available. The commissioner shall report on program performance both in
143.18 the aggregate and for each entity filing an energy conservation improvement plan for
143.19 approval or review by the commissioner.

143.20 (h) By January 15, 2010, the commissioner shall report to the legislature whether
143.21 the spending requirements under subdivisions 1a and 1b are necessary to achieve the
143.22 energy-savings goals established in this subdivision.

143.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

169.4 Sec. 9. Minnesota Statutes 2014, section 216B.2424, subdivision 5a, is amended to read:

169.5 Subd. 5a. **Reduction of biomass mandate.** (a) Notwithstanding subdivision 5, the
169.6 biomass electric energy mandate must be reduced from 125 megawatts to 110 megawatts.

169.7 (b) The Public Utilities Commission shall approve a request pending before the
169.8 commission as of May 15, 2003, for amendments to and assignment of a power purchase
169.9 agreement with the owner of a facility that uses short-rotation, woody crops as its primary
169.10 fuel previously approved to satisfy a portion of the biomass mandate if the owner of
169.11 the project agrees to reduce the size of its project from 50 megawatts to 35 megawatts,
169.12 while maintaining an average price for energy in nominal dollars measured over the term
169.13 of the power purchase agreement at or below \$104 per megawatt-hour, exclusive of any
169.14 price adjustments that may take effect subsequent to commission approval of the power
169.15 purchase agreement, as amended. The commission shall also approve, as necessary, any
169.16 subsequent assignment or sale of the power purchase agreement or ownership of the
169.17 project to an entity owned or controlled, directly or indirectly, by two municipal utilities
169.18 located north of Constitutional Route No. 8, as described in section 161.114, which
169.19 currently own electric and steam generation facilities using coal as a fuel and which
169.20 propose to retrofit their existing municipal electrical generating facilities to utilize biomass
169.21 fuels in order to perform the power purchase agreement.

169.22 (c) If the power purchase agreement described in paragraph (b) is assigned to an
169.23 entity that is, or becomes, owned or controlled, directly or indirectly, by two municipal
169.24 entities as described in paragraph (b), and the power purchase agreement meets the
169.25 price requirements of paragraph (b), the commission shall approve any amendments to
169.26 the power purchase agreement necessary to reflect the changes in project location and
169.27 ownership and any other amendments made necessary by those changes. The commission
169.28 shall also specifically find that:

169.29 (1) the power purchase agreement complies with and fully satisfies the provisions of
169.30 this section to the full extent of its 35-megawatt capacity;

169.31 (2) all costs incurred by the public utility and all amounts to be paid by the public
169.32 utility to the project owner under the terms of the power purchase agreement are fully
169.33 recoverable pursuant to section 216B.1645;

170.1 (3) subject to prudence review by the commission, the public utility may recover
170.2 from its Minnesota retail customers the amounts that may be incurred and paid by the
170.3 public utility during the full term of the power purchase agreement; and

170.4 (4) if the purchase power agreement meets the requirements of this subdivision,
170.5 it is reasonable and in the public interest.

170.6 (d) The commission shall specifically approve recovery by the public utility of
170.7 any and all Minnesota jurisdictional costs incurred by the public utility to improve,
170.8 construct, install, or upgrade transmission, distribution, or other electrical facilities owned
170.9 by the public utility or other persons in order to permit interconnection of the retrofitted
170.10 biomass-fueled generating facilities or to obtain transmission service for the energy
170.11 provided by the facilities to the public utility pursuant to section 216B.1645, and shall
170.12 disapprove any provision in the power purchase agreement that requires the developer
170.13 or owner of the project to pay the jurisdictional costs or that permit the public utility to
170.14 terminate the power purchase agreement as a result of the existence of those costs or the
170.15 public utility's obligation to pay any or all of those costs.

