A bill for an act

relating to energy; modifying Petrofund program; providing that certain eminent domain appraisal and negotiation requirements apply to public service corporations; modifying cost recovery provisions for electric transmission and renewable energy facilities; requiring a certain proportion of solar-generated electricity under a utility's renewable energy standard; allowing utilities to fund certain solar energy products under the conservation improvement program; requiring some electricity to be generated from solar energy by 2012; exempting certain wind and solar projects from the requirement to obtain a certificate of need; modifying and adding provisions relating to notice to and meetings with local units of government for siting large electric generating plant or high-voltage transmission line; allowing size election for certain wind energy conversion systems; creating a wind project aggregation program; requiring reports on reducing greenhouse gas emissions; requiring reporting of emissions or leakage of greenhouse gases with high global warming potential; requiring development of plan for solar rating and certification laboratory; appropriating money; amending Minnesota Statutes 2006, sections 115C.04, subdivision 3; 115C.09, subdivision 3h, by adding a subdivision; 117.189; 216B.16, subdivision 7b; 216B.1645, subdivisions 1, 2; 216B.2411, subdivision 2, by adding a subdivision; 216B.243, by adding a subdivision; 216E.03, subdivision 4, by adding subdivisions; Minnesota Statutes 2007 Supplement, sections 216B.1645, subdivision 2a; 216B.1691, subdivision 2a; 216B.2411, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 216F; 216H; repealing Minnesota Statutes 2006, section 115C.09, subdivision 3j.

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

Section 1. Minnesota Statutes 2006, section 115C.04, subdivision 3, is amended to read:

Subd. 3. ~~Agency~~ **Cost recovery; subrogation.** Reasonable and necessary expenses incurred by the agency in taking a corrective action, including costs of investigating a release, administrative and legal expenses, and reimbursement costs described in subdivision 1, paragraph (b), may be recovered in a civil action in district court brought by the ~~attorney general~~ board against a responsible person. The agency's certification of expenses is prima facie evidence that the expenses are reasonable and necessary. If the responsible person has petroleum tank leakage or spill insurance coverage that insures against the liability provided in this section, the ~~agency~~ board is subrogated to the rights of the responsible person with respect to that insurance coverage, to the extent of the expenses incurred by the agency and described in this subdivision. The ~~agency~~ board may request the attorney general to bring an action in district court against the insurer to enforce this subrogation right. Expenses that are recovered under this section must be deposited in the fund.

Sec. 2. Minnesota Statutes 2006, section 115C.09, subdivision 3h, is amended to read:

Subd. 3h. **Reimbursement; aboveground tanks in bulk plants.** (a) As used in this subdivision, "bulk plant" means an aboveground or underground tank facility with a storage capacity of more than 1,100 gallons but less than 1,000,000 gallons that is used to dispense petroleum into cargo tanks for transportation and sale at another location.

(b) ~~Notwithstanding any other provision in this chapter and any rules adopted pursuant to this chapter, the board shall reimburse 90 percent of an applicant's cost for bulk plant upgrades or closures completed between June 1, 1998, and November 1, 2003, to comply with Minnesota Rules, chapter 7151, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed $10,000 per bulk plant. The board may provide reimbursement under this paragraph for work completed after November 1, 2003, if the work was contracted for prior to that date and was not completed by that date as a result of an unanticipated situation, provided that an application for reimbursement under this paragraph, which may be a renewal of an application previously denied, is submitted prior to December 31, 2005.~~

~~(c)~~ For corrective action at a bulk plant located on what is or was railroad right-of-way, the board shall reimburse 90 percent of total reimbursable costs on the first $40,000 of reimbursable costs and 100 percent of any remaining reimbursable costs when the applicant can document that more than one bulk plant was operated on the same section of right-of-way, as determined by the commissioner of commerce.

Sec. 3. Minnesota Statutes 2006, section 115C.09, is amended by adding a subdivision to read:

Subd. 3k. **PVC piping at residential locations.** (a) The purpose of this subdivision is to assist homeowners who have installed PVC fill piping as part of the heating oil system at their residences, not knowing that heating oil has been shown to dissolve certain types of glue used to hold PVC piping together. Replacement of the PVC piping with metal piping is intended to avoid the catastrophic release of heating oil, as well as the ensuing cleanup costs, that can occur at residences where the PVC piping fails.

(b) As used in this subdivision:

(1) "residential locations" means a storage tank and appurtenances for heating oil that are used to heat a single-family residence; and

(2) "qualified person" means someone who is registered as a contractor under section 115C.11 and, as part of their trade or business, installs or repairs nonpressure piping, heating systems, air conditioning systems, or storage tank systems.

(c) Notwithstanding any other provision of this chapter or any rules adopted under this chapter, the board shall reimburse a qualified person 90 percent of the cost for replacing PVC fill piping with metal piping at residential locations between May 1, 2008, and September 1, 2011, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed $250 per residential location. The maximum expenditure from the fund may not exceed $1,500,000.

(d) A heating oil vendor is not a responsible person for a heating oil spill inside a residential location if the spill was caused solely by the failure of a tank or appurtenance to a tank owned by the homeowner.

Sec. 4. Minnesota Statutes 2006, section 117.189, is amended to read:

117.189 PUBLIC SERVICE CORPORATION EXCEPTIONS.

Sections 117.031; ~~117.036;~~ 117.055, subdivision 2, paragraph (b); 117.186; 117.187; 117.188; and 117.52, subdivisions 1a and 4, do not apply to public service corporations. For purposes of an award of appraisal fees under section 117.085, the fees awarded may not exceed $500 for all types of property.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to eminent domain proceedings commenced on or after August 1, 2008.

Sec. 5. Minnesota Statutes 2006, section 216B.16, subdivision 7b, is amended to read:

Subd. 7b. **Transmission cost adjustment.** (a) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for the Minnesota jurisdictional costs of: (i) new transmission facilities that have been separately filed and reviewed and approved by the commission under section 216B.243 ~~or~~ are certified as a priority project or deemed to be a priority transmission project under section 216B.2425; and (ii) charges incurred by a utility that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midwest Independent System Operator to benefit the utility, as provided for under a federally approved tariff.

(b) Upon filing by a public utility or utilities providing transmission service, the commission may approve, reject, or modify, after notice and comment, a tariff that:

(1) allows the utility to recover on a timely basis the costs net of revenues of facilities approved under section 216B.243 or certified or deemed to be certified under section 216B.2425 or exempt from the requirements of section 216B.243;

(2) allows the charges incurred by a utility that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midwest Independent System Operator to benefit the utility, as provided for under a federally approved tariff;

(3) allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest;

~~(3)~~ (4) provides a current return on construction work in progress, provided that recovery from Minnesota retail customers for the allowance for funds used during construction is not sought through any other mechanism;

~~(4)~~ (5) allows for recovery of other expenses if shown to promote a least-cost project option or is otherwise in the public interest;

~~(5)~~ (6) allocates project costs appropriately between wholesale and retail customers;

~~(6)~~ (7) provides a mechanism for recovery above cost, if necessary to improve the overall economics of the project or projects or is otherwise in the public interest; and

~~(7)~~ (8) terminates recovery once costs have been fully recovered or have otherwise been reflected in the utility's general rates.

(c) A public utility may file annual rate adjustments to be applied to customer bills paid under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

(1) a description of and context for the facilities included for recovery;

(2) a schedule for implementation of applicable projects;

(3) the utility's costs for these projects;

(4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the project; and

(5) calculations to establish that the rate adjustment is consistent with the terms of the tariff established in paragraph (b).

(d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in paragraph (b), the commission shall approve the annual rate adjustments provided that, after notice and comment, the costs included for recovery through the tariff were or are expected to be prudently incurred and achieve transmission system improvements at the lowest feasible and prudent cost to ratepayers.

