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State of Minnesota

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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
05/07/2013 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act
1.2 relating to energy; regulating conservation improvement investments for
1.3 low-income programs; requiring certificate of need approval for certain
1.4 high-voltage transmission lines; amending Minnesota Statutes 2012, section
1.5 216B.241, subdivision 7.

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

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

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

1.24 (b) To meet the requirements of paragraph (a), a utility or association may contribute
1.25 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.

2.28 **Sec. 2. TRANSMISSION LINE; CERTIFICATE OF NEED REQUIRED AND**
2.29 **EVIDENCE REQUIRED.**

2.30 (a) A high-voltage transmission line with a capacity of 100 kilovolts or more proposed
2.31 to be located within a city in the metropolitan area as defined in Minnesota Statutes,
2.32 section 473.121, subdivision 2, for which a route permit application was filed between
2.33 June 2011 and August 2011, and a certificate of need application was filed between June
2.34 2012 and August 2012, to rebuild approximately eight miles of 69 kilovolt transmission
2.35 with a high-voltage transmission line to meet local area distribution needs, must be

3.1 approved in a certificate of need proceeding conducted under Minnesota Statutes, section
3.2 216B.243. The certificate of need may be approved only if the commission finds by clear
3.3 and convincing evidence that there is no feasible and available distribution level alternative
3.4 to the transmission line. In making its findings the commission shall consider the factors
3.5 provided in applicable law and rules including, without limitation, cost-effectiveness,
3.6 energy conservation, and the protection or enhancement of environmental quality.

3.7 (b) Further proceedings regarding the routing of a high-voltage transmission line
3.8 described in this section shall be suspended until the Public Utilities Commission has
3.9 made a determination that the transmission line is needed.

3.10 **EFFECTIVE DATE.** This section is effective the day following final enactment and
3.11 applies to route permits and certificate of need applications pending on or after that date.