170.16 (e) Upon request by the project owner, the public utility shall agree to amend the
170.17 power purchase agreement described in paragraph (b) and approved by the commission
170.18 as required by paragraph (c). The amendment must be negotiated and executed within
170.19 45 days of May 14, 2013, and must apply to prices paid after January 1, 2014. The
170.20 average price for energy in nominal dollars measured over the term of the power purchase
170.21 agreement must not exceed \$109.20 per megawatt hour. The public utility shall request
170.22 approval of the amendment by the commission within 30 days of execution of the
170.23 amended power purchase agreement. The amendment is not effective until approval
170.24 by the commission. The commission shall act on the amendment within 90 days of
170.25 submission of the request by the public utility. Upon approval of the amended power
170.26 purchase agreement, the commission shall allow the public utility to recover the costs of
170.27 the amended power purchase agreement, as provided in section 216B.1645.

170.28 (f) With respect to the power purchase agreement described in paragraph (b), and
170.29 amended and approved by the commission pursuant to paragraphs (c) and (e), upon
170.30 request by the project owner, the public utility shall agree to amend the power purchase
170.31 agreement to include a fuel cost adjustment clause which requires the public utility to
170.32 reimburse the project owner monthly for all costs incurred by the project owner during
170.33 the applicable month to procure and transport all fuel used to produce energy for delivery
170.34 to the public utility pursuant to the power purchase agreement to the extent such costs
170.35 exceeded \$3.40 per million metric British thermal unit (MMBTU), in addition to the price
170.36 to be paid for the energy produced and delivered by the project owner. Reimbursable
171.1 costs include but are not limited to: (1) all costs incurred to load fuel at its source; (2)
171.2 costs to transport fuel (i) to the biomass-fueled generating facilities or to an intermediate
171.3 woodyard, storage facility, or handling facility, or (ii) from a facility to the biomass-fueled
171.4 generating facilities; (3) depreciation of any depreciable loading, woodyard, storage,
171.5 handling, or transportation equipment whether the vehicle or equipment is located at the
171.6 fuel source, a woodyard, storage facility, handling facility, or at the generating facilities;
171.7 and (4) costs to unload fuel at the generating facilities. Beginning with 2014, at the end of
171.8 each calendar year of the term of the power purchase agreement, the project owner shall
171.9 calculate the amount by which actual fuel costs for the year exceeded \$3.40 per MMBTU,
171.10 and prior monthly payment for such fuel costs shall be reconciled against actual fuel costs
171.11 for the applicable calendar year. If such prior monthly fuel payments for the year in the
171.12 aggregate exceed the amount due based on the annual calculation, the project owner shall
171.13 credit the public utility for the excess paid. If the annual calculation of fuel costs due
171.14 exceeds the prior monthly fuel payments for the year in the aggregate, the project owner
171.15 shall be entitled to be paid for the deficiency with the next invoice to the public utility.
171.16 The amendment shall be negotiated and executed within 45 days of May 13, 2013, and
171.17 shall be effective for fuel costs incurred and prices after January 1, 2014. The public
171.18 utility shall request approval of the amendment by the commission, and the commission
171.19 shall approve the amendment as reasonable and in the public interest and allow the public
171.20 utility to recover from its Minnesota retail customers the amounts paid by the public utility
171.21 to the project owner pursuant to the power purchase agreement during the full term of
171.22 the power purchase agreement, including the reimbursement of fuel costs pursuant to the
171.23 power purchase agreement amendment, reimbursable costs as provided in this paragraph,
171.24 pursuant to section 216B.1645, or otherwise.