Sec. 6. Minnesota Statutes 2006, section 216B.1645, subdivision 1, is amended to read:

Subdivision 1. **Commission authority.** Upon the petition of a public utility, the Public Utilities Commission shall approve or disapprove power purchase contracts, investments, or expenditures entered into or made by the utility to satisfy the wind and biomass mandates contained in sections 216B.169, 216B.2423, and 216B.2424, and to satisfy the renewable energy objectives and standards set forth in section 216B.1691, including reasonable investments and expenditures made to:

(1) transmit the electricity generated from sources developed under those sections that is ultimately used to provide service to the utility's retail customers, including studies necessary to identify new transmission facilities needed to transmit electricity to Minnesota retail customers from generating facilities constructed to satisfy the renewable energy objectives and standards, provided that the costs of the studies have not been recovered previously under existing tariffs and the utility has filed an application for a certificate of need or for certification as a priority project under section 216B.2425 for the new transmission facilities identified in the studies;

(2) provide storage facilities for renewable energy generation facilities that contribute to the reliability, efficiency, or cost-effectiveness of the renewable facilities; or

~~(2)~~ (3) develop renewable energy sources from the account required in section 116C.779.

Sec. 7. Minnesota Statutes 2006, section 216B.1645, subdivision 2, is amended to read:

Subd. 2. **Cost recovery.** The expenses incurred by the utility over the duration of the approved contract or useful life of the investment and expenditures made pursuant to section 116C.779 shall be recoverable from the ratepayers of the utility, to the extent they are not offset by utility revenues attributable to the contracts, investments, or expenditures. Upon petition by a public utility, the commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover the expenses or costs approved by the commission under subdivision 1, which, in the case of transmission expenditures, are limited to the portion of actual transmission costs that are directly allocable to the need to transmit power from the renewable sources of energy. The commission may not approve recovery of the costs for that portion of the power generated from sources governed by this section that the utility sells into the wholesale market.

Sec. 8. Minnesota Statutes 2007 Supplement, section 216B.1645, subdivision 2a, is amended to read:

Subd. 2a. **Cost recovery for owned renewable facilities.** (a) A utility may petition the commission to approve a rate schedule that provides for the automatic adjustment of charges to recover prudently incurred investments, expenses, or costs associated with facilities constructed, owned, or operated by a utility to satisfy the requirements of section 216B.1691, provided those facilities were previously approved by the commission under section 216B.2422 or 216B.243, or were determined by the commission to be reasonable and prudent under section 216B.243, subdivision 9. The commission may approve, or approve as modified, a rate schedule that:

(1) allows a utility to recover directly from customers on a timely basis the costs of qualifying renewable energy projects, including:

(i) return on investment;

(ii) depreciation;

(iii) ongoing operation and maintenance costs;

(iv) taxes; and

(v) costs of transmission and other ancillary expenses directly allocable to transmitting electricity generated from a project meeting the specifications of this paragraph;

(2) provides a current return on construction work in progress, provided that recovery of these costs from Minnesota ratepayers is not sought through any other mechanism;

(3) allows recovery of other expenses incurred that are directly related to a renewable energy project, including expenses for energy storage, provided that the utility demonstrates to the commission's satisfaction that the expenses improve project economics, ensure project implementation, or facilitate coordination with the development of transmission necessary to transport energy produced by the project to market;

(4) allocates recoverable costs appropriately between wholesale and retail customers;

(5) terminates recovery when costs have been fully recovered or have otherwise been reflected in a utility's rates.

(b) A petition filed under this subdivision must include:

(1) a description of the facilities for which costs are to be recovered;

(2) an implementation schedule for the facilities;

(3) the utility's costs for the facilities;

(4) a description of the utility's efforts to ensure that costs of the facilities are reasonable and were prudently incurred; and

(5) a description of the benefits of the project in promoting the development of renewable energy in a manner consistent with this chapter.

Sec. 9. Minnesota Statutes 2007 Supplement, section 216B.1691, subdivision 2a, is amended to read:

Subd. 2a. **Eligible energy technology standard.** (a) Except as provided in paragraph (b), each electric utility shall generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:

(1)	2012	12 percent
(2)	2016	17 percent
(3)	2020	20 percent
(4)	2025	25 percent.

(b) An electric utility that owned a nuclear generating facility as of January 1, 2007, must meet the requirements of this paragraph rather than paragraph (a). An electric utility subject to this paragraph must generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota or the retail customer of a distribution utility to which the electric utility provides wholesale electric service so that at least the following percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:

(1)	2010	15 percent
(2)	2012	18 percent
(3)	2016	25 percent
(4)	2020	30 percent.

