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Subject Energy
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Overview

House File 10, as amended by the H0010DE2 amendment, strengthens statutory provisions requiring the Minnesota Public Utilities Commission to give preference to renewable resources and energy efficiency and storage systems in approving utility plans to meet future electricity demand and to promote the hiring of local workers to build those facilities.

Summary

Section	Description
1	Title Provides that this act may be referred to as the “Clean Energy First Act.”
2	[216B.16] Rate change; procedure; hearing. Subd. 6. Factors considered, generally. Under current law, the commission may order a public utility to retire an energy generating facility before the end of its physical life (and recover any net book value) in order to comply with “a state or federal energy statute or policy.” This subdivision strikes the words “statute or.”
3	[216B.16] Rate change; procedure; hearing. Subd. 13. Economic and community development. Allows a public utility to recover only the reasonable costs incurred for economic development, including the employment of local workers for construction and maintenance.
4	[216B.1645] Power purchase contract or investment. Subd. 1. Commission authority. Specifies that recovery of a utility’s expenses made to satisfy the renewable energy standard and the wind and biomass mandates, and to provide additional clean energy sources above those mandates and standards, are to be net of revenues.

Section	Description
5	<p>[216B.1645] Power purchase contract or investment.</p> <p>Subd. 2. Cost recovery. Allows as recoverable the reasonable expenses incurred to employ local workers for construction and maintenance purposes.</p>
6	<p>[216B.1691] Renewable energy objectives.</p> <p>Subd. 9. Local benefits. Specifies that the commission implement the Renewable Energy Standard statute in a manner that maximizes benefits to local workers, and so as to balance local job impacts with other factors.</p>
7	<p>[216B.2422] Resource planning; renewable energy.</p> <p>Subd. 1. Definitions. Amends definitions of “renewable energy” and “energy storage system” and adds definitions of “clean energy resource,” “carbon-free resource” and other terms.</p>
8	<p>[216B.2422] Resource planning; renewable energy.</p> <p>Subd. 2. Resource plan filing and approval. Adds a requirement that a utility’s integrated resource plan analyze a scenario in which 100 percent of energy demand is satisfied with carbon-free and clean energy resources.</p>
9	<p>[216B.2422] Resource planning; renewable energy.</p> <p>Subd. 3. Environmental costs. Requires the commission to use the full range of nonzero environmental costs when evaluating power purchase agreements, resource plans, and certificates of need.</p>
10	<p>[216B.2422] Resource planning; renewable energy.</p> <p>Subd. 3a. Favored electric resources; state policy. Declares that state policy favors the use of clean energy resources.</p>
11	<p>[216B.2422] Resource planning; renewable energy.</p> <p>Subd. 4. Preference for clean energy resources. Requires a utility to demonstrate to the commission by clear and convincing evidence in certificate of need or power purchase agreement review proceedings that renewables and clean energy resources are not in the public interest – because they are not affordable or unreliable -- in order for the commission to approve a nonrenewable facility.</p> <p>The commission must make a written determination of its findings regarding a proposed resource’s affordability and reliability, and address whether the approved resource helps achieve the state’s greenhouse gas emission reduction and renewable energy standard goals.</p>

Section Description

The commission may add to the list of energy sources defined in this act as clean energy resources if they are determined to be carbon-free and cost-competitive with other carbon-free resources.

If the commission approves the retirement of a greenhouse gas-emitting resource in a public utility's integrated resource plan, the utility is entitled to own at least part of the capacity of that facility, provided that the commission determines that the ownership is reasonable and in the public interest, and the utility's resource plan demonstrates a significant reduction in greenhouse gas emissions over the next 15 years.

12 [216B.2422] Resource planning; renewable energy.

Subd. 12. Preference for local job creation. Requires a utility to analyze in an integrated resource plan a plant's impact on local jobs and its efforts to maximize construction employment opportunities for local workers. Requires the commission to give preference to proposals that maximize such opportunities and to prioritize hiring workers from communities hosting retiring power plants.

13 [216B.2422] Resource planning; renewable energy.

Subd. 5. Bidding; exemption from, certificate of need proceeding . Requires a utility to consider local job impacts when evaluating bids for resources to meet future energy demand.

14 [216B.2422] Resource planning; renewable energy.

Subd. 8. Transmission planning in advance of generation retirement. Requires a utility to identify in an integrated resource plan each nonrenewable resource having a depreciation term, service life, or remaining operating license term of 15 years or less, and a strategy to replace them.

15 [216E.03] Designating sites and routes.

Subd. 10. Final decision. Requires applicants for a site permit or for modification of a site permit for a large electric generating plant (≥ 50 Mw) to pay its construction contractors and subcontractors no less than the state's prevailing wage. Provides the commission with the discretion to require an applicant and its contractors for a site permit to participate in a state or federal apprentice program.

16 [216F.04] Site permit.

Require applicants for a site permit or for modification of a site permit for a large wind project (> 25 Mw) to pay its construction contractors and subcontractors no less than the state's prevailing wage. Provides the commission with the

Section	Description
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discretion to require an applicant and its contractors for a site permit to participate in a state or federal apprentice program.

- 17** **[EFFECTIVE DATE.]** Specifies that this act is effective August 1, 2021, and applies to commission dockets initiated on or after that date.