171.25 (g) With respect to the power purchase agreement described in paragraph (b) and
 171.26 approved by the commission pursuant to paragraphs (c) and (e), the public utility is
 171.27 prohibited from recovering from the project owner any costs which were not actually and
 171.28 reasonably incurred by the utility, notwithstanding any provision in the power purchase
 171.29 agreement to the contrary. In addition, beginning with 2012, the public utility shall pay for
 171.30 all energy delivered by the project owner pursuant to the power purchase agreement at
 171.31 the full price for such energy in the power purchase agreement approved and amended
 171.32 pursuant to paragraph (e), provided that the project owner does not deliver more than
 171.33 110 percent of the amount scheduled for delivery in any year of the power purchase
 171.34 agreement, and does not deliver, on average over any five consecutive years of the power
 171.35 purchase agreement, an amount greater than 105 percent of the amount scheduled for
 171.36 delivery over the five-year period.

172.1 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2014.

143.24 Sec. 11. Minnesota Statutes 2014, section 216B.243, subdivision 8, is amended to read:

143.25 Subd. 8. **Exemptions.** This section does not apply to:

143.26 (1) cogeneration or small power production facilities as defined in the Federal Power
 143.27 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
 143.28 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
 143.29 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
 143.30 any case where the commission has determined after being advised by the attorney general
 143.31 that its application has been preempted by federal law;

143.32 (2) a high-voltage transmission line proposed primarily to distribute electricity to
 143.33 serve the demand of a single customer at a single location, unless the applicant opts to
 143.34 request that the commission determine need under this section or section 216B.2425;

144.1 (3) the upgrade to a higher voltage of an existing transmission line that serves the
 144.2 demand of a single customer that primarily uses existing rights-of-way, unless the applicant
 144.3 opts to request that the commission determine need under this section or section 216B.2425;

144.4 (4) a high-voltage transmission line of one mile or less required to connect a new or
 144.5 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

144.6 (5) conversion of the fuel source of an existing electric generating plant to using
 144.7 natural gas;

144.8 (6) the modification of an existing electric generating plant to increase efficiency,
 144.9 as long as the capacity of the plant is not increased more than ten percent or more than
 144.10 100 megawatts, whichever is greater; or

144.11 (7) a wind energy conversion system or solar electric generation facility if the system
 144.12 or facility is owned and operated by an independent power producer and the electric output
 144.13 of the system or facility is not sold to an entity that provides retail service in Minnesota
 144.14 or wholesale electric service to another entity in Minnesota other than an entity that is a
 144.15 federally recognized regional transmission organization or independent system operator; or
 144.16 (8) an interstate pipeline traversing Minnesota whose termini lie outside the state.

144.17 **EFFECTIVE DATE.** This section is effective the day following final enactment
 144.18 and applies to (1) a pipeline that has not filed a certificate of need application before the
 144.19 effective date of this section, and (2) a pipeline that has a certificate of need application
 144.20 pending before the commission on the effective date of this section.

172.2 Sec. 10. Minnesota Statutes 2014, section 216B.62, subdivision 2, is amended to read:

172.3 Subd. 2. **Assessing specific utility.** Whenever the commission or department, in a
 172.4 proceeding upon its own motion, on complaint, or upon an application to it, shall deem it
 172.5 necessary, in order to carry out the duties imposed under this chapter (1) to investigate the
 172.6 books, accounts, practices, and activities of, or make appraisals of the property of, any
 172.7 public utility, (2) to render any engineering or accounting services to any public utility, or
 172.8 (3) to intervene before an energy regulatory agency, the public utility shall pay the expenses
 172.9 reasonably attributable to the investigation, appraisal, service, or intervention. The
 172.10 commission and department shall ascertain the expenses, and the department shall render
 172.11 a bill therefor to the public utility, either at the conclusion of the investigation, appraisal,
 172.12 or services, or from time to time during its progress, which bill shall constitute notice of
 172.13 the assessment and a demand for payment. The amount of the bills so rendered by the
 172.14 department shall be paid by the public utility into the state treasury within 30 days from the
 172.15 date of rendition. The total amount, in any one calendar year, for which any public utility
 172.16 shall become liable, by reason of costs incurred by the commission within that calendar
 172.17 year, shall not exceed two-fifths of one percent of the gross operating revenue from retail
 172.18 sales of gas, or electric service by the public utility within the state in the last preceding
 172.19 calendar year. Where, pursuant to this subdivision, costs are incurred within any calendar
 172.20 year which are in excess of two-fifths of one percent of the gross operating revenues, the
 172.21 excess costs shall not be chargeable as part of the remainder under subdivision 3, but shall
 172.22 be paid out of the general appropriation or special revenue fund to the department and
 172.23 commission. In the case of public utilities offering more than one public utility service
 172.24 only the gross operating revenues from the public utility service in connection with which
 172.25 the investigation is being conducted shall be considered when determining this limitation.

