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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-EIGHTH SESSION

**H. F. No. 2883**

03/10/2014 Authored by Hortman

The bill was read for the first time and referred to the Committee on Energy Policy

1.1 A bill for an act  
1.2 relating to energy; modifying provisions regarding power plant carbon dioxide  
1.3 emissions; amending Minnesota Statutes 2012, section 216H.03, subdivisions 2,  
1.4 3, 4.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2012, section 216H.03, subdivision 2, is amended to read:

1.7 Subd. 2. **Definition; statewide power sector carbon dioxide emissions.** For the  
1.8 purpose of this section, "statewide power sector carbon dioxide emissions" means the total  
1.9 annual emissions of carbon dioxide from the generation of electricity within the state and  
1.10 all emissions of carbon dioxide from the generation of electricity ~~imported from~~ outside  
1.11 the state ~~and consumed in~~ that is procured by a retail supplier of electricity for distribution  
1.12 and sale to Minnesota retail customers. Emissions of carbon dioxide associated with  
1.13 transmission and distribution line losses are included in this definition. Carbon dioxide that  
1.14 is injected into geological formations to prevent its release to the atmosphere in compliance  
1.15 with applicable laws, and emissions of carbon dioxide associated with the combustion of  
1.16 biomass, as defined in section 216B.2411, subdivision 2, paragraph (c), clauses (1) to (4),  
1.17 are not counted as contributing to statewide power sector carbon dioxide emissions.

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

1.19 Sec. 2. Minnesota Statutes 2012, section 216H.03, subdivision 3, is amended to read:

1.20 Subd. 3. **Long-term increased emissions from power plants prohibited.** Unless  
1.21 preempted by federal law, until a comprehensive and enforceable state law or rule  
1.22 pertaining to greenhouse gases that directly limits and substantially reduces, over time,

statewide power sector carbon dioxide emissions is enacted and in effect, and except as allowed in subdivisions 4 to 7, on and after August 1, 2009, no person shall:

(1) construct within the state a new large energy facility that would contribute to statewide power sector carbon dioxide emissions;

(2) ~~import or commit to import from outside the state~~ sell power, other than through tariffed energy purchases from a regional transmission organization, to Minnesota retail customers from a new large energy facility that would contribute to statewide power sector carbon dioxide emissions; or

(3) enter into a new long-term power purchase agreement that would increase statewide power sector carbon dioxide emissions. For purposes of this section, a long-term power purchase agreement means an agreement to purchase 50 megawatts of capacity or more for a term exceeding five years.

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

Sec. 3. Minnesota Statutes 2012, section 216H.03, subdivision 4, is amended to read:

Subd. 4. **Exception for facilities that offset emissions.** (a) The prohibitions in subdivision 3 do not apply if the project proponent or retail supplier of electricity to Minnesota retail customers demonstrates to the Public Utilities Commission's satisfaction that it will offset the new contribution to statewide power sector carbon dioxide emissions with a carbon dioxide reduction project identified in paragraph (b) and in compliance with paragraph (c).

(b) A project proponent or retail supplier of electricity to Minnesota retail customers may offset in an amount equal to or greater than the proposed new contribution to statewide power sector carbon dioxide emissions in either, or a combination of both, of the following ways:

(1) by reducing an existing facility's contribution to statewide power sector carbon dioxide emissions; or

(2) by purchasing carbon dioxide allowances from a state or group of states that has a carbon dioxide cap and trade system in place that produces verifiable emissions reductions.

(c) The Public Utilities Commission shall not find that a proposed carbon dioxide reduction project identified in paragraph (b), clause (1), acceptably offsets a new contribution to statewide power sector carbon dioxide emissions unless the proposed offsets are permanent, quantifiable, verifiable, enforceable, and would not have otherwise occurred. This section does not exempt emissions that have been offset under this subdivision and emissions exempted under subdivisions 5 to 7 from a cap and trade system if adopted by the state.

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