

A bill for an act relating to energy; modifying provisions relating to public utilities, energy conservation, and renewable energy; amending Minnesota Statutes 2010, sections 3.8851, subdivision 3; 16B.322, subdivisions 5, 7; 16B.325, subdivision 4; 116J.437, subdivision 1; 216B.16, subdivision 6b; 216B.1612, subdivision 2; 216B.1636, subdivision 1; 216B.1645, subdivision 1; 216B.1691; 216B.241; 216B.243, subdivision 9; 216C.43, subdivision 11; 297A.68, by adding a subdivision; 373.48, subdivision 3; repealing Minnesota Statutes 2010, sections 216B.1612, subdivisions 1, 3, 4, 5, 6, 7, 8, 9; 216B.1681; 216B.1691, subdivision 7; 216B.2401; 216C.03; 216C.05, subdivision 2.

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

ARTICLE 1  
CONSERVATION

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

**216B.241 ENERGY CONSERVATION IMPROVEMENT.**  
Subdivision 1. **Definitions.** For purposes of this section and section 216B.16, subdivision 6b, the terms defined in this subdivision have the meanings given them.  
(a) "Commission" means the Public Utilities Commission.  
(b) "Commissioner" means the commissioner of commerce.  
(c) "Customer facility" means all buildings, structures, equipment, and installations at a single site.  
(d) "Department" means the Department of Commerce.  
(e) "Energy conservation" means demand-side management of energy supplies resulting in a net reduction in energy use. Load management that reduces overall energy use is energy conservation.

(f) "Energy conservation improvement" means a project that results in energy efficiency or energy conservation. Energy conservation improvement may include waste heat recovery converted into electricity but does not include electric utility infrastructure projects approved by the commission under section 216B.1636.

~~(g) "Energy efficiency" means measures or programs, including energy conservation measures or programs, that target consumer behavior, equipment, processes, or devices designed to produce either an absolute decrease in consumption of electric energy or natural gas or a decrease in consumption of electric energy or natural gas on a per unit of production basis without a reduction in the quality or level of service provided to the energy consumer.~~

~~(h) "Gross annual retail energy sales" means annual electric sales to all retail customers in a utility's or association's Minnesota service territory or natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. For purposes of this section, gross annual retail energy sales exclude gas sales to a large energy facility and gas and electric sales to a large electric customer facility exempted by the commissioner under subdivision 1a, paragraph (b).~~

~~(i)~~ (g) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement, including but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no-interest or below-market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

~~(j)~~ (h) "Large electric customer facility" means a customer facility that imposes a peak electrical demand on an electric utility's system of not less than 20,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes, and for which electric services are provided at retail on a single bill by a utility operating in the state.

~~(k) "Large energy facility" has the meaning given it in section 216B.2421, subdivision 2, clause (1).~~

~~(l)~~ (i) "Load management" means an activity, service, or technology to change the timing or the efficiency of a customer's use of energy that allows a utility or a customer

to respond to wholesale market fluctuations or to reduce ~~peak~~ the overall demand for energy or capacity.

~~(m) "Low-income programs" means energy conservation improvement programs that directly serve the needs of low-income persons, including low-income renters.~~

~~(n)~~ (i) "Waste heat recovery converted into electricity" means an energy recovery process that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines or manufacturing or industrial processes, or the reduction of high pressure in water or gas pipelines.

Subd. 1a. **Investment, expenditure, and contribution; public utility.** (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

(1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues from service provided in the state;

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and

(3) for a utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.

For purposes of this paragraph (a), "gross operating revenues" do not include revenues from large electric customer facilities exempted by the commissioner under paragraph (b).

(b) The owner of a large electric customer facility may petition the commissioner to exempt both electric and gas utilities serving the large energy customer facility from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the facility. At a minimum, the petition must be supported by evidence relating to competitive or economic pressures on the customer and a showing by the customer of reasonable efforts to identify, evaluate, and implement cost-effective conservation improvements at the facility. If a petition is filed on or before October 1 of any year, the order of the commissioner to exempt revenues attributable to the facility can be effective no earlier than January 1 of the following year. The commissioner shall not grant an exemption if the commissioner determines that granting the exemption is contrary to the public interest. The commissioner may, after investigation, rescind any exemption granted under this paragraph upon a determination that ~~the customer is not continuing to make reasonable efforts to identify, evaluate, and implement~~ cost-effective

energy conservation improvements are available at the large electric customer facility.

For the purposes of this paragraph, "cost-effective" means that the projected total cost of

the energy conservation improvement at the large electric customer facility is less than

the projected present value of the energy and demand savings resulting from the energy

conservation improvement. For the purposes of investigations by the commissioner under

this paragraph, the owner of any large electric customer facility shall, upon request,

provide the commissioner with updated information comparable to that originally supplied

in or with the owner's original petition under this paragraph.

(c) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100 megawatts or greater within five years under midrange forecast assumptions.

(d) A public utility or owner of a large electric customer facility may appeal a decision of the commissioner under paragraph (b) or (c) to the commission under subdivision 2. In reviewing a decision of the commissioner under paragraph (b) or (c), the commission shall rescind the decision if it finds that the required investments or spending will:

(1) not result in cost-effective energy conservation improvements; or

(2) otherwise not be in the public interest.

(e) Each utility shall determine what portion of the amount it sets aside for conservation improvement will be used for conservation improvements under subdivision 2 and what portion it will contribute to the energy and conservation account established in subdivision 2a. A public utility may propose to the commissioner to designate that all or a portion of funds contributed to the account established in subdivision 2a be used for research and development projects that can best be implemented on a statewide basis. Contributions must be remitted to the commissioner by February 1 of each year. Nothing in this subdivision prohibits a public utility from spending or investing for energy conservation improvement more than required in this subdivision.

**Subd. 1b. Conservation improvement by cooperative association or municipality.** (a) This subdivision applies to:

(1) a cooperative electric association that provides retail service to its members;

(2) a municipality that provides electric service to retail customers; and

(3) a municipality with ~~more than 1,000,000,000 cubic feet in annual throughput~~ sales to gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

(c) Each municipality and cooperative electric association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a ~~large energy facility or a~~ large electric customer facility for which the commissioner has issued an exemption under subdivision 1a, paragraph (b).

(d) Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association.

(e) Load-management activities that do not reduce energy use but that increase the efficiency of the electric system may be used to meet 50 percent of the conservation investment and spending requirements of this subdivision.

(f) A generation and transmission cooperative electric association that provides energy services to cooperative electric associations that provide electric service at retail to consumers may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate basis. A municipal power agency or other not-for-profit entity that provides energy service to municipal utilities that provide electric service at retail may invest in energy conservation improvements on behalf of the municipal utilities it serves and may fulfill the conservation, spending, reporting, and energy-savings goals on an aggregate basis, under an agreement between the municipal power agency or not-for-profit entity and each municipal utility for funding the investments.

6.1           (g) ~~Each municipality or cooperative shall file energy conservation improvement~~  
6.2 ~~plans by June 1 on a schedule determined by order of the commissioner, but at least every~~  
6.3 ~~three years. Plans received by June 1 must be approved or approved as modified by the~~  
6.4 ~~commissioner by December 1 of the same year. At least every four years, on a schedule~~  
6.5 ~~determined by the commissioner, each municipality or cooperative shall file an overview~~  
6.6 ~~of its conservation improvement plan with the commissioner. With this overview, the~~  
6.7 ~~municipality or cooperative shall also provide an evaluation to the commissioner detailing~~  
6.8 ~~its energy conservation improvement spending and investments for the previous period.~~  
6.9 ~~The evaluation must briefly describe each conservation program and must specify the~~  
6.10 ~~energy savings or increased efficiency in the use of energy within the service territory~~  
6.11 ~~of the utility or association that is the result of the spending and investments. The~~  
6.12 ~~evaluation must analyze the cost-effectiveness of the utility's or association's conservation~~  
6.13 ~~programs, using a list of baseline energy and capacity savings assumptions developed~~  
6.14 ~~in consultation with the department. The commissioner shall review each evaluation~~  
6.15 ~~and make recommendations, where appropriate, to the municipality or association to~~  
6.16 ~~increase the effectiveness of conservation improvement activities. Up to three percent of~~  
6.17 ~~a utility's conservation spending obligation under this section may be used for program~~  
6.18 ~~preevaluation, testing, and monitoring and program evaluation. The overview and~~  
6.19 ~~evaluation filed by a municipality with less than 60,000,000 kilowatt-hours in annual~~  
6.20 ~~retail sales of electric service may consist of a letter from the governing board of the~~  
6.21 ~~municipal utility to the department providing the amount of annual conservation spending~~  
6.22 ~~required of that municipality and certifying that the required amount has been spent on~~  
6.23 ~~conservation programs pursuant to this subdivision.~~

6.24           (h) The commissioner shall also review each evaluation for whether a portion of the  
6.25 money spent on residential conservation improvement programs is devoted to programs  
6.26 that directly address the needs of renters and low-income persons unless an insufficient  
6.27 number of appropriate programs are available. For the purposes of this subdivision and  
6.28 subdivision 2, "low-income" means an income at or below 50 percent of the state median  
6.29 income.

6.30           (i) As part of its spending for conservation improvement, a municipality or  
6.31 association may contribute to the energy and conservation account. A municipality or  
6.32 association may propose to the commissioner to designate that all or a portion of funds  
6.33 contributed to the account be used for research and development projects that can best  
6.34 be implemented on a statewide basis. Any amount contributed must be remitted to the  
6.35 commissioner by February 1 of each year.

(j) A municipality may spend up to 50 percent of its required spending under this section to refurbish an existing district heating or cooling system ~~until July 1, 2007. From July 1, 2007, through June 30, 2011, expenditures made to refurbish a district heating or cooling system are considered to be load-management activities under paragraph (c). This paragraph expires July 1, 2011.~~

~~(i) The commissioner shall consider and may require a utility, association, or other entity providing energy efficiency and conservation services under this section to undertake a program suggested by an outside source, including a political subdivision, nonprofit corporation, or community organization.~~

~~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. 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.~~

~~Subd. 1d. **Technical assistance.** The commissioner shall evaluate energy conservation improvement programs on the basis of cost-effectiveness and the reliability of the technologies employed. The commissioner shall, by order, establish, maintain, and update energy-savings assumptions that must be used when filing energy conservation improvement programs. The commissioner shall establish an inventory of the most effective energy conservation programs, techniques, and technologies, and encourage all Minnesota utilities to implement them, where appropriate, in their service territories. The commissioner shall describe these programs in sufficient detail to provide a utility reasonable guidance concerning implementation. The commissioner shall prioritize the opportunities in order of potential energy savings and in order of cost-effectiveness. The commissioner may contract with a third party to carry out any of the commissioner's duties under this subdivision, and to obtain technical assistance to evaluate the effectiveness of any conservation improvement program. The commissioner may assess up to \$800,000 annually until June 30, 2009, and \$450,000 annually thereafter for the purposes of this subdivision. The assessments must be deposited in the state treasury and credited to the energy and conservation account created under subdivision 2a. An assessment made under~~

~~this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.~~

~~Subd. 1e. **Applied research and development grants.** (a) The commissioner may, by order, approve and make grants for applied research and development projects of general applicability that identify new technologies or strategies to maximize energy savings, improve the effectiveness of energy conservation programs, or document the carbon dioxide reductions from energy conservation programs. When approving projects, the commissioner shall consider proposals and comments from utilities and other interested parties. The commissioner may assess up to \$3,600,000 annually for the purposes of this subdivision. The assessments must be deposited in the state treasury and credited to the energy and conservation account created under subdivision 2a. An assessment made under this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.~~

~~(b) The commissioner, as part of the assessment authorized under paragraph (a), shall annually assess and grant up to \$500,000 for the purpose of subdivision 9.~~

~~Subd. 1f. **Facilities energy efficiency.** (a) The commissioner of administration and the commissioner of commerce shall maintain and, as needed, revise the sustainable building design guidelines developed under section 16B.325.~~

~~(b) The commissioner of administration and the commissioner of commerce shall maintain and update the benchmarking tool developed under Laws 2001, chapter 212, article 1, section 3, so that all public buildings can use the benchmarking tool to maintain energy use information for the purposes of establishing energy efficiency benchmarks, tracking building performance, and measuring the results of energy efficiency and conservation improvements.~~

~~(c) The commissioner shall require that utilities include in their conservation improvement plans programs that facilitate professional engineering verification to qualify a building as Energy Star-labeled, Leadership in Energy and Environmental Design (LEED) certified, or Green Globes-certified. The state goal is to achieve certification of 1,000 commercial buildings as Energy Star-labeled, and 100 commercial buildings as LEED-certified or Green Globes-certified by December 31, 2010.~~

~~(d) The commissioner may assess up to \$500,000 annually for the purposes of this subdivision. The assessments must be deposited in the state treasury and credited to the energy and conservation account created under subdivision 2a. An assessment made under this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.~~

Subd. 1g. **Manner of filing and service.** (a) A public utility, generation and transmission cooperative electric association, municipal power agency, cooperative electric association, and municipal utility shall submit filings to the department via the department's electronic filing system. The commissioner may approve an exemption from this requirement in the event an affected utility or association is unable to submit filings via the department's electronic filing system. All other interested parties shall submit filings to the department via the department's electronic filing system whenever practicable but may also file by personal delivery or by mail.