172.26 Sec. 11. Minnesota Statutes 2014, section 216B.62, is amended by adding a subdivision
 172.27 to read:

172.28 Subd. 9. **Utility assessment account; appropriation.** The utility assessment
 172.29 account is created as a separate account in the special revenue fund in the state treasury.
 172.30 Funds received by the department for the assessment of costs related to the energy
 172.31 planning and advocacy unit under subdivisions 2 and 3 must be deposited into this
 172.32 account and are annually appropriated to the commissioner of commerce. Earnings,
 172.33 such as interest, dividends, and any other earnings arising from account assets, must be
 172.34 credited to the account. Assessments dated June 1, 2016, or later will be paid into the
 173.1 utility assessment account. The amount assessed under this subdivision may not exceed
 173.2 \$3,000,000 in a fiscal year.

144.21 Sec. 12. Minnesota Statutes 2014, section 216C.20, subdivision 3, is amended to read:

144.22 Subd. 3. **Parking ramp.** No enclosed structure or portion of an enclosed structure
 144.23 constructed after January 1, 1978, and used primarily as a commercial parking facility for
 144.24 three or more motor vehicles shall be heated. Incidental heating resulting from building
 144.25 exhaust air passing through a parking facility shall not be prohibited, provided that
 144.26 substantially all useful heat has previously been removed from the air. The commissioner
 144.27 of commerce may grant an exemption from this subdivision if the commercial parking is
 144.28 integrated within a facility that has both public and private uses, the benefits to taxpayers
 144.29 of the exemption exceed the costs, and all appropriate energy efficiency measures have
 144.30 been considered.

144.31 Sec. 13. **[216E.023] PROHIBITION; SITING SOLAR SYSTEM; TREE**
 144.32 **CUTTING.**

144.33 No state or local site permit may be issued for a solar energy generating system that
 144.34 would contribute to meeting the requirements of section 216B.1691, subdivision 2f, or
 145.1 that is governed under section 216B.1641, if the solar energy generating system is to be
 145.2 sited at a location where more than 75 percent of the trees standing in an area exceeding
 145.3 three acres are proposed to be cut in order to accommodate construction of the solar
 145.4 energy generating system.

145.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

145.6 Sec. 14. Minnesota Statutes 2014, section 216E.03, subdivision 5, is amended to read:

145.7 Subd. 5. **Environmental review.** (a) The commissioner of the Department of
145.8 Commerce shall prepare for the commission an environmental impact statement on each
145.9 proposed large electric generating plant or high-voltage transmission line for which a
145.10 complete application has been submitted. The commissioner shall not consider whether
145.11 or not the project is needed. No other state environmental review documents shall be
145.12 required. The commissioner shall study and evaluate any site or route proposed by an
145.13 applicant and any other site or route the commission deems necessary that was proposed in
145.14 a manner consistent with rules concerning the form, content, and timeliness of proposals
145.15 for alternate sites or routes.

145.16 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is
145.17 a large electric power generating plant and is not proposed by a utility, the commissioner
145.18 must make a finding in the environmental impact statement whether the project is likely to
145.19 result in a net reduction of carbon dioxide emissions, considering both the utility providing
145.20 electric service to the proposed cogeneration facility and any reduction in carbon dioxide
145.21 emissions as a result of increased efficiency from the production of thermal energy on the
145.22 part of the customer operating or owning the proposed cogeneration facility.

145.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

145.24 Sec. 15. Minnesota Statutes 2014, section 216H.01, is amended by adding a
145.25 subdivision to read:

145.26 Subd. 1a. **Cogeneration facility or combined heat and power facility.**

145.27 "Cogeneration facility" or "combined heat and power facility" means a facility that:

145.28 (1) has the meaning given in United States Code, title 16, section 796, clause (18),
145.29 paragraph (A); and

145.30 (2) meets the applicable operating and efficiency standards contained in Code of
145.31 Federal Regulations, title 18, part 292.205.

145.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

146.1 Sec. 16. Minnesota Statutes 2014, section 216H.03, subdivision 1, is amended to read:

146.2 Subdivision 1. **Definition; new large energy facility.** For the purpose of this
 146.3 section, "new large energy facility" means a large energy facility, as defined in section
 146.4 216B.2421, subdivision 2, clause (1), that is not in operation as of January 1, 2007, but
 146.5 does not include a facility that (1) uses natural gas as a primary fuel, (2) is a cogeneration
 146.6 facility or combined heat and power facility located in the electric service area of a public
 146.7 utility, as defined in section 216B.02, subdivision 4, or is designed to provide peaking,
 146.8 intermediate, emergency backup, or contingency services, (3) uses a simple cycle or
 146.9 combined cycle turbine technology, and (4) is capable of achieving full load operations
 146.10 within 45 minutes of startup for a simple cycle facility, or is capable of achieving
 146.11 minimum load operations within 185 minutes of startup for a combined cycle facility.

146.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

173.3 Sec. 12. Minnesota Statutes 2014, section 297H.13, subdivision 2, is amended to read:

173.4 Subd. 2. **Allocation of revenues.** (a) \$33,760,000, ~~or 70 percent, whichever is~~
 173.5 ~~greater,~~ Of the amounts remitted under this chapter, 75 percent in fiscal years 2017
 173.6 and 2018, and 80 percent in fiscal year 2019 and thereafter, must be credited to the
 173.7 environmental fund established in section 16A.531, subdivision 1.

173.8 (b) The remainder must be deposited into the general fund.

173.9 Sec. 13. Minnesota Statutes 2014, section 473.845, subdivision 1, is amended to read:

173.10 Subdivision 1. **Establishment.** The metropolitan landfill contingency action trust
 173.11 account is an expendable trust account in the remediation fund. The account consists
 173.12 of revenue deposited in the account under section 473.843, subdivision 2, clause (2);
 173.13 amounts recovered under subdivision 7; and interest earned on investment of money in
 173.14 the account. The account must be managed to maximize long-term gain through the
 173.15 State Board of Investment.

173.16 Sec. 14. Laws 2014, chapter 198, article 2, section 2, the effective date, is amended to
 173.17 read:

146.13 Sec. 17. Laws 2001, chapter 130, section 3, is amended to read:

146.14 Sec. 3. **ASSESSMENT.**

146.15 A propane education and research council, established and certified pursuant to
 146.16 section 2, may assess propane producers and retail marketers an amount not to exceed ~~one~~
 146.17 ~~mill~~ the maximum assessment authorized in United States Code, title 15, section 6405(a),
 146.18 per gallon of odorized propane in a manner established by the council in compliance with
 146.19 United States Code, title 15, section 6405, subsections (a) to (c). Propane producers and
 146.20 retail marketers shall be responsible for the amounts assessed.

173.18 **EFFECTIVE DATE; APPLICATION.** This section is effective ~~July 1, 2015~~
 173.19 January 1, 2016, and applies to applications for reimbursement on or after that date.

173.20 **EFFECTIVE DATE.** This section is effective retroactively from May 5, 2014.

