

House Research Act Summary

CHAPTER: 303

SESSION: 2008 Regular Session

TOPIC: Renewable energy

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Overview

In 2005, the Minnesota Legislature, seeking to ensure that rural landowners had opportunities to participate in the ownership of wind development projects as a way of retaining energy expenditures in local communities rather than exporting them to large corporations located outside of Minnesota, established a category of wind development projects known as a Community-Based Energy Development (C-BED) project.

As originally enacted, the law stipulated that for projects consisting of only one or two turbines, at least 51 percent of the project's total financial benefits over the life of the project must be paid to local owners; with respect to larger projects, no single owner could own more than a 15 percent share.

Eligible owners were required to be Minnesota-based: residents, nonprofit organizations, limited liability corporations, cooperatives, tribal councils, political subdivisions, and local units of government.

Amendments enacted in 2007 expanded C-BED projects to include a wider array of renewable energy sources; allowed payments to "other local entities" to count towards the 51 percent threshold; and permitted governmental owners (except a municipal utility) to own more than 15 percent of a project.

Section 1 of Chapter 303 broadens the C-BED-related activities political subdivisions or local units of government may undertake, to include planning,

developing, purchasing and constructing, operating, maintaining, improving and expanding C-BED projects. These entities are also prohibited from using eminent domain to acquire land for these projects.

Section 2 applies to both C-BED and non-C-BED renewable energy projects, specifically authorizing counties to purchase electricity from renewable projects through power purchase agreements and to sell it, subject to these restrictions:

- the county may not sell or transmit electricity from an off-site facility;
- on-site generation is limited to ten megawatts; and
- the total amount of energy purchased or produced may not exceed the amount of energy used by the county in its own facilities during the previous year.