

Subject Biomass energy

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Summary

H.F. 1255 provides a framework for a new power purchase agreement between Xcel Energy and St. Paul district energy system's cogeneration facility, which has sold electricity to Xcel under the state's biomass mandate for many years.

Under the bill, a proposal for a new power purchase agreement must be submitted to the commission for approval by August 1, 2021, and, if approved, may extend to the end of 2024. The agreement must include provisions insuring that any waste wood from ash trees transported to St. Paul for processing by District Energy is certified as complying with state Department of Agriculture directives to insure that the emerald ash borer infestation is not being spread. It must also set a cap on the price Xcel pays for electricity generated by the cogeneration facility at \$98 per megawatt, representing "a significant savings" over the price paid under the current power purchase agreement.

The bill also requires Xcel to submit with the agreement a proposal to the commission to power the district heating system from renewable energy sources. At least three scenarios, ranging from 10 to 100 percent renewable generation, must be analyzed. The commission cannot approve any extension of the new agreement beyond 2024 unless it also approves an electrification project.