173.21 Sec. 15. Laws 2015, First Special Session chapter 1, article 1, section 8, subdivision 1,
 173.22 is amended to read:

173.23				34,073,000
173.24	Subdivision 1. Total Appropriation	\$	34,003,000	\$ <u>32,073,000</u>

173.25 Appropriations by Fund

173.26	2016	2017
173.27		31,030,000
173.28	General 30,960,000	<u>29,030,000</u>
173.29	Special Revenue 1,240,000	1,240,000
173.30	Petroleum Tank 1,052,000	1,052,000
173.31	Workers'	
173.32	Compensation 751,000	751,000

174.1 The amounts that may be spent for each
 174.2 purpose are specified in the following
 174.3 subdivisions.

174.4 Sec. 16. Laws 2015, First Special Session chapter 1, article 1, section 8, subdivision 7,
 174.5 is amended to read:

174.6			<u>3,845,000</u>
174.7 Subd. 7. Energy Resources	3,848,000		<u>1,845,000</u>

174.8 \$150,000 each year is for grants to
 174.9 providers of low-income weatherization
 174.10 services to install renewable energy
 174.11 equipment in households that are eligible for
 174.12 weatherization assistance under Minnesota's
 174.13 weatherization assistance program state
 174.14 plan as provided for in Minnesota Statutes,
 174.15 section 216C.264.

174.16 \$424,000 in fiscal year 2016 and \$430,000
 174.17 in fiscal year 2017 are for costs associated
 174.18 with competitive rates for energy-intensive,
 174.19 trade-exposed electric utility customers.
 174.20 All general fund appropriations for costs
 174.21 associated with competitive rates for
 174.22 energy-intensive, trade-exposed electric
 174.23 utility customers are recovered through
 174.24 assessments under Minnesota Statutes,
 174.25 section 216B.62.

174.26 Sec. 17. Laws 2015, First Special Session chapter 1, article 1, section 9, is amended to
 174.27 read:

174.28		6,966,000	6,930,000
174.29 Sec. 9. PUBLIC UTILITIES COMMISSION	\$	<u>7,191,000</u>	\$ <u>7,587,000</u>

62.15 Sec. 8. <u>PUBLIC UTILITIES COMMISSION</u>	\$	<u>-0-</u>	\$	<u>(56,000)</u>
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62.16 (a) Of the amount appropriated, \$112,000
 62.17 in fiscal year 2017 is from the general
 62.18 fund for costs related to implementation
 62.19 of solar energy standards and community
 62.20 solar garden requirements under Laws
 62.21 2013, chapter 85, and Laws 2015, First
 62.22 Special Session chapter 1, article 3. This
 62.23 appropriation is not subject to assessment
 62.24 under Minnesota Statutes, section 216B.62.

62.25 (b) Of the amount in fiscal year 2017,
 62.26 \$375,000 is a onetime reduction in the general
 62.27 fund appropriation for telecommunications
 62.28 regulation.

174.30 The general fund base for the Public Utilities
 174.31 Commission is \$7,465,000 in fiscal year
 174.32 2018 and \$7,465,000 in fiscal year 2019.

62.29 (c) Of the amount appropriated in fiscal year
 62.30 2017, \$207,000 is from the general fund for
 62.31 expenses related to additional Public Utilities
 62.32 Commission members.

63.1 (d) The base funding for the Public Utilities
 63.2 Commission is \$7,155,000 in fiscal year
 63.3 2018 and \$7,160,000 in fiscal year 2019.

