

A bill for an act
relating to energy; modifying conservation improvement program; amending
Minnesota Statutes 2010, section 216B.241, subdivision 1c.

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

Section 1. Minnesota Statutes 2010, section 216B.241, subdivision 1c, is amended to
read:

Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving
goals for energy conservation improvement expenditures and shall evaluate an energy
conservation improvement program on how well it meets the goals set.

(b) Each individual utility and association shall have an annual energy-savings
goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the
commissioner under paragraph (d). The savings goals must be calculated based on the
most recent three-year weather normalized average. A utility or association may elect to
carry forward energy savings in excess of 1.5 percent for a year to the succeeding three
calendar years, except that savings from electric utility infrastructure projects allowed
under paragraph (d) may be carried forward for five years. A particular energy savings can
be used only for one year's goal.

(c) The commissioner must adopt a filing schedule that is designed to have all
utilities and associations operating under an energy-savings plan by calendar year 2010.

(d) In its energy conservation improvement plan filing, a utility or association may
request the commissioner to adjust its annual energy-savings percentage goal based on
its historical conservation investment experience, customer class makeup, load growth, a
conservation potential study, or other factors the commissioner determines warrants an
adjustment. Except for a plan of an association, the commissioner may not approve a plan

that provides for an annual energy-savings goal of less than one percent of gross annual retail energy sales from energy conservation improvements.

A utility or association may include in its energy conservation plan energy savings from electric utility infrastructure projects approved by the commission under section 216B.1636 or waste heat recovery converted into electricity projects that may count as energy savings in addition to the minimum energy-savings goal of at least one percent for energy conservation improvements. Electric utility infrastructure projects must result in increased energy efficiency greater than that which would have occurred through normal maintenance activity.

(e) An energy-savings goal is not satisfied by attaining the revenue expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the energy-savings goal established in this subdivision.

(f) An association or utility is not required to make energy conservation investments to attain the energy-savings goals of this subdivision that are not cost-effective even if the investment is necessary to attain the energy-savings goals. For the purpose of this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs and benefits to ratepayers, the utility, participants, and society. In addition, the commissioner shall consider the rate at which an association or municipal utility is increasing its energy savings and its expenditures on energy conservation.

(g) On an annual basis, the commissioner shall produce and make publicly available a report on the annual energy savings and estimated carbon dioxide reductions achieved by the energy conservation improvement programs for the two most recent years for which data is available. The commissioner shall report on program performance both in the aggregate and for each entity filing an energy conservation improvement plan for approval or review by the commissioner.

(h) By January 15, 2010, the commissioner shall report to the legislature whether the spending requirements under subdivisions 1a and 1b are necessary to achieve the energy-savings goals established in this subdivision.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to energy savings plans for calendar year 2012 and thereafter.