Of the 30 percent in 2020, at least 25 percent must be generated by wind energy conversion systems and the remaining five percent by other eligible energy technology.

(c) By the end of the year 2012, at least 0.0125 percent of the electricity required by paragraphs (a) and (b) to be generated by each electric utility must be generated by solar energy. At least 60 percent of the required solar energy electric generation by each utility must be distributed solar generated at a customer's site with customer-owned facilities. For the purposes of this paragraph, "distributed solar" means solar electric equipment that meets the requirements of section 216C.25 with a total peak generating capacity of 100 kilowatts or less used for generating electricity primarily for use in a residential property or small business, as defined by section 645.445, to reduce the effective electric load for that residence or business. An electric utility that generates less than 60 percent of its required solar energy electric generation with customer-owned distributed solar must demonstrate that reasonable efforts were made to achieve sufficient customer participation in a timely manner.

Sec. 10. Minnesota Statutes 2007 Supplement, section 216B.2411, subdivision 1, is amended to read:

Subdivision 1. **Generation projects.** (a) Any municipality or rural electric association providing electric service and subject to section 216B.241 ~~that is meeting the objectives under section 216B.1691~~ may, and each public utility may, use five percent of the total amount to be spent on energy conservation improvements under section 216B.241, on:

(1) projects in Minnesota to construct an electric generating facility that utilizes eligible renewable energy sources as defined in subdivision 2, such as methane or other combustible gases derived from the processing of plant or animal wastes, biomass fuels such as short-rotation woody or fibrous agricultural crops, or other renewable fuel, as its primary fuel source; ~~or~~

(2) projects in Minnesota to install a distributed generation facility of ten megawatts or less of interconnected capacity that is fueled by natural gas, renewable fuels, or another similarly clean fuel~~.~~; or

(3) installing a qualifying solar energy project as defined in subdivision 2.

(b) For public utilities, as defined under section 216B.02, subdivision 4, projects under this section must be considered energy conservation improvements as defined in section 216B.241. For cooperative electric associations and municipal utilities, projects under this section must be considered load-management activities described in section 216B.241, subdivision 1.

Sec. 11. Minnesota Statutes 2006, section 216B.2411, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision and section 216B.241, subdivision 1, have the meanings given them.

(b) "Eligible renewable energy sources" means fuels and technologies to generate electricity through the use of any of the resources listed in section 216B.1691, subdivision 1, paragraph (a), clause (1), except that ~~the term~~ "biomass" has the meaning provided under paragraph (c), and "solar" must meet the definition of a qualified solar energy project under paragraph (d).

(c) "Biomass" includes:

(1) methane or other combustible gases derived from the processing of plant or animal material;

(2) alternative fuels derived from soybean and other agricultural plant oils or animal fats;

(3) combustion of barley hulls, corn, soy-based products, or other agricultural products;

(4) wood residue from the wood products industry in Minnesota or other wood products such as short-rotation woody or fibrous agricultural crops; and

(5) landfill gas, mixed municipal solid waste, and refuse-derived fuel from mixed municipal solid waste.

(d) "Qualifying solar energy project" means a qualifying solar thermal project or qualifying solar electric project.

(e) "Qualifying solar thermal project" means a flat plate or evacuated tube that meets the requirements of section 216C.25 with a fixed orientation that collects the sun's radiant energy and transfers it to a storage medium for distribution as energy to heat or cool air or water, but does not include equipment used to heat water at a residential property (1) for domestic use if less than one-half of the energy used for that purpose is derived from the sun or (2) for use in a hot tub or swimming pool.

(f) "Qualifying solar electric project" means solar electric equipment that meets the requirements of section 216C.25 with a total peak generating capacity of 100 kilowatts or less used for generating electricity primarily for use in a residential property or small business to reduce the effective electric load for that residence or small business.

(g) "Residential property" means the principal residence used by the homeowner at the time the solar equipment is placed in service.

(h) "Small business" has the meaning given to it in section 645.445.