(b) Submission of a document to the department's electronic filing system constitutes service on the department. Where department rule requires service of a notice, order, or other document by the department, utility, association, or interested party upon persons on a service list maintained by the department, service may be made by personal delivery, mail, or electronic service, except that electronic service may only be made upon persons on the service list who have previously agreed in writing to accept electronic service at an electronic address provided to the department for electronic service purposes.

Subd. 2. **Programs.** (a) The commissioner may require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover no more than a ~~three-year~~ four-year period. Public utilities shall file conservation improvement plans by June 1, on a schedule determined by order of the commissioner, but at least every ~~three~~ four years. Plans received by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year. The commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

(b) The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The

commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department.

(c) Each public utility subject to subdivision 1a may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility.

(d) A public utility may not spend for or invest in energy conservation improvements that directly benefit a ~~large energy facility or a large electric customer facility~~ for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision, ~~or a nonprofit corporation,~~ or community organization.

(e) The commissioner may, by order, establish a list of programs that may be offered as energy conservation improvements by a public utility, municipal utility, cooperative electric association, or other entity providing conservation services under this section. The list of programs may include rebates for high-efficiency appliances, rebates or subsidies for high-efficiency lamps, small business energy audits, and building recommissioning. The commissioner may, by order, change this list to add or subtract programs as the commissioner determines is necessary to promote efficient and effective conservation programs.

(f) The commissioner shall ensure that a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons, in proportion to the amount the utility has historically spent on such programs based on the most recent three-year average relative to the utility's total conservation spending under this section, unless an insufficient number of appropriate programs are available.

(g) A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public

interest. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

~~(f)~~ (h) The commissioner may order a public utility to include, with the filing of the utility's proposed conservation improvement plan under paragraph (a), the results of an independent audit of the utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility that is the result of the spending and investments. The audit must evaluate the cost-effectiveness of the utility's conservation programs.

(i) Up to three percent of a utility's conservation spending obligation under this section may be used for program preevaluation, testing, and monitoring and program audit and evaluation.

~~Subd. 2a. **Energy and conservation account.** The energy and conservation account is established in the special revenue fund in the state treasury. The commissioner must deposit money assessed or contributed under subdivisions 1d, 1e, 1f, and 7 in the state treasury and credit it to the energy and conservation account in the special revenue fund. Money in the account is appropriated to the commissioner for the purposes of subdivisions 1d, 1e, 1f, and 7. Interest on money in the account accrues to the account.~~

Subd. 2b. **Recovery of expenses.** The commission shall allow a utility to recover expenses resulting from a conservation improvement program required by the department and contributions and assessments to the energy and conservation account, unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. The commission shall allow a cooperative electric association subject to rate regulation under section 216B.026, to recover expenses resulting from energy conservation improvement programs, load management programs, and assessments and contributions to the energy and conservation account unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. In addition, a utility may file annually, or the Public Utilities Commission may require the utility to file, and the commission may approve, rate schedules containing provisions for the automatic adjustment of charges for utility service in direct relation to changes in the expenses of the utility for real and personal property taxes, fees, and permits, the amounts of which the utility cannot control. A public utility is eligible to file for adjustment for real and personal property taxes, fees, and permits under this subdivision only if, in the year previous to the year in which it files for adjustment, it has spent or invested at least 1.75

percent of its gross revenues from provision of electric service, excluding gross operating revenues from electric service provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 1a, paragraph (b), and 0.6 percent of its gross revenues from provision of gas service, excluding gross operating revenues from gas services provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 1a, paragraph (b), for that year for energy conservation improvements under this section.

~~Subd. 2c. **Performance incentives.** By December 31, 2008, the commission shall review any incentive plan for energy conservation improvement it has approved under section 216B.16, subdivision 6c, and adjust the utility performance incentives to recognize making progress toward and meeting the energy-savings goals established in subdivision 1c.~~

Subd. 3. **Ownership of energy conservation improvement.** An energy conservation improvement made to or installed in a building in accordance with this section, except systems owned by the utility and designed to turn off, limit, or vary the delivery of energy, are the exclusive property of the owner of the building except to the extent that the improvement is subjected to a security interest in favor of the utility in case of a loan to the building owner. The utility has no liability for loss, damage or injury caused directly or indirectly by an energy conservation improvement except for negligence by the utility in purchase, installation, or modification of the product.

Subd. 4. **Federal law prohibitions.** If investments by public utilities in energy conservation improvements are in any manner prohibited or restricted by federal law and there is a provision under which the prohibition or restriction may be waived, then the commission, the governor, or any other necessary state agency or officer shall take all necessary and appropriate steps to secure a waiver with respect to those public utility investments in energy conservation improvements included in this section.

Subd. 5. **Efficient lighting program.** (a) Each public utility, cooperative electric association, and municipal utility that provides electric service to retail customers shall include as part of its conservation improvement activities a program to strongly encourage the use of fluorescent and high-intensity discharge lamps. The program must include at least a public information campaign to encourage use of the lamps and proper management of spent lamps by all customer classifications.

(b) A public utility that provides electric service at retail to 200,000 or more customers shall establish, either directly or through contracts with other persons, including lamp manufacturers, distributors, wholesalers, and retailers and local government units, a system to collect for delivery to a reclamation or recycling facility spent fluorescent and

14.1 high-intensity discharge lamps from households and from small businesses as defined in  
14.2 section 645.445 that generate an average of fewer than ten spent lamps per year.

14.3 (c) A collection system must include establishing reasonably convenient locations  
14.4 for collecting spent lamps from households and financial incentives sufficient to encourage  
14.5 spent lamp generators to take the lamps to the collection locations. Financial incentives  
14.6 may include coupons for purchase of new fluorescent or high-intensity discharge lamps,  
14.7 a cash back system, or any other financial incentive or group of incentives designed to  
14.8 collect the maximum number of spent lamps from households and small businesses that is  
14.9 reasonably feasible.

14.10 (d) A public utility that provides electric service at retail to fewer than 200,000  
14.11 customers, a cooperative electric association, or a municipal utility that provides electric  
14.12 service at retail to customers may establish a collection system under paragraphs (b) and  
14.13 (c) as part of conservation improvement activities required under this section.

14.14 (e) The commissioner of the Pollution Control Agency may not, unless clearly  
14.15 required by federal law, require a public utility, cooperative electric association, or  
14.16 municipality that establishes a household fluorescent and high-intensity discharge lamp  
14.17 collection system under this section to manage the lamps as hazardous waste as long as  
14.18 the lamps are managed to avoid breakage and are delivered to a recycling or reclamation  
14.19 facility that removes mercury and other toxic materials contained in the lamps prior to  
14.20 placement of the lamps in solid waste.