174.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

175.1 Sec. 18. Laws 2015, First Special Session chapter 4, article 3, section 2, subdivision 4,
 175.2 is amended to read:

175.3 Subd. 4. **Land** 21,663,000 18,584,000

175.4 Appropriations by Fund

175.5 2016 2017

175.6 General 3,368,000 -0-

175.7 Environmental 7,031,000 7,150,000

175.8 Remediation 11,264,000 11,434,000

175.9 All money for environmental response,
175.10 compensation, and compliance in the
175.11 remediation fund not otherwise appropriated
175.12 is appropriated to the commissioners of the
175.13 Pollution Control Agency and agriculture
175.14 for purposes of Minnesota Statutes, section
175.15 115B.20, subdivision 2, clauses (1), (2),
175.16 (3), (6), and (7). At the beginning of each
175.17 fiscal year, the two commissioners shall
175.18 jointly submit an annual spending plan
175.19 to the commissioner of management and
175.20 budget that maximizes the utilization of
175.21 resources and appropriately allocates the
175.22 money between the two departments. This
175.23 appropriation is available until June 30, 2017.

175.24 \$4,279,000 the first year and \$4,343,000 the
175.25 second year are from the remediation fund
175.26 for purposes of the leaking underground
175.27 storage tank program to investigate, clean up,
175.28 and prevent future releases from underground
175.29 petroleum storage tanks, and to the petroleum
175.30 remediation program for purposes of vapor
175.31 assessment and remediation. These same
175.32 annual amounts are transferred from the
175.33 petroleum tank fund to the remediation fund.

175.34 \$252,000 the first year and \$252,000 the
175.35 second year are from the remediation fund
175.36 for transfer to the commissioner of health for
176.1 private water supply monitoring and health
176.2 assessment costs in areas contaminated
176.3 by unpermitted mixed municipal solid
176.4 waste disposal facilities and drinking water
176.5 advisories and public information activities
176.6 for areas contaminated by hazardous releases.

176.7 \$868,000 the first year is from the general
176.8 fund for a grant to the city of Mountain Iron
176.9 for remediation of the abandoned wastewater
176.10 treatment pond of the former Nichols
176.11 Township. This is a onetime appropriation
176.12 that is available until June 30, 2019. This
176.13 appropriation is effective December 1, 2015.

176.14 Up to \$2,500,000 the first year is from the
176.15 general fund to the commissioner for a grant
176.16 to the city of Paynesville to add a treatment
176.17 process to a water treatment plant for removal
176.18 of volatile organic compounds. This is a
176.19 onetime appropriation. This appropriation is
176.20 effective December 1, 2015.

176.21 \$743,000 the second year is transferred
176.22 from the general fund to the dry cleaner
176.23 environmental response and reimbursement
176.24 account in the remediation fund for the
176.25 purpose of remediating land contaminated
176.26 by a release from a dry cleaning facility,
176.27 as provided under Minnesota Statutes,
176.28 section 115B.50, if legislation is enacted in
176.29 the 2016 legislative session to address the
176.30 insolvency of the dry cleaner environmental
176.31 response and reimbursement account. The
176.32 commissioner shall prioritize expenditures
176.33 from this transfer to address contaminated
176.34 sites that pose the greatest risk to public
176.35 health or welfare or to the environment, as
177.1 established in Minnesota Statutes, section
177.2 115B.17, subdivision 13. This is a onetime
177.3 transfer. The commissioner shall reimburse
177.4 only a person who otherwise would not be
177.5 responsible for a release or threatened release
177.6 under Minnesota Statutes, section 115B.03,
177.7 for all but \$10,000 of the environmental
177.8 response costs incurred by the person if the
177.9 commissioner determines that the costs are
177.10 reasonable and were actually incurred. To be
177.11 eligible for reimbursement from this transfer,

177.12 a person seeking reimbursement must make
177.13 a request to the commissioner, as required
177.14 under Minnesota Statutes, section 115B.50,
177.15 subdivision 2, on or before the day following
177.16 final enactment of this act.

