

(e) The board may use available nonstate funds to exceed the payment limits in this section.

Presented to the governor April 4, 1996

Signed by the governor April 11, 1996, 11:36 a.m.

CHAPTER 450—H.F.No. 2419

An act relating to energy; regulating a mandate to generate electricity using biomass as a fuel; modifying matching requirements for appropriations; amending Minnesota Statutes 1995 Supplement, section 216B.2424; and Laws 1995, chapter 220, section 14.

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

Section 1. Minnesota Statutes 1995 Supplement, section 216B.2424, is amended to read:

216B.2424 BIOMASS POWER MANDATE.

Subdivision 1. **FARM GROWN CLOSED-LOOP BIOMASS.** For the purposes of this section, "farm grown closed-loop biomass" means biomass, as defined in section 216C.051, subdivision 7, that:

(1) is intentionally cultivated, harvested, and prepared for use, in whole or in part, as a fuel for the generation of electricity;

(2) when combusted, releases an amount of carbon dioxide that is less than or approximately equal to the carbon dioxide absorbed by the biomass fuel during its growing cycle; and

(3) is fired in a new or substantially retrofitted electric generating facility that is:

(i) located within 400 miles of the site of the biomass production; and

(ii) designed to use biomass to meet at least 75 percent of its fuel requirements.

The legislature finds that the negative environmental impacts within 400 miles of the facility resulting from transporting and combusting the biomass are offset in that region by the environmental benefits to air, soil, and water of the biomass production.

Among the biomass fuel sources that meet the requirements of clause (2) are poplar, aspen, willow, switch grass, sorghum, alfalfa, and cultivated prairie grass.

Subd. 2. **INTERIM EXEMPTION.** (a) A biomass project proposing to use, as its primary fuel over the life of the project, short rotation woody crops, may use as an interim fuel agricultural waste and other biomass which is not farm grown closed-loop biomass for up to six years after the project's electric generating facility becomes operational; provided, the project developer demonstrates the project will use the designated short rotation woody crops as its primary fuel after the interim period and provided the location of the interim fuel production meets the requirements of subdivision 1, clause (3).

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(b) A biomass project proposing to use, as its primary fuel over the life of the project, short rotation woody crops, may use as an interim fuel agricultural waste and other biomass which is not farm grown closed-loop biomass for up to three years after the project's electric generating facility becomes operational; provided, the project developer demonstrates the project will use the designated short rotation woody crops as its primary fuel after the interim period.

(c) A biomass project that uses an interim fuel under the terms of paragraph (b) may, in addition, use an interim fuel under the terms of paragraph (a) for six years less the number of years that an interim fuel was used under paragraph (b).

(d) A project developer proposing to use an exempt interim fuel under paragraphs (a) and (b) must demonstrate to the public utility that the project will have an adequate supply of short rotation woody crops which meet the requirements of subdivision 1 to fuel the project after the interim period.

Subd. 3. FUEL EXEMPTION. Over the duration of the contract of a biomass power facility selected to satisfy the mandate in subdivision 5, fuel sources that are not biomass may be used to satisfy up to 25 percent of the fuel requirements of a biomass power facility selected to satisfy the biomass power mandate in subdivision 5.

Subd. 4. FINANCIAL VIABILITY. A biomass project developer must demonstrate to the public utility evidence of sufficient financial viability necessary for the construction and operation of the biomass project.

Subd. 5. MANDATE. A public utility, as defined in section 216B.02, subdivision 4, that operates a nuclear-powered electric generating plant within this state must construct and operate, purchase, or contract to construct and operate (1) by December 31, 1998, 50 megawatts of electric energy installed capacity generated by farm grown closed-loop biomass scheduled to be operational by December 31, 2001; and (2) by December 31, 1998, an additional 75 megawatts of installed capacity so generated scheduled to be operational by December 31, 2002. Of the total 125 megawatts of biomass electric energy installed capacity required under this section, no more than 75 megawatts may be provided by a single project. Of the 75 megawatts of biomass electric energy installed capacity required under clause (2), no more than 25 megawatts of this capacity may be provided by a St. Paul district heating and cooling system cogeneration facility utilizing waste wood as a primary fuel source. The St. Paul district heating and cooling system cogeneration facility need not use biomass that complies with the definition in subdivision 1. The public utility must accept and consider on an equal basis with other proposals a proposal to satisfy the requirements of this section that includes a project that exceeds the megawatt capacity requirements of either clause (1) or (2) and that proposes to sell the excess capacity to the public utility or to other purchasers.