Sec. 12. Minnesota Statutes 2006, section 216B.2411, is amended by adding a subdivision to read:

Subd. 4. **Qualifying solar energy project.** (a) A utility subject to section 216B.241 may include in its conservation plan programs for the installation of qualifying solar energy projects as provided in this section. Qualifying solar energy projects must meet or exceed cost-effectiveness and other guidelines to be developed by order of the commissioner. Energy savings from qualifying solar energy projects may not be counted toward the minimum energy savings goal of at least one percent for energy conservation improvements required under section 216B.241, subdivision 1c, but may, as the commissioner determines appropriate:

(1) be counted above that minimum percentage; and

(2) be considered when establishing performance incentives under section 216B.241, subdivision 2c.

(b) Qualifying solar energy projects may not be considered when establishing demand-side management targets under sections 216B.2422, 216B.243, or any other section of this chapter.

Sec. 13. Minnesota Statutes 2006, section 216B.243, is amended by adding a subdivision to read:

Subd. 9. **Renewable energy standard facilities.** The requirements of this section do not apply to a wind energy conversion system or a solar electric generation facility that is intended to be used to meet or exceed the obligations of section 216B.1691; provided that, after notice and comment, the commission determines that the facility is a reasonable and prudent approach to meeting a utility's obligations under that section. When making this determination, the commission may consider the size of the facility relative to a utility's total need for renewable resources and alternative approaches for supplying the renewable energy to be supplied by the proposed facility, and must consider the facility's ability to promote economic development, as required under section 216B.1691, subdivision 9, maintain electric system reliability and consider impacts on ratepayers, and other criteria as the commission may determine are relevant.

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

Sec. 14. Minnesota Statutes 2006, section 216E.03, is amended by adding a subdivision to read:

Subd. 3a. **Project notice.** At least 120 days before filing an application with the commission, the applicant shall provide notice to each local unit of government within which a route may be proposed. The notice must describe the proposed project and the opportunity for a preapplication consultation meeting with local units of government as provided in subdivision 3b.

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

Sec. 15. Minnesota Statutes 2006, section 216E.03, is amended by adding a subdivision to read:

Subd. 3b. **Preapplication consultation meetings.** Within 30 days of receiving a project notice, local units of government may request the applicant hold a consultation meeting with local units of government. Upon receiving notice from a local unit of government requesting a preapplication consultation meeting, the applicant shall arrange the meeting at a location chosen by the local unit of government.

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

Sec. 16. Minnesota Statutes 2006, section 216E.03, subdivision 4, is amended to read:

Subd. 4. ~~**Notice of**~~ **Application notice.** Within 15 days after submission of an application to the commission, the applicant shall publish notice of the application in a legal newspaper of general circulation in each county in which the site or route is proposed and send a copy of the application by certified mail to any regional development commission, county, incorporated municipality, and ~~township~~ town in which any part of the site or route is proposed. Within the same 15 days, the applicant shall also send a notice of the submission of the application and description of the proposed project to each owner whose property is on or adjacent to any of the proposed sites for the power plant or along any of the proposed routes for the transmission line. The notice ~~shall~~ must identify a location where a copy of the application can be reviewed. For the purpose of giving mailed notice under this subdivision, owners ~~shall be~~ are those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. The failure to give mailed notice to a property owner, or defects in the notice, ~~shall~~ does not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made. Within the same 15 days, the applicant shall also send the same notice of the submission of the application and description of the proposed project to those persons who have requested to be placed on a list maintained by the commission for receiving notice of proposed large electric generating power plants and high voltage transmission lines.

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

Sec. 17. **[216F.012] SIZE ELECTION.**

(a) Owners of wind energy conversion systems that consist of single ownership units with a nameplate capacity less than five megawatts and a combined nameplate capacity of less than 25 megawatts, as determined under section 216F.011, may elect to be classified as a small wind energy conversion system or a large wind energy conversion system under this chapter.

(b) This section expires July 1, 2012.