177.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

177.18 Sec. 19. **FEASIBILITY STUDY AND PROGRAM PLAN; WORKING LANDS**

177.19 **WATERSHED RESTORATION PROGRAM.**

177.20 (a) The Board of Water and Soil Resources shall develop a detailed plan to
177.21 implement Minnesota Statutes, section 103F.519 that includes the following:

177.22 (1) a process for selecting pilot watersheds that are expected to result in the greatest
177.23 water quality improvements and exhibit readiness to participate in the program;

177.24 (2) an assessment of the quantity of agricultural land that is expected to be eligible
177.25 for the program in each watershed;

177.26 (3) an assessment of landowner interest in participating in the program;

177.27 (4) an assessment of the contract terms and any recommendations for changes to the
177.28 terms, including consideration of variable payment rates for lands of different priority or
177.29 type;

177.30 (5) an assessment of the opportunity to leverage federal funds through the program
177.31 and recommendations on how to maximize the use of federal funds for assistance to
177.32 establish perennial crops;

177.33 (6) an assessment of how other state programs could complement the program;

177.34 (7) an estimate of water quality improvements expected to result from
177.35 implementation in pilot watersheds;

178.1 (8) an assessment of how to best integrate program implementation with existing
178.2 conservation requirements and develop recommendations on harvest practices and timing
178.3 to benefit wildlife production;

178.4 (9) an assessment of the potential viability and water quality benefit of cover crops
178.5 used in biomass processing facilities;

178.6 (10) a timeline for implementation, coordinated to the extent possible with proposed
178.7 biomass processing facilities; and

178.8 (11) a projection of funding sources needed to complete implementation.

178.9 (b) The board shall coordinate development of the plan with stakeholders and the
178.10 commissioners of natural resources, agriculture, and the Pollution Control Agency. The
178.11 board must submit an interim report by October 15, 2017, and the feasibility study and
178.12 program plan by February 1, 2018, to the chairs and ranking minority members of the
178.13 legislative committees and divisions with jurisdiction over agriculture, natural resources,
178.14 and environment policy and finance and to the Clean Water Council.

178.15 Sec. 20. **RULEMAKING; DRY CLEANER RESPONSE AND**
178.16 **REIMBURSEMENT ACCOUNT.**

178.17 (a) The commissioner of the Pollution Control Agency shall adopt rules using
178.18 the expedited rulemaking process under Minnesota Statutes, section 14.389, including
178.19 subdivision 5, to establish, with respect to Minnesota Statutes, section 115B.50,
178.20 subdivision 2:

178.21 (1) what environmental response costs are to be considered reasonable costs and
178.22 what costs are to be considered ineligible for reimbursement;

178.23 (2) appropriate application requirements for reimbursement; and

178.24 (3) a process to adjust payment reimbursement rates made for response actions.

178.25 (b) Rules adopted under this section:

178.26 (1) must be consistent with Minnesota Statutes, sections 115B.47 to 115B.51;

178.27 (2) must be structured like rules governing applicable provisions of the petroleum
178.28 tank response cleanup fund under Minnesota Rules, chapter 2890, as necessary to
178.29 implement paragraph (a), clauses (1) to (3); and

178.30 (3) must not reduce reimbursements as contained in Minnesota Rules, part
178.31 2890.0065, subpart 1, item C.

178.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

178.33 Sec. 21. **REPEALER.**

178.34 Minnesota Statutes 2015 Supplement, section 115B.48, subdivision 9, is repealed.

179.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

146.21 Sec. 18. **PROHIBITION ON EXPENDITURE OF STATE FUNDS; CLEAN**
146.22 **POWER PLAN.**

146.23 No state agency shall expend state funds to develop a state plan as required by the
146.24 federal Clean Power Plan unless and until a final decision in the case of West Virginia,
146.25 et. al., v. United States Environmental Protection Agency, et. al., determines that the
146.26 federal Environmental Protection Agency has legal authority to require the submission
146.27 of such state plans.

146.28 For the purposes of this section, "Clean Power Plan" means the final rule of the
146.29 federal Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric
146.30 Utility Generating Units, issued by the United States Environmental Protection Agency in
146.31 Docket No. EPA-HQ-OAR-2013-0602, and any subsequent amendments made to the plan.