

Subject Business compensation for biomass plant closing

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Date March 5, 2019

Overview

House File 1677 establishes a process administered by an administrative law judge (ALJ) to process claims for business losses stemming from the early termination of a contract between Xcel Energy and the biomass plant in Benson. A \$40 million fund is made available for awards.

Summary

Section	Description
1	<p>Biomass business compensation.</p> <p>Subd. 1. Definitions.</p> <p>Subd. 2. Office of Administrative Hearings; claims process. Requires appointment of an ALJ to administer a claims award process for businesses harmed by the early termination of the power purchase agreement between Xcel Energy and the Benson biomass plant.</p> <p>Subd. 3. Eligibility. Establishes that a Minnesota firm doing business with the biomass plant or associated fertilizer plant as of May 2017 that suffered a decrease in income or the loss of value of investments in real or personal property essential to its business with the plant is eligible to file a claim.</p> <p>Subd. 4. Types of claims. Describes what evidence must be provided to support a claim.</p> <p>Subd. 5. Limitations on awards. Limits awards to twice the decrease in business income after the plant closing, minus any sales, salvage, or scrap value of property for which a loss is claimed, and any payment received from insurance, settlements, or elsewhere related to the closing.</p> <p>Subd. 6. Priority. Authorizes the ALJ to prioritize claims demonstrating a significant effort to pursue alternative business opportunities following the closing.</p>

Section	Description
	<p>Subd. 7. Awarding claims. Specifies that awards must be adjusted proportionally if valid claims exceed revenues in the compensation account.</p> <p>Subd. 8. Deadlines. Sets a deadline of August 1 for the establishment of a claims award process, and September 30 for claims to be filed. Preliminary awards for eligible claims must be made within 120 days of the filing deadline.</p> <p>Subd. 9. Expiration. Provides that this section expires June 30, 2022.</p>
2	<p>Biomass business compensation account.</p> <p>Subd. 1. Account established. Establishes the account in the special revenue fund. Provides that funds remaining in the account at the end of 2021 be returned to Xcel electric ratepayers.</p> <p>Subd. 2. Funding the special account. Requires Xcel to deposit \$20 million in the account on July 1, 2019 and 2020 to pay claims. Authorizes the utility to apply to the commission to have those funds recovered in utility rates and requires the commission to approve such a request if the recovery amount is less than ratepayers would have paid had the contract not been terminated early. Administrative costs of the claims process paid by the utility may also be recovered.</p> <p>Subd. 3. Payment of expenses. Establishes a process for the payment of administrative costs of the claims process.</p> <p>Subd. 4. Expiration. Specifies this section expires June 30, 2022.</p>



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