Sec. 18. **[216F.09] WECS AGGREGATION PROGRAM.**

Subdivision 1. **Program established.** The entity selected to provide rural wind development assistance under Laws 2007, chapter 57, article 2, section 3, subdivision 6, shall also establish a wind energy conversion system (WECS) aggregation program. The purpose of the program is to create a clearinghouse to coordinate and arrange umbrella sales arrangements for groups of individuals, farmstead property owners, farmers' cooperative associations, community-based energy project developers, school districts, and other political subdivisions to aggregate small-volume purchases, as a group, in order to place large orders for wind energy conversion systems with WECS manufacturers.

Subd. 2. **Responsibilities.** The entity shall:

(1) provide application procedures for participation in the program;

(2) set minimum standards for wind energy conversion systems to be considered for purchase through the program, which may include price, quality and installation standards, timely delivery schedules and arrangements, performance and reliability ratings, and any other factors considered necessary or desirable for participants;

(3) set eligibility considerations and requirements for purchasers, including availability to the applicant of land authorized for installation and use of WECS, likelihood of a permit being approved by the commission or a county under this chapter, documentation of adequate financing, and other necessary or usual financial or business practices or requirements;

(4) provide a minimal framework for soliciting or contacting manufacturers on behalf of participants; and

(5) coordinate purchase agreements between the manufacturer and participants.

Subd. 3. **Report.** By February 1 of 2009, and each year thereafter, the commissioner of commerce shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy on the activities and results of the program, including the number of participants and the number of purchases made.

Subd. 4. **Assessment; appropriation.** Annual costs of the program, up to $100,000, must be assessed under section 216C.052, subdivision 2, paragraph (c), clause (1). The assessment is appropriated to the commissioner of commerce to be used by the director of the Office of Energy Security for a grant to the entity to carry out the purposes of this section.

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

Sec. 19. **[216H.07] GREENHOUSE GAS EMISSION REDUCTION ATTAINMENT; POLICY DEVELOPMENT PROCESS.**

Subdivision 1. **Definition.** For the purpose of this section, "reductions" means the greenhouse gas emissions reductions goals specified in section 216H.02, subdivision 1.

Subd. 2. **Purpose.** This section is intended to create a nonexclusive, regular process for the state to develop policies to attain the greenhouse gas reduction goals specified in section 216H.02.

Subd. 3. **Biennial reduction progress report.** By November 1 of each even-numbered year, the commissioners of commerce and the Pollution Control Agency shall jointly report to the chairs and ranking minority members of the legislative committees with primary policy jurisdiction over energy and environmental issues the most recent and best available evidence identifying the level of reductions already achieved and the level necessary to achieve the reduction goals established in section 216H.02. The report must be written in easily understood, nontechnical language.

Subd. 4. **Annual legislative proposal.** The commissioners of commerce and the Pollution Control Agency shall annually by November 1 provide to the chairs and ranking minority members of the legislative committees with primary policy jurisdiction over energy and environmental issues proposed legislation the commissioners determine appropriate to achieve the reductions. If the commissioners determine no legislation is appropriate, they shall report that determination to the chairs along with an explanation of the determination.

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

Sec. 20. **[216H.10] DEFINITIONS.**

Subdivision 1. **Applicability.** For purposes of sections 216H.10 to 216H.15, the following terms have the meanings given.

Subd. 2. **Agency.** "Agency" means the Pollution Control Agency.

Subd. 3. **Carbon dioxide equivalent.** "Carbon dioxide equivalent" means the quantity of carbon dioxide that has the same global warming potential as a given amount of another greenhouse gas.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of the Pollution Control Agency.

Subd. 5. **Global warming.** "Global warming" means the observed and predicted increase in the temperature of the atmosphere near the earth's surface and the oceans.

Subd. 6. **Global warming potential or GWP.** "Global warming potential" or "GWP" means a quantitative measure of the potential of an emission of a greenhouse gas to contribute to global warming over a 100-year period expressed in terms of the equivalent emission of carbon dioxide needed to produce the same 100-year warming effect, as reported in Fourth Assessment Report: Climate Change 2007, Intergovernmental Panel on Climate Change.

Subd. 7. **High-GWP greenhouse gas.** "High-GWP greenhouse gas" means hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Subd. 8. **Mobile air conditioner.** "Mobile air conditioner" means mechanical vapor compression refrigeration equipment used to cool the passenger compartment of a motor vehicle.

