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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2738

03/06/2014 Authored by Hornstein

The bill was read for the first time and referred to the Committee on Government Operations

1.1 A bill for an act
1.2 relating to transportation; motor vehicles; eliminating barriers to the purchase
1.3 of cleaner fuel-powered motor vehicles by state agencies; modifying state
1.4 SmartFleet requirements; requiring a study on electric plug-in vehicle charging
1.5 stations at multiunit housing facilities; creating a Biomethane Task Force;
1.6 requiring reports; amending Minnesota Statutes 2012, sections 16C.135,
1.7 subdivision 3; 16C.137, subdivisions 1, 2; 16C.138, subdivision 2.

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

1.9 Section 1. Minnesota Statutes 2012, section 16C.135, subdivision 3, is amended to read:

1.10 Subd. 3. **Vehicle purchases.** Consistent with section 16C.137, subdivision 1,
1.11 when purchasing a motor vehicle for the central motor pool or for use by an agency, the
1.12 commissioner or the agency shall purchase a motor vehicle that is capable of being powered
1.13 by cleaner fuels, or a motor vehicle powered by electricity or by a combination of electricity
1.14 and liquid fuel, ~~if such a motor vehicle is reasonably available at similar costs to other~~
1.15 ~~vehicles and~~ if the vehicle is capable of carrying out the purpose for which it is purchased.

1.16 Sec. 2. Minnesota Statutes 2012, section 16C.137, subdivision 1, is amended to read:

1.17 Subdivision 1. ~~Goals and actions~~ **SmartFleet requirements.** ~~(a) Using 2005 as a~~
1.18 ~~baseline, the state of Minnesota shall reduce the use of gasoline by on-road vehicles~~
1.19 ~~owned by state departments by 25 percent by 2010 and by 50 percent by 2015, and the~~
1.20 ~~use of petroleum-based diesel fuel in diesel-fueled vehicles by ten percent by 2010 and~~
1.21 ~~25 percent by 2015.~~

1.22 (b) ~~To meet the goals established in paragraph (a),~~ Each state department must,
1.23 whenever legally, technically, and economically feasible, subject to the specific needs of
1.24 the department and responsible management of agency finances:

2.1 (1) ensure that all new on-road vehicles purchased, excluding emergency and law
2.2 enforcement vehicles:

2.3 (i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;
2.4 clauses (1), (3), and (4);

2.5 (ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35
2.6 miles per gallon for highway usage, including but not limited to hybrid electric cars and
2.7 hydrogen-powered vehicles; or

2.8 (iii) are powered solely by electricity;

2.9 (2) increase its use of renewable transportation fuels, including ethanol, biodiesel,
2.10 and hydrogen from agricultural products; and

2.11 (3) increase its use of Web-based Internet applications and other electronic
2.12 information technologies to enhance the access to and delivery of government information
2.13 and services to the public, and reduce the reliance on the department's fleet for the delivery
2.14 of such information and services.

2.15 Sec. 3. Minnesota Statutes 2012, section 16C.137, subdivision 2, is amended to read:

2.16 Subd. 2. **SmartFleet Committee.** (a) The commissioner of administration, or the
2.17 commissioner's designee, shall chair a SmartFleet Committee consisting of representatives
2.18 designated by the commissioners of the Pollution Control Agency, the Departments of
2.19 Agriculture and Commerce, Natural Resources, and Transportation, and other state
2.20 departments that wish to participate. To ensure effective and efficient state participation,
2.21 the SmartFleet Committee must assist state departments in implementing the requirements
2.22 of this section, including providing information, guidance, sample policies and procedures,
2.23 and technical and planning assistance.

2.24 (b) The SmartFleet Committee must evaluate the goals and directives established
2.25 in this section, and report its findings to the governor and the appropriate committees
2.26 of the legislature by December 2006 and periodically thereafter. February 1 of each
2.27 odd-numbered year. In the report, the committee may must make recommendations to
2.28 the governor and appropriate committees of the legislature for new or adjusted goals
2.29 and directives, or legislative initiatives, in light of the progress the state has made
2.30 implementing this section; and of the availability of new or improved technologies.

2.31 (c) For the systematic and efficient monitoring of progress in implementing this
2.32 section by the SmartFleet Committee, the Department of Administration shall implement
2.33 a fleet reporting and information management system. Each department will use this
2.34 management system to demonstrate its progress in complying with this section.

3.1 Sec. 4. Minnesota Statutes 2012, section 16C.138, subdivision 2, is amended to read:

3.2 Subd. 2. **Notice of state procurement policy in bid documents.** All solicitation
 3.3 documents for the purchase of a passenger automobile, as defined in section 168.002,
 3.4 subdivision 24; pickup truck, as defined in section 168.002, subdivision 26; or van, as
 3.5 defined in section 168.002, subdivision 40, issued under the jurisdiction of the Department
 3.6 of Administration after June 30, 2006, must contain the following language: "It is the
 3.7 intention of the state of Minnesota to begin purchasing electric vehicles, plug-in hybrid
 3.8 electric vehicles, and neighborhood electric vehicles ~~as soon as they become commercially~~
 3.9 ~~available, meet the state's performance specifications, and are priced no more than ten~~
 3.10 ~~percent above the price for comparable gasoline-powered vehicles~~ if the total life-cycle
 3.11 cost of ownership is less than or comparable to that of gasoline-powered vehicles. It is the
 3.12 intention of the state to purchase electric vehicles, plug-in hybrid electric vehicles, and
 3.13 neighborhood electric vehicles whenever practicable after these conditions have been met
 3.14 and as fleet needs dictate for at least five years after these conditions have been met."