Sec. 2. Laws 1995, chapter 220, section 14, is amended to read:

Sec. 14. AGRICULTURAL UTILIZATION

RESEARCH INSTITUTE		4,330,000	4,330,000
	Summary by Fund		
General	4,130,000	4,130,000	
Special Revenue	200,000	200,000	

\$200,000 each year is for a grant to the natural resources research institute for hybrid

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tree management research and development of an implementation plan for establishing hybrid tree plantations in the state. This appropriation is available to the extent matched by \$2 of nonstate ~~money~~ contributions, either cash or in-kind, for each \$1 of state money.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment.

Presented to the governor April 4, 1996

Signed by the governor April 11, 1996, 11:37 a.m.

CHAPTER 451—H.F.No. 1584

An act relating to human services; changing provisions to health and continuing care related to MA and GAMC; changing provisions to long term care; changing provisions to health plan regulations; making technical and policy changes for the department of human services; requiring the commissioner of human services to study and make recommendations on the administration of the community alternative care program, and to study and report on the effect on medical assistance waiver programs of medically fragile children in foster care; appropriating money; amending Minnesota Statutes 1994, sections 62D.04, subdivision 5; 62N.10, subdivision 4; 62Q.075, subdivision 2; 144.0722, by adding a subdivision; 144.572; 144.71, subdivisions 1 and 2; 144.72, subdivisions 1 and 2; 144.73, subdivision 1; 144.74; 144A.04, by adding a subdivision; 144A.09, subdivision 1; 144A.20, subdivision 2; 145.61, subdivision 5; 148.235, by adding a subdivision; 148C.01, by adding a subdivision; 148C.09, by adding a subdivision; 245.462, subdivision 4; 245.4871, subdivision 4; 245.94, subdivisions 2a and 3; 245.95, subdivision 2; 245.97, subdivision 6; 246.57, by adding a subdivision; 253B.11, subdivision 2; 256.482, by adding a subdivision; 256.73, subdivision 1, and by adding a subdivision; 256.9355, subdivision 3; 256B.03, by adding a subdivision; 256B.056, subdivisions 1 and 1a; 256B.0595, by adding subdivisions; 256B.0627, subdivisions 1, as amended, 4, as amended, 5, as amended, and by adding a subdivision; 256B.0913, subdivision 7, and by adding subdivisions; 256B.0915, subdivision 1b, and by adding subdivisions; 256B.15, by adding subdivisions; 256B.35, subdivision 1; 256B.37, subdivision 5; 256B.49, by adding a subdivision; 256B.501, by adding subdivisions; 256B.69, by adding a subdivision; 256G.01, subdivision 3, and by adding subdivisions; 256G.02, subdivisions 4 and 6; 256G.03; 256G.06; 256G.07, subdivisions 1 and 2; 256G.08, subdivision 1; 256G.09, subdivision 2; 256G.10; 256L.04, subdivision 1; 256L.05, subdivision 1c, and by adding a subdivision; 325F.71, subdivision 2; 327.14, subdivision 8; 524.2—403; and 524.3—801; Minnesota Statutes 1995 Supplement, sections 62Q.03, subdivision 8; 62Q.19, subdivisions 1 and 5; 62R.17; 144.122; 144.9503, subdivisions 6, 8, and 9; 144.9504, subdivisions 2, 7, and 8; 144.9505, subdivision 4; 144A.071, subdivisions 3 and 4a; 148C.01, subdivisions 12 and 13; 148C.02, subdivisions 1 and 2; 148C.03, subdivision 1; 148C.04, subdivisions 3, 4, and by adding a subdivision; 148C.05, subdivision 1; 148C.06; 148C.11, subdivisions 1 and 3; 157.011, subdivision 1; 157.15, subdivisions 4, 5, 6, 9, 12, 13, 14, and by adding subdivisions; 157.16; 157.17, subdivision 2; 157.20, subdivision 1, and by adding a subdivision; 157.21; 252.27, subdivision 2a; 256.045, subdivision 3; 256.969, subdivisions 1, 2b, 9, and 10; 256B.055, subdivi-

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