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# State of Minnesota

## HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **1973**

01/26/2012 Authored by Drazkowski and Scott

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance

1.1 A bill for an act  
1.2 relating to energy; renewable energy; repealing provisions related to  
1.3 community-based energy development programs; amending Minnesota Statutes  
1.4 2010, sections 216B.1691, subdivision 10; 216B.243, subdivision 9; 373.48,  
1.5 subdivision 3; repealing Minnesota Statutes 2010, sections 216B.1612;  
1.6 216B.1691, subdivision 9; 216C.39.

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

1.8 Section 1. Minnesota Statutes 2010, section 216B.1691, subdivision 10, is amended to  
1.9 read:

1.10 Subd. 10. **Utility acquisition of resources.** A competitive resource acquisition  
1.11 process established by the commission prior to June 1, 2007, shall not apply to a utility  
1.12 for the construction, ownership, and operation of generation facilities used to satisfy the  
1.13 requirements of this section unless, upon a finding that it is in the public interest, the  
1.14 commission issues an order on or after June 1, 2007, that requires compliance by a utility  
1.15 with a competitive resource acquisition process. A utility that owns a nuclear generation  
1.16 facility and intends to construct, own, or operate facilities under this section shall file with  
1.17 the commission on or before March 1, 2008, a renewable energy plan setting forth the  
1.18 manner in which the utility proposes to meet the requirements of this section, ~~including~~  
1.19 ~~a proposed schedule for purchasing renewable energy from C-BED and non-C-BED~~  
1.20 ~~projects.~~ The utility shall update the plan as necessary in its filing under section  
1.21 216B.2422. The commission shall approve the plan unless it determines, after public  
1.22 hearing and comment, that the plan is not in the public interest. ~~As part of its determination~~  
1.23 ~~of public interest, the commission shall consider the plan's allocation of projects among~~  
1.24 ~~C-BED, non-C-BED, and utility-owned projects, balancing the state's interest in:~~

2.1 ~~(1) promoting the policy of economic development in rural areas through the~~  
2.2 ~~development of renewable energy projects, as expressed in subdivision 9;~~  
2.3 ~~(2) maintaining the reliability of the state's electric power grid; and~~  
2.4 ~~(3) minimizing cost impacts on ratepayers.~~

2.5 Sec. 2. Minnesota Statutes 2010, section 216B.243, subdivision 9, is amended to read:

2.6 Subd. 9. **Renewable energy standard facilities.** This section does not apply to  
2.7 a wind energy conversion system or a solar electric generation facility that is intended  
2.8 to be used to meet the obligations of section 216B.1691; provided that, after notice and  
2.9 comment, the commission determines that the facility is a reasonable and prudent approach  
2.10 to meeting a utility's obligations under that section. When making this determination,  
2.11 the commission must consider:

- 2.12 (1) the size of the facility relative to a utility's total need for renewable resources;  
2.13 (2) alternative approaches for supplying the renewable energy to be supplied by  
2.14 the proposed facility;  
2.15 (3) the facility's ability to promote economic development, ~~as required under section~~  
2.16 ~~216B.1691, subdivision 9;~~  
2.17 (4) the facility's ability to maintain electric system reliability;  
2.18 (5) impacts on ratepayers; and  
2.19 (6) other criteria as the commission may determine are relevant.

2.20 Sec. 3. Minnesota Statutes 2010, section 373.48, subdivision 3, is amended to read:

2.21 Subd. 3. **Joint purchase of energy and acquisition of generation projects;**  
2.22 **financing.** (a) A county may enter into agreements under section 471.59 with other  
2.23 counties for joint purchase of energy or joint acquisition of interests in projects. A county  
2.24 that enters into a multiyear agreement for purchase of energy or acquires an interest in  
2.25 a project, ~~including C-BED projects pursuant to section 216B.1612, subdivision 9,~~ may  
2.26 finance the estimated cost of the energy to be purchased during the term of the agreement  
2.27 or the cost to the county of the interest in the project by the issuance of revenue bonds of  
2.28 the county, including clean renewable energy revenue bonds, provided that the annual debt  
2.29 service on all bonds issued under this section, together with the amounts to be paid by the  
2.30 county in any year for the purchase of energy under agreements entered into under this  
2.31 section, must not exceed the estimated revenues of the project.

2.32 (b) An agreement entered into under section 471.59 as provided by this section  
2.33 may provide that:

- 2.34 (1) each county issues bonds to pay their respective shares of the cost of the projects;

3.1 (2) one of the counties issues bonds to pay the full costs of the project and that the  
3.2 other participating counties pay any available revenues of the project and pledge the  
3.3 revenues to the county that issues the bonds; or

3.4 (3) the joint powers board issues revenue bonds to pay the full costs of the project  
3.5 and that the participating counties pay any available revenues of the project under this  
3.6 subdivision and pledge the revenues to the joint powers entity for payment of the revenue  
3.7 bonds.

3.8 Sec. 4. **REPEALER.**

3.9 Minnesota Statutes 2010, sections 216B.1612; 216B.1691, subdivision 9; and  
3.10 216C.39, are repealed.

3.11 Sec. 5. **EFFECTIVE DATE.**

3.12 Sections 1 to 4 are effective the day following final enactment.