Subd. 9. **Motor vehicle.** "Motor vehicle" has the meaning given in section 168.011, subdivision 4.

Subd. 10. **New motor vehicle.** "New motor vehicle" has the meaning given in section 80E.03, subdivision 7.

Subd. 11. **Refrigerant.** "Refrigerant" means a substance used, sold for use, or designed and intended for use in a mobile air conditioner to transfer heat out of the space being cooled.

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

Sec. 21. **[216H.11] HIGH-GWP GREENHOUSE GAS REPORTING.**

Subdivision 1. **Gas manufacturers.** Beginning October 1, 2008, and each year thereafter, a manufacturer of a high-GWP greenhouse gas must report to the agency the total amount of each high-GWP greenhouse gas sold to a purchaser in this state during the previous year.

Subd. 2. **Purchases.** Beginning October 1, 2008, and each year thereafter, a person in this state who purchases 100 metric tons or more carbon dioxide equivalent of a high-GWP greenhouse gas must report to the agency, on a form prescribed by the commissioner, the total amount of each high-GWP greenhouse gas purchased during the previous year and the purpose for which the gas was used.

Subd. 3. **Acceptance of federal filing.** With the approval of the commissioner, this section may be satisfied by filing with the commissioner a copy of a greenhouse gas emissions report filed with a federal agency.

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

Sec. 22. **[216H.12] MOBILE AIR CONDITIONER LEAKAGE RATES; DISCLOSURE.**

Subdivision 1. **Leakage disclosure.** Beginning January 1, 2009, a manufacturer selling or offering for sale a new motor vehicle in this state containing a mobile air conditioner that uses the high-GWP greenhouse gas HFC-134a (1,1,1,2-tetrafluoroethane) as a refrigerant must, 90 days prior to the initial sale or offer for sale, report to the commissioner the leakage rate, in grams of refrigerant per year, for the type of mobile air conditioner contained in that make, model, and model year. The leakage rate must be calculated using the information provided in the most recently published version of the Society of Automotive Engineers International document J2727, "HFC-134a Mobile Air Conditioning System Emission Chart." The method by which the leakage rate is calculated, accounting for each component of the air conditioning unit, must also be reported to the commissioner.

Subd. 2. **Posting.** Beginning January 1, 2009, the agency and the Office of the Attorney General must post on their Web sites:

(1) the leakage rate disclosed by a manufacturer under subdivision 1 for each model and make of new motor vehicle sold or offered for sale in this state; and

(2) the following statement: "Vehicle air conditioning systems may leak refrigerants. Information provided in the chart compares the potential global warming effects of refrigerant leakage from different makes and models of vehicles."

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

Sec. 23. **[216H.15] ENFORCEMENT.**

Sections 216H.10 to 216H.12 may be enforced under section 116.072.

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

Sec. 24. **REPORT.**

By February 1, 2009, the commissioner of the Pollution Control Agency shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environmental policy that identifies the uses and emissions sources of hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride in this state and suggests options for reducing or eliminating those uses and emissions and the costs of implementing those options. The options for reducing emissions must include phasing out specific consumer products containing high global warming potential gases where that is cost-effective.

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

Sec. 25. **SOLAR RATING AND CERTIFICATION LABORATORY.**

The director of the Office of Energy Security shall convene technical stakeholders who are expert in the design, manufacture, installation, and operation of solar energy systems to develop criteria and characteristics for a Minnesota-based solar rating and certification laboratory. The criteria shall include, but not be limited to, consideration of durability, cold-weather operations, and indoor air quality. The director shall develop and, by September 15, 2008, issue a request for proposals for the development of a plan, based on the criteria and characteristics developed by the stakeholder group, for a solar rating and certification laboratory in the state, including cost estimates. By January 15, 2009, the director shall submit a report to the chairs of the house and senate committees with jurisdiction over energy finance issues, detailing the responses to the request and making recommendations, including draft legislation.

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

Sec. 26. **REPEALER.**

Minnesota Statutes 2006, section 115C.09, subdivision 3j, is repealed.

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