14.21 (f) If a public utility, cooperative electric association, or municipal utility contracts  
14.22 with a local government unit to provide a collection system under this subdivision,  
14.23 the contract must provide for payment to the local government unit of all the unit's  
14.24 incremental costs of collecting and managing spent lamps.

14.25 (g) All the costs incurred by a public utility, cooperative electric association, or  
14.26 municipal utility for promotion and collection of fluorescent and high-intensity discharge  
14.27 lamps under this subdivision are conservation improvement spending under this section.

14.28 Subd. 5a. **Qualifying solar energy project.** (a) A utility or association may include  
14.29 in its conservation plan programs for the installation of qualifying solar energy projects as  
14.30 defined by section 216B.2411 to the extent of the spending allowed for generation projects  
14.31 by section 216B.2411. The cost-effectiveness of a qualifying solar energy project may  
14.32 be determined by a different standard than for other energy conservation improvements  
14.33 under this section if the commissioner determines it is in the public interest to do so to  
14.34 encourage solar energy projects. Energy savings from qualifying solar energy projects  
14.35 may ~~not be counted toward the minimum energy-savings goal of at least one percent~~

~~for energy conservation improvements required under subdivision 1c, but may, if the~~  
conservation plan is approved:

(1) be counted toward energy savings ~~above that minimum percentage~~; and

(2) be eligible for a performance incentive under section 216B.16, subdivision 6c,  
~~or 216B.241, subdivision 2c~~; that is distinct from the incentive for energy conservation  
and is based on the competitiveness and cost-effectiveness of solar projects in relation to  
other potential solar projects available to the utility.

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

Subd. 5b. **Biomethane purchases.** (a) A natural gas utility may include in its  
conservation plan purchases of biomethane, and may use up to five percent of the total  
amount to be spent on energy conservation improvements under this section for that  
purpose. The cost-effectiveness of biomethane purchases may be determined by a  
different standard than for other energy conservation improvements under this section if  
the commissioner determines that doing so is in the public interest in order to encourage  
biomethane purchases. Energy savings from purchasing biomethane may ~~not be counted~~  
~~toward the minimum energy-savings goal of at least one percent for energy conservation~~  
~~improvements required under subdivision 1c, but may, if the conservation plan is~~  
approved:

(1) be counted toward energy savings ~~above that minimum percentage~~; and

(2) be considered when establishing performance incentives ~~under subdivision 2c~~.

(b) For the purposes of this subdivision, "biomethane" means biogas produced  
through anaerobic digestion of biomass, gasification of biomass, or other effective  
conversion processes, that is cleaned and purified into biomethane that meets natural gas  
utility quality specifications for use in a natural gas utility distribution system.

Subd. 5c. **Large solar electric generating plant.** (a) For the purpose of this  
subdivision:

(1) "project" means a solar electric generation project consisting of arrays of solar  
photovoltaic cells with a capacity of up to two megawatts located on the site of a closed  
landfill in Olmsted County owned by the Minnesota Pollution Control Agency; and

(2) "cooperative electric association" means a generation and transmission  
cooperative electric association that has a member distribution cooperative association to  
which it provides wholesale electric service in whose service territory a project is located.

(b) A cooperative electric association may elect to count all of its purchases of  
electric energy from a project toward only one of the following:

(1) its energy-savings goal under ~~subdivision 1c~~ this section, if established before the effective date of this amendment to this section; or

(2) its energy objective ~~or standard~~ under section 216B.1691.

(c) A cooperative electric association may include in its conservation plan purchases of electric energy from a project. The cost-effectiveness of project purchases may be determined by a different standard than for other energy conservation improvements under this section if the commissioner determines that doing so is in the public interest in order to encourage solar energy. ~~The kilowatt hours of solar energy purchased by a cooperative electric association from a project may count for up to 33 percent of its one percent savings goal under subdivision 1c or up to 22 percent of its 1.5 percent savings goal under that subdivision.~~ Expenditures made by a cooperative association for the purchase of energy from a project may not be used to meet the revenue expenditure requirements of subdivisions 1a and 1b.

~~Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each utility and association provides low-income programs. When approving spending and energy-savings goals for low-income programs, the commissioner shall consider historic spending and participation levels, energy savings for low-income programs, and the number of low-income persons residing in the utility's service territory. A utility that furnishes gas service must spend at least 0.2 percent of its gross operating revenue from residential customers in the state on low-income programs. A utility or association that furnishes electric service must spend at least 0.1 percent of its gross operating revenue from residential customers in the state on low-income programs. For a generation and transmission cooperative association, this requirement shall apply to each association's members' aggregate gross operating revenue from sale of electricity to residential customers in the state. Beginning in 2010, a utility or association that furnishes electric service must spend 0.2 percent of its gross operating revenue from residential customers in the state on low-income programs.~~

~~(b) To meet the requirements of paragraph (a), a utility or association may contribute money to the energy and conservation account. An energy conservation improvement plan must state the amount, if any, of low-income energy conservation improvement funds the utility or association will contribute to the energy and conservation account. Contributions must be remitted to the commissioner by February 1 of each year.~~

~~(c) The commissioner shall establish low-income programs to utilize money contributed to the energy and conservation account under paragraph (b). In establishing low-income programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and community organizations, especially organizations engaged in providing~~

~~energy and weatherization assistance to low-income persons. Money contributed to the energy and conservation account under paragraph (b) must provide programs for low-income persons, including low-income renters, in the service territory of the utility or association providing the money. The commissioner shall record and report expenditures and energy savings achieved as a result of low-income programs funded through the energy and conservation account in the report required under subdivision 1c, paragraph (g). The commissioner may contract with a political subdivision, nonprofit or community organization, public utility, municipality, or cooperative electric association to implement low-income programs funded through the energy and conservation account.~~

~~(d) A utility or association may petition the commissioner to modify its required spending under paragraph (a) if the utility or association and the commissioner have been unable to expend the amount required under paragraph (a) for three consecutive years.~~

~~Subd. 8. **Assessment.** The commission or department may assess utilities subject to this section in proportion to their respective gross operating revenue from sales of gas or electric service within the state during the last calendar year to carry out the purposes of subdivisions 1d, 1e, and 1f. Those assessments are not subject to the cap on assessments provided by section 216B.62, or any other law.~~

~~Subd. 9. **Building performance standards; Sustainable Building 2030.** (a) The purpose of this subdivision is to establish cost-effective energy-efficiency performance standards for new and substantially reconstructed commercial, industrial, and institutional buildings that can significantly reduce carbon dioxide emissions by lowering energy use in new and substantially reconstructed buildings. For the purposes of this subdivision, the establishment of these standards may be referred to as Sustainable Building 2030.~~

~~(b) The commissioner shall contract with the Center for Sustainable Building Research at the University of Minnesota to coordinate development and implementation of energy-efficiency performance standards, strategic planning, research, data analysis, technology transfer, training, and other activities related to the purpose of Sustainable Building 2030. The commissioner and the Center for Sustainable Building Research shall, in consultation with utilities, builders, developers, building operators, and experts in building design and technology, develop a Sustainable Building 2030 implementation plan that must address, at a minimum, the following issues:~~

~~(1) training architects to incorporate the performance standards in building design;~~  
~~(2) incorporating the performance standards in utility conservation improvement programs; and~~

~~(3) developing procedures for ongoing monitoring of energy use in buildings that have adopted the performance standards.~~

~~The plan must be submitted to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy by July 1, 2009.~~

~~(c) Sustainable Building 2030 energy efficiency performance standards must be firm, quantitative measures of total building energy use and associated carbon dioxide emissions per square foot for different building types and uses, that allow for accurate determinations of a building's conformance with a performance standard. Performance standards must address energy use by electric vehicle charging infrastructure in or adjacent to buildings as that infrastructure begins to be made widely available. The energy efficiency performance standards must be updated every three or five years to incorporate all cost-effective measures. The performance standards must reflect the reductions in carbon dioxide emissions per square foot resulting from actions taken by utilities to comply with the renewable energy standards in section 216B.1691. The performance standards should be designed to achieve reductions equivalent to the following reduction schedule, measured against energy consumption by an average building in each applicable building sector in 2003: (1) 60 percent in 2010; (2) 70 percent in 2015; (3) 80 percent in 2020; and (4) 90 percent in 2025. A performance standard must not be established or increased absent a conclusive engineering analysis that it is cost-effective based upon established practices used in evaluating utility conservation improvement programs.~~

~~(d) The annual amount of the contract with the Center for Sustainable Building Research is up to \$500,000. The Center for Sustainable Building Research shall expend no more than \$150,000 of this amount each year on administration, coordination, and oversight activities related to Sustainable Building 2030. The balance of contract funds must be spent on substantive programmatic activities allowed under this subdivision that may be conducted by the Center for Sustainable Building Research and others, and for subcontracts with not-for-profit energy organizations, architecture and engineering firms, and other qualified entities to undertake technical projects and activities in support of Sustainable Building 2030. The primary work to be accomplished each year by qualified technical experts under subcontracts is the development and thorough justification of recommendations for specific energy efficiency performance standards. Additional work may include:~~

~~(1) research, development, and demonstration of new energy efficiency technologies and techniques suitable for commercial, industrial, and institutional buildings;~~

~~(2) analysis and evaluation of practices in building design, construction, commissioning and operations, and analysis and evaluation of energy use in the commercial, industrial, and institutional sectors;~~

~~(3) analysis and evaluation of the effectiveness and cost-effectiveness of Sustainable Building 2030 performance standards, conservation improvement programs, and building energy codes;~~

~~(4) development and delivery of training programs for architects, engineers, commissioning agents, technicians, contractors, equipment suppliers, developers, and others in the building industries; and~~

~~(5) analysis and evaluation of the effect of building operations on energy use.~~

~~(e) The commissioner shall require utilities to develop and implement conservation improvement programs that are expressly designed to achieve energy efficiency goals consistent with the Sustainable Building 2030 performance standards. These programs must include offerings of design assistance and modeling, financial incentives, and the verification of the proper installation of energy-efficient design components in new and substantially reconstructed buildings. A utility's design assistance program must consider the strategic planting of trees and shrubs around buildings as an energy conservation strategy for the designed project. A utility making an expenditure under its conservation improvement program that results in a building meeting the Sustainable Building 2030 performance standards may claim the energy savings toward its energy-savings goal established in subdivision 1c.~~

~~(f) The commissioner shall report to the legislature every three years, beginning January 15, 2010, on the cost-effectiveness and progress of implementing the Sustainable Building 2030 performance standards and shall make recommendations on the need to continue the program as described in this section.~~

## ARTICLE 2

### RENEWABLE ENERGY

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

#### **216B.1691 RENEWABLE ENERGY OBJECTIVES.**

Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy technology" means an energy technology that:

(1) generates electricity from the following renewable energy sources: ~~(1)~~ solar; ~~(2)~~ wind; ~~(3)~~ hydroelectric with a capacity of less than ~~100~~ 60 megawatts; ~~(4)~~ hydrogen, provided that after January 1, 2010, the hydrogen must be generated from the resources listed in this paragraph; or ~~(5)~~ biomass, which includes, without limitation, landfill gas; an anaerobic digester system; the predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including

incineration of wastewater sludge to produce electricity; and an energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel; and

(2) was not mandated by Laws 1994, chapter 641, or by commission order issued under that chapter before August 1, 2001.

(b) "Electric utility" means a public utility providing electric service, a generation and transmission cooperative electric association, or a municipal power agency, ~~or a power district.~~

(c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by an electric utility to retail customers of the electric utility or to a distribution utility for distribution to the retail customers of the distribution utility.

Subd. 2. **Eligible energy objectives.** (a) Each electric utility shall make a good faith effort to generate or procure sufficient electricity generated by an eligible energy technology to provide its retail consumers, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that:

(1) commencing in 2005, at least one percent of the electric utility's total retail electric sales to retail customers in Minnesota is generated by eligible energy technologies;

(2) the amount provided under clause (1) is increased by one percent of the utility's total retail electric sales each year until 2015; and seven

(3) ten percent of the electric utility's total retail electric sales energy provided to retail customers in Minnesota by 2010 is generated by eligible energy technologies.

(b) Of the eligible energy technology generation required under paragraph (a), clauses (1) and (2), not less than 0.5 percent of the energy must be generated by biomass energy technologies, including an energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel, by 2005. By 2010, one percent of the eligible technology generation required under paragraph (a), clauses (1) and (2), must be generated by biomass energy technologies. An energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste, with a power sales agreement in effect as of May 29, 2003, that terminates after December 31, 2010, does not qualify as an eligible energy technology unless the agreement provides for rate adjustment in the event the facility qualifies as a renewable energy source.