3.15 Sec. 5. **ELECTRIC PLUG-IN VEHICLE CHARGING STATIONS; MULTIUNIT**
 3.16 **RESIDENTIAL STUDY.**

3.17 The Department of Commerce, Division of Energy Resources, in collaboration
 3.18 with the Minnesota Pollution Control Agency, shall perform a study analyzing electric
 3.19 plug-in vehicle charging stations at multiunit housing facilities in Minnesota. The study
 3.20 shall analyze and report on: (1) the current availability of charging stations for electric
 3.21 plug-in vehicles at multiunit housing facilities; (2) the average installed cost of an electric
 3.22 plug-in vehicle charging station; (3) current and projected demand for charging stations
 3.23 at multiunit housing facilities; (4) the impact, if any, that building codes, state laws,
 3.24 municipal ordinances, homeowners' association policies, and other similar policies have
 3.25 on the availability and affordability of charging stations at multiunit housing facilities;
 3.26 (5) any legal, technical, or other barriers to increasing the number of charging stations at
 3.27 multiunit housing facilities; (6) potential economic, environmental, or other benefits that
 3.28 would likely accrue should charging stations at multiunit housing facilities become more
 3.29 widely available; and (7) any proposed legislative initiatives, programs, or incentives to
 3.30 encourage installation of electric plug-in vehicle charging stations at multiunit housing
 3.31 facilities, as applicable. The results of the study shall be presented to the legislative
 3.32 committees with jurisdiction over transportation policy and finance and energy policy
 3.33 and finance by March 1, 2015.

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

4.1 Sec. 6. **BIOMETHANE TASK FORCE.**

4.2 Subdivision 1. **Definition.** For the purposes of this section, "biomethane" has the
4.3 meaning given in Minnesota Statutes, section 216B.241, subdivision 5b, paragraph (b).

4.4 Subd. 2. **Establishment; membership.** The Biomethane Task Force is established.
4.5 The task force shall consist of 18 members as follows:

4.6 (1) one representative from the investor-owned utility with the greatest number of
4.7 customers in Minnesota;

4.8 (2) one representative each from the Department of Commerce, the Department of
4.9 Transportation, the Department of Agriculture, and the Pollution Control Agency;

4.10 (3) the director of the Travel Management Division of the Department of
4.11 Administration, or the director's designee;

4.12 (4) one representative from the University of Minnesota Department of Bioproducts
4.13 and Biosystems Engineering;

4.14 (5) two representatives from companies whose business is biomethane project
4.15 development. The companies should be either Minnesota-based or represented by a
4.16 Minnesota representative if a national or international company;

4.17 (6) one representative from a nongovernmental organization with biomethane
4.18 expertise;

4.19 (7) one representative from a nongovernmental organization with transportation
4.20 policy expertise;

4.21 (8) one representative of a natural gas pipeline operator;

4.22 (9) one representative of a manufacturer of motor vehicles capable of operating
4.23 on biomethane fuel;

4.24 (10) one representative of a municipal solid waste hauler with experience using
4.25 vehicles operating on biomethane as a transportation fuel;

4.26 (11) one representative of a Minnesota city;

4.27 (12) one representative of a Minnesota county;

4.28 (13) one representative of an operator of a large-scale composting facility; and

4.29 (14) one representative of an energy services company with experience in leveraging
4.30 environmental credits for the use of biomethane as a transportation fuel.

4.31 Subd. 3. **Appointment.** The chairs of the senate and house of representatives
4.32 committees with primary jurisdiction over transportation policy shall jointly appoint
4.33 the task force members.

4.34 Subd. 4. **Cochairs.** The task force shall have two cochair, one appointed by each
4.35 of the appointing authorities established in subdivision 2.

5.1 Subd. 5. **Charge.** (a) The Biomethane Task Force shall identify barriers to the
5.2 adoption of biomethane vehicles by state agencies, small and large private fleets, and
5.3 Minnesota drivers at-large and develop strategies to be implemented over three-, five-, and
5.4 ten-year time frames to overcome those barriers.

5.5 (b) The task force shall consider and evaluate the data and information presented to
5.6 it under subdivision 5 in presenting its findings and recommendations.

5.7 (c) The task force shall consider the feasibility of a pilot project in which household
5.8 organic waste is collected and processed into biomethane for use as motor vehicle fuel. If
5.9 the task force finds a pilot project would be technically feasible, it shall identify barriers
5.10 to the project, develop recommendations to overcome the barriers, and offer general
5.11 recommendations on how the project could be implemented, including but not limited to
5.12 whether a public-private partnership model would be appropriate and if so, which entities
5.13 or types of entities should be included in the partnership.

5.14 Subd. 6. **Data and analysis.** The commissioner of the Pollution Control Agency
5.15 shall analyze statewide potential for biomethane generation and suggest appropriate
5.16 penetration rate targets for biomethane as transportation fuel for passenger vehicles, small
5.17 and large private fleets, and state and municipal government fleets. The commissioner
5.18 shall analyze and report to task force members the environmental impacts and benefits of
5.19 using biomethane as a transportation fuel option in different types of vehicles, including
5.20 but not limited to air emissions from vehicles and potential water quality and other
5.21 benefits of biomethane production.

5.22 Subd. 7. **Expenses.** Members of the task force are entitled to reimbursement
5.23 for expenses under Minnesota Statutes, section 15.059, subdivision 6. Member
5.24 reimbursements shall be paid by the commissioner of commerce.

5.25 Subd. 8. **Staff.** The state agencies represented on the commission shall provide
5.26 staff support.

5.27 Subd. 9. **Report.** The task force shall present its findings and recommendations in a
5.28 report to the chairs of the senate and house of representatives committees with primary
5.29 jurisdiction over transportation and energy policy by December 1, 2016.

5.30 Subd. 10. **Expiration.** The task force expires June 30, 2017.

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