

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 854

02/21/2013 Authored by Atkins

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

03/13/2013 Adoption of Report: Pass and Read Second Time

A bill for an act

relating to energy; regulating conservation improvement investments for
low-income programs; amending Minnesota Statutes 2012, section 216B.241,
subdivision 7.

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

Section 1. Minnesota Statutes 2012, section 216B.241, subdivision 7, is amended to
read:

Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each
utility and association provides low-income programs. When approving spending and
energy-savings goals for low-income programs, the commissioner shall consider historic
spending and participation levels, energy savings for low-income programs, and the
number of low-income persons residing in the utility's service territory. A municipal utility
that furnishes gas service must spend at least 0.2 percent, and a public utility furnishing
gas service must spend at least 0.4 percent, of its most recent three-year average gross
operating revenue from residential customers in the state on low-income programs. A
utility or association that furnishes electric service must spend at least 0.1 percent of its
gross operating revenue from residential customers in the state on low-income programs.
For a generation and transmission cooperative association, this requirement shall apply to
each association's members' aggregate gross operating revenue from sale of electricity to
residential customers in the state. Beginning in 2010, a utility or association that furnishes
electric service must spend 0.2 percent of its gross operating revenue from residential
customers in the state on low-income programs.

(b) To meet the requirements of paragraph (a), a utility or association may contribute
money to the energy and conservation account. An energy conservation improvement plan

2.1 must state the amount, if any, of low-income energy conservation improvement funds the
2.2 utility or association will contribute to the energy and conservation account. Contributions
2.3 must be remitted to the commissioner by February 1 of each year.

2.4 (c) The commissioner shall establish low-income programs to utilize money
2.5 contributed to the energy and conservation account under paragraph (b). In establishing
2.6 low-income programs, the commissioner shall consult political subdivisions, utilities, and
2.7 nonprofit and community organizations, especially organizations engaged in providing
2.8 energy and weatherization assistance to low-income persons. Money contributed to
2.9 the energy and conservation account under paragraph (b) must provide programs for
2.10 low-income persons, including low-income renters, in the service territory of the utility or
2.11 association providing the money. The commissioner shall record and report expenditures
2.12 and energy savings achieved as a result of low-income programs funded through the
2.13 energy and conservation account in the report required under subdivision 1c, paragraph
2.14 (g). The commissioner may contract with a political subdivision, nonprofit or community
2.15 organization, public utility, municipality, or cooperative electric association to implement
2.16 low-income programs funded through the energy and conservation account.

2.17 (d) A utility or association may petition the commissioner to modify its required
2.18 spending under paragraph (a) if the utility or association and the commissioner have been
2.19 unable to expend the amount required under paragraph (a) for three consecutive years.

2.20 (e) The costs and benefits associated with any approved low-income gas or electric
2.21 conservation improvement program that is not cost-effective when considering the costs
2.22 and benefits to the utility may, at the discretion of the utility, be excluded from the
2.23 calculation of net economic benefits for purposes of calculating the financial incentive to
2.24 the utility. The energy and demand savings may, at the discretion of the utility, be applied
2.25 toward the calculation of overall portfolio energy and demand savings for purposes of
2.26 determining progress toward annual goals and in the financial incentive mechanism.

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