~~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 | <del>12 percent</del>  |
| (2) | 2016 | <del>17 percent</del>  |
| (3) | 2020 | <del>20 percent</del>  |
| (4) | 2025 | <del>25 percent.</del> |

~~(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 | <del>15 percent</del>  |
| (2) | 2012 | <del>18 percent</del>  |
| (3) | 2016 | <del>25 percent</del>  |
| (4) | 2020 | <del>30 percent.</del> |

~~Of the 30 percent in 2020, at least 25 percent must be generated by solar energy or wind energy conversion systems and the remaining five percent by other eligible energy technology. Of the 25 percent that must be generated by wind or solar, no more than one percent may be solar generated and the remaining 24 percent or greater must be wind generated.~~

~~Subd. 2b. **Modification or delay of standard.** (a) The commission shall modify or delay the implementation of a standard obligation, in whole or in part, if the commission determines it is in the public interest to do so. The commission, when requested to modify or delay implementation of a standard, must consider:~~

- ~~(1) the impact of implementing the standard on its customers' utility costs, including the economic and competitive pressure on the utility's customers;~~
- ~~(2) the effects of implementing the standard on the reliability of the electric system;~~
- ~~(3) technical advances or technical concerns;~~
- ~~(4) delays in acquiring sites or routes due to rejection or delays of necessary siting or other permitting approvals;~~
- ~~(5) delays, cancellations, or nondelivery of necessary equipment for construction or commercial operation of an eligible energy technology facility;~~
- ~~(6) transmission constraints preventing delivery of service; and~~

22.1 ~~(7) other statutory obligations imposed on the commission or a utility.~~

22.2 ~~The commission may modify or delay implementation of a standard obligation under~~  
22.3 ~~clauses (1) to (3) only if it finds implementation would cause significant rate impact,~~  
22.4 ~~requires significant measures to address reliability, or raises significant technical issues.~~

22.5 ~~The commission may modify or delay implementation of a standard obligation under~~  
22.6 ~~clauses (4) to (6) only if it finds that the circumstances described in those clauses were due~~  
22.7 ~~to circumstances beyond an electric utility's control and make compliance not feasible.~~

22.8 ~~(b) When considering whether to delay or modify implementation of a standard~~  
22.9 ~~obligation, the commission must give due consideration to a preference for electric~~  
22.10 ~~generation through use of eligible energy technology and to the achievement of the~~  
22.11 ~~standards set by this section.~~

22.12 ~~(c) An electric utility requesting a modification or delay in the implementation of a~~  
22.13 ~~standard must file a plan to comply with its standard obligation in the same proceeding~~  
22.14 ~~that it is requesting the delay.~~

22.15 ~~Subd. 2c. **Use of integrated resource planning process.** The commission may~~  
22.16 ~~exercise its authority under subdivision 2b to modify or delay implementation of a standard~~  
22.17 ~~obligation as part of an integrated resource planning proceeding under section 216B.2422.~~  
22.18 ~~The commission's authority must be exercised according to subdivision 2b. The order to~~  
22.19 ~~delay or modify shall not be considered advisory with respect to any electric utility. This~~  
22.20 ~~subdivision is in addition to and does not limit the commission's authority to modify or~~  
22.21 ~~delay implementation of a standard obligation in other proceedings before the commission.~~

22.22 ~~Subd. 2d. **Commission order.** (a) The commission shall issue necessary orders~~  
22.23 ~~an~~ order detailing the criteria and standards by which it will measure an electric utility's

22.24 ~~efforts to meet the renewable energy objectives of subdivision 2~~ this section to determine

22.25 ~~whether the utility is making the required good faith effort. In this order, the commission~~

22.26 ~~shall include criteria and standards that protect against undesirable impacts on the~~

22.27 ~~reliability of the utility's system and economic impacts on the utility's ratepayers and~~

22.28 ~~that consider technical feasibility.~~

22.29 ~~(b) In its order under paragraph (a), the commission shall provide for a weighted~~  
22.30 ~~scale of how energy produced by various eligible energy technologies must count toward a~~  
22.31 ~~utility's objective. In establishing this scale, the commission shall consider the attributes~~  
22.32 ~~of various technologies and fuels, and shall establish a system that grants multiple credits~~  
22.33 ~~toward the objectives for those technologies and fuels the commission determines is in~~  
22.34 ~~the public interest to encourage.~~

22.35 ~~Subd. 3. **Utility plans filed with commission.** (a) Each electric utility shall report~~  
22.36 ~~on its plans, activities, and progress with regard to the these objectives and standards~~

~~of this section~~ in its filings under section 216B.2422 or in a separate report submitted to the commission every two years, whichever is more frequent, demonstrating to the commission ~~that the utility's utility is making the required good faith effort to comply with this section.~~ In its resource plan or a separate report, each electric utility shall provide a description of:

(1) the status of the utility's renewable energy mix relative to the good faith objective ~~and standards;~~

(2) efforts taken to meet the objective ~~and standards;~~

(3) any obstacles encountered or anticipated in meeting the objective ~~or standards;~~ and

(4) potential solutions to the obstacles.

(b) The commissioner shall compile the information provided to the commission under paragraph (a), and report to the chairs of the house of representatives and senate committees with jurisdiction over energy and environment policy issues as to the progress of utilities in the state, ~~including the progress of each individual electric utility,~~ in increasing the amount of renewable energy provided to retail customers, with any recommendations for regulatory or legislative action, by January 15 of each odd-numbered year.

Subd. 4. **Renewable energy credits.** (a) To facilitate compliance with this section, the commission, by rule or order, ~~shall~~ may establish ~~by January 1, 2008,~~ a program for tradable ~~renewable energy~~ credits for electricity generated by an eligible energy technology. ~~The credits must represent energy produced by an eligible energy technology, as defined in subdivision 1. Each kilowatt-hour of renewable energy credits must be treated the same as a kilowatt-hour of eligible energy technology generated or procured by an electric utility if it is produced by an eligible energy technology. The program must permit a credit to be used only once. The program must treat all eligible energy technology equally and shall not give more or less credit to energy based on the state where the energy was generated or the technology with which the energy was generated. The commission must determine the period in which the credits may be used for purposes of the program. In doing so, the commission shall implement a system that constrains or limits the cost of credits, taking care to ensure that such a system does not undermine the market for those credits.~~

(b) In lieu of generating or procuring energy directly to satisfy the eligible renewable energy ~~technology~~ objective ~~or standard~~ of this section, an electric utility may ~~utilize renewable energy credits allowed under the program to satisfy the objective or standard~~

24.1 purchase sufficient renewable energy credits, issued under this subdivision, to meet its  
24.2 objective.

24.3 (c) Upon the passage of a renewable energy standard, portfolio, or objective in  
24.4 a bordering state that includes a similar definition of eligible energy technology or  
24.5 renewable energy, the commission shall may facilitate the trading of renewable energy  
24.6 credits between states.

24.7 ~~(d) The commission shall require all electric utilities to participate in a~~  
24.8 ~~commission-approved credit-tracking system or systems. Once a credit-tracking system is~~  
24.9 ~~in operation, the commission shall issue an order establishing protocols for trading credits.~~

24.10 ~~(e) An electric utility subject to subdivision 2a, paragraph (b), may not sell renewable~~  
24.11 ~~energy credits to an electric utility subject to subdivision 2a, paragraph (a), until 2021.~~

24.12 Subd. 5. **Technology based on fuel combustion.** (a) Electricity produced by fuel  
24.13 combustion ~~through fuel blending or co-firing under paragraph (b)~~ may only count toward  
24.14 a utility's objectives or standards if the generation facility:

24.15 (1) was constructed in compliance with new source performance standards  
24.16 promulgated under the federal Clean Air Act, United States Code, title 42, section 7401 et  
24.17 seq., for a generation facility of that type; or

24.18 (2) employs the maximum achievable or best available control technology available  
24.19 for a generation facility of that type.

24.20 (b) An eligible energy technology may blend or co-fire a fuel listed in subdivision  
24.21 1, paragraph (a), clause ~~(5)~~ (1), with other fuels in the generation facility, but only the  
24.22 percentage of electricity that is attributable to a fuel listed in that clause can be counted  
24.23 toward an electric utility's renewable energy objectives.

24.24 ~~Subd. 7. **Compliance.** The commission must regularly investigate whether an~~  
24.25 ~~electric utility is in compliance with its good faith objective under subdivision 2 and~~  
24.26 ~~standard obligation under subdivision 2a. If the commission finds noncompliance, it may~~  
24.27 ~~order the electric utility to construct facilities, purchase energy generated by eligible~~  
24.28 ~~energy technology, purchase renewable energy credits, or engage in other activities~~  
24.29 ~~to achieve compliance. If an electric utility fails to comply with an order under this~~  
24.30 ~~subdivision, the commission may impose a financial penalty on the electric utility in an~~  
24.31 ~~amount not to exceed the estimated cost of the electric utility to achieve compliance. The~~  
24.32 ~~penalty may not exceed the lesser of the cost of constructing facilities or purchasing~~  
24.33 ~~credits. The commission must deposit financial penalties imposed under this subdivision~~  
24.34 ~~in the energy and conservation account established in the special revenue fund under~~  
24.35 ~~section 216B.241, subdivision 2a. This subdivision is in addition to and does not limit any~~  
24.36 ~~other authority of the commission to enforce this section.~~

~~Subd. 8. **Relation to other law.** This section does not limit the authority of the commission under any other law, including, without limitation, sections 216B.2422 and 216B.243.~~

~~Subd. 9. **Local benefits.** The commission shall take all reasonable actions within its statutory authority to ensure this section is implemented to maximize benefits to Minnesota citizens, balancing factors such as local ownership of or participation in energy production, development and ownership of eligible energy technology facilities by independent power producers, Minnesota utility ownership of eligible energy technology facilities, the costs of energy generation to satisfy the renewable standard, and the reliability of electric service to Minnesotans.~~

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

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

Sec. 2. Minnesota Statutes 2008, section 297A.68, is amended by adding a subdivision to read:

Subd. 42. **Renewable energy.** An eligible technology, as defined in section 216B.1691, subdivision 1, having a capacity no greater than 25 megawatts is exempt, and the materials used to manufacture, install, construct, repair, or replace it are exempt.

ARTICLE 3

REPEALERS

Section 1. **REPEALER.**

Minnesota Statutes 2010, sections 216B.1612, subdivisions 1, 3, 4, 5, 6, 7, 8, and 9; 216B.1681; 216B.1691, subdivision 7; 216B.2401; 216C.03; and 216C.05, subdivision 2, are repealed.

ARTICLE 4

CONFORMING CHANGES

Section 1. Minnesota Statutes 2010, section 3.8851, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The commission shall continuously evaluate the energy policies of this state and the degree to which they promote an environmentally and economically sustainable energy future. The commission shall monitor the state's progress in achieving its goals to develop renewable sources of electric energy under section 216B.1691, ~~subdivision 2a,~~ and the progress of energy-related sectors in reducing greenhouse gas emissions under the state's greenhouse gas emissions-reductions goals established in section 216H.02, subdivision 1. The commission may review proposed energy legislation and may recommend legislation. The commission shall when feasible solicit and consider public testimony regarding the economic, environmental, and social implications of state energy plans and policies. Notwithstanding any other law to the contrary the commission's evaluations and reviews under this subdivision shall include new and existing technologies for nuclear power.

(b) The commission may study, analyze, hold hearings, and make legislative recommendations regarding the following issues:

- (1) the generation, transmission, and distribution of electricity;
- (2) the reduction of greenhouse gas emissions;
- (3) the conservation of energy;
- (4) alternative energy sources available to replace dwindling fossil fuel and other nonrenewable fuel sources;
- (5) the development of renewable energy supplies;
- (6) the economic development potential associated with issues described in clauses (1) to (5); and
- (7) other energy-related subjects the commission finds significant.

27.1 Sec. 2. Minnesota Statutes 2010, section 16B.322, subdivision 5, is amended to read:

27.2 Subd. 5. **Qualifying energy improvement projects.** The commissioner may  
27.3 approve an energy improvement project for a financing agreement if the commissioner  
27.4 determines that:

27.5 (1) the project and project financing agreement have been approved by the governing  
27.6 body or head of the state agency that operates or manages the state building or facility to  
27.7 be improved;

27.8 (2) the project is technically and economically feasible;

27.9 (3) the state agency that operates or manages the state building or facility has made  
27.10 adequate provision for the operation and maintenance of the project;

27.11 (4) if an energy efficiency improvement, the project is calculated to result in a  
27.12 positive cash flow in each year the financing agreement is in effect;

27.13 (5) the project proposer has fully explored the use of conservation investment plan  
27.14 opportunities under section 216B.241 with the utilities providing gas and electric service  
27.15 to the energy improvement project;

27.16 (6) if a renewable energy improvement, the project is calculated to reduce use of  
27.17 fossil-fuel energy; and

27.18 (7) if a geothermal energy improvement, the project is calculated to produce savings  
27.19 in terms of nongeothermal energy and costs.

27.20 For the purpose of clause (6), "renewable energy" is energy produced by an eligible energy  
27.21 technology as defined in section 216B.1691, subdivision 1, paragraph (a), ~~clause (1).~~

27.22 Sec. 3. Minnesota Statutes 2010, section 16B.322, subdivision 7, is amended to read:

27.23 Subd. 7. **Conservation investment plan savings goals.** A utility or association  
27.24 may count toward its energy-savings goals under section 216B.241, ~~subdivision 1c,~~ the  
27.25 energy savings resulting from its investment in an energy improvement project.

27.26 Sec. 4. Minnesota Statutes 2010, section 16B.325, subdivision 4, is amended to read:

27.27 Subd. 4. **Guideline revisions.** The commissioners of administration and commerce  
27.28 shall review the guidelines periodically and as soon as practicable revise the guidelines to  
27.29 incorporate performance standards developed under section 216B.241, ~~subdivision 9.~~

27.30 Sec. 5. Minnesota Statutes 2010, section 116J.437, subdivision 1, is amended to read:

27.31 Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms  
27.32 have the meanings given.

(b) "Green economy" means products, processes, methods, technologies, or services intended to do one or more of the following:

(1) increase the use of energy from renewable sources, including through achieving the renewable energy ~~standard~~ objective established in section 216B.1691;

(2) achieve ~~the statewide energy savings goal established in section 216B.2401,~~ including energy savings achieved by the conservation investment program under section 216B.241;

(3) achieve the greenhouse gas emission reduction goals of section 216H.02, subdivision 1, including through reduction of greenhouse gas emissions, as defined in section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through, but not limited to, carbon capture, storage, or sequestration;

(4) monitor, protect, restore, and preserve the quality of surface waters, including actions to further the purposes of the Clean Water Legacy Act as provided in section 114D.10, subdivision 1;

(5) expand the use of biofuels, including by expanding the feasibility or reducing the cost of producing biofuels or the types of equipment, machinery, and vehicles that can use biofuels, including activities to achieve the biofuels 25 by 2025 initiative in sections 41A.10, subdivision 2, and 41A.11; or

(6) increase the use of green chemistry, as defined in section 116.9401.

For the purpose of clause (3), "green economy" includes strategies that reduce carbon emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass transit or otherwise reducing commuting for employees.

Sec. 6. Minnesota Statutes 2010, section 216B.16, subdivision 6b, is amended to read:

Subd. 6b. **Energy conservation improvement.** (a) Except as otherwise provided in this subdivision, all investments and expenses of a public utility as defined in section 216B.241, subdivision 1, paragraph ~~(f)~~ (g), incurred in connection with energy conservation improvements shall be recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.

(b) Investments and expenses for energy conservation improvements shall not be included by the commission in the determination of (i) just and reasonable electric and gas rates for retail electric and gas service provided to large electric customer facilities that have been exempted by the commissioner of the department pursuant to section 216B.241, subdivision 1a, paragraph (b); or (ii) just and reasonable gas rates for large energy facilities.

(c) The commission may permit a public utility to file rate schedules providing for annual recovery of the costs of energy conservation improvements. These rate schedules may be applicable to less than all the customers in a class of retail customers if necessary to reflect the requirements of section 216B.241. The commission shall allow a public utility, without requiring a general rate filing under this section, to reduce the electric and gas rates applicable to large electric customer facilities that have been exempted by the commissioner of the department pursuant to section 216B.241, subdivision 1a, paragraph (b), and to reduce the gas rate applicable to a large energy facility by an amount that reflects the elimination of energy conservation improvement investments or expenditures for those facilities. In the event that the commission has set electric or gas rates based on the use of an accounting methodology that results in the cost of conservation improvements being recovered from utility customers over a period of years, the rate reduction may occur in a series of steps to coincide with the recovery of balances due to the utility for conservation improvements made by the utility on or before December 31, 2007.

(d) Investments and expenses of a public utility shall not include electric utility infrastructure costs as defined in section 216B.1636, subdivision 1, paragraph (b).

Sec. 7. Minnesota Statutes 2010, section 216B.1612, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "C-BED tariff" or "tariff" means a community-based energy development tariff.

(c) "Qualifying beneficiary" means:

(1) a Minnesota resident individually or as a member of a Minnesota limited liability company organized under chapter 322B and formed for the purpose of developing a C-BED project;

(2) a Minnesota nonprofit organization organized under chapter 317A;

(3) a Minnesota cooperative association organized under chapter 308A or 308B, including a rural electric cooperative association or a generation and transmission cooperative on behalf of and at the request of a member distribution utility;

(4) a Minnesota political subdivision or local government including, but not limited to, a municipal electric utility, or a municipal power agency on behalf of and at the request of a member distribution utility; the office of the commissioner of Iron Range resources and rehabilitation; a county, statutory or home rule charter city, town, school district, or public or private higher education institution; or any other local or regional governmental organization such as a board, commission, or association;

(5) a tribal council; or

(6) a legal entity (i) formed for a purpose other than to participate in C-BED projects; (ii) whose principal place of business or principal executive office is located in Minnesota; and (iii) that provides labor, services, equipment, components, or debt financing to a C-BED project.

A public utility, as defined in section 216B.02, subdivision 4, is not a qualifying beneficiary.

(d) "Qualifying revenue" includes, but is not limited to:

(1) royalties, distributions, dividends, and other payments flowing directly or indirectly to individuals who are qualifying beneficiaries;

(2) reasonable fees for consulting, development, professional, construction, and operations and maintenance services paid to qualifying beneficiaries;

(3) interest and fees paid to financial institutions that are qualifying beneficiaries;

(4) the value-added portion of payments for goods manufactured in Minnesota; and

(5) production taxes.

(e) "Discount rate" means the ten-year United States Treasury Yield as quoted in the Wall Street Journal as of the date of application for determination under subdivision 10, plus five percent; except that the discount rate applicable to any qualifying revenues contingent upon an equity investor earning a specified internal rate of return is the ten-year United States Treasury Yield, plus eight percent.

(f) "Standard reliability criteria" means:

(1) can be safely integrated into and operated within the utility's grid without causing any adverse or unsafe consequences; and

(2) is consistent with the utility's resource needs as identified in its most recent resource plan submitted under section 216B.2422.

(g) "Renewable" refers to a technology listed in section 216B.1691, subdivision 1, paragraph (a).

(h) "Community-based energy development project" or "C-BED project" means a new renewable energy project that either as a stand-alone project or part of a partnership ~~under subdivision 8:~~

(1) has no single qualifying beneficiary, including any parent company or subsidiary of the qualifying beneficiary, owning more than 15 percent of a C-BED wind energy project unless: (i) the C-BED wind energy project consists of only one or two turbines; or (ii) the qualifying beneficiary is a public entity listed under paragraph (c), clause (4);

(2) demonstrates that at least 51 percent of the net present value of the gross revenues from a power purchase agreement over the life of the project are qualifying revenues; and

(3) has a resolution of support adopted by the county board of each county in which the project is to be located, or in the case of a project located within the boundaries of a reservation, the tribal council for that