

A bill for an act

relating to energy; eliminating certain allocations and temporarily prohibiting approval of certain expenditures from renewable development account; amending Minnesota Statutes 2010, section 116C.779, subdivisions 1, 3.

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

Section 1. Minnesota Statutes 2010, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The public utility that owns the Prairie Island nuclear generating plant must transfer to a renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (d). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year. Funds in the account may be expended only for development of renewable energy sources. Preference must be given to development of renewable energy source projects located within the state. The utility that owns a nuclear generating plant is eligible to apply for renewable development fund grants. The utility's proposals must be evaluated by the renewable development fund board in a manner consistent with that used to evaluate other renewable development fund project proposals.

(b) The public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the

commission pursuant to paragraph (d). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(c) Expenditures authorized by this subdivision from the account may only be made after approval by order of the Public Utilities Commission upon a petition by the public utility. Commission approval is not required for expenditures required under subdivisions 2 and 3, section 116C.7791, or other law.

(d) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

Sec. 2. Minnesota Statutes 2010, section 116C.779, subdivision 3, is amended to read:

Subd. 3. **Initiative for Renewable Energy and the Environment.** (a) Beginning July 1, 2009, and each July 1 through ~~2012~~ 2011, \$5,000,000 must be allocated from the renewable development account to fund a grant to the Board of Regents of the University of Minnesota for the Initiative for Renewable Energy and the Environment for the purposes described in paragraph (b). The Initiative for Renewable Energy and the Environment must set aside at least 15 percent of the funds received annually under the grant for qualified projects conducted at a rural campus or experiment station. Any set-aside funds not awarded to a rural campus or experiment station at the end of the fiscal year revert back to the Initiative for Renewable Energy and the Environment for its exclusive use. This subdivision does not create an obligation to contribute funds to the account.

(b) Activities funded under this grant may include, but are not limited to:

(1) environmentally sound production of energy from a renewable energy source, including biomass and agricultural crops;

(2) environmentally sound production of hydrogen from biomass and any other renewable energy source for energy storage and energy utilization;

(3) development of energy conservation and efficient energy utilization technologies;

(4) energy storage technologies; and

(5) analysis of policy options to facilitate adoption of technologies that use or produce low-carbon renewable energy.

(c) For the purposes of this subdivision:

(1) "biomass" means plant and animal material, agricultural and forest residues, mixed municipal solid waste, and sludge from wastewater treatment; and

(2) "renewable energy source" means hydro, wind, solar, biomass, and geothermal energy, and microorganisms used as an energy source.

(d) Beginning January 15 of 2010, and each year thereafter, the director of the Initiative for Renewable Energy and the Environment at the University of Minnesota shall submit a report to the chair and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy finance describing the activities conducted during the previous year funded under this subdivision.

Sec. 3. **TEMPORARY PROHIBITION ON PUBLIC UTILITIES COMMISSION APPROVAL OF CERTAIN RENEWABLE DEVELOPMENT ACCOUNT EXPENDITURES.**

(a) Notwithstanding Minnesota Statutes, section 116C.779, the Public Utilities Commission may not approve expenditures from the renewable development account for which commission approval is required by Minnesota Statutes, section 116C.779, subdivision 1, during the period between the effective date of this section and July 1, 2012.

(b) This section does not prohibit commission approval for rate recovery rider filings for expenditures from the renewable development account.

(c) This section does not prohibit payments for expenditures approved by the commission before the effective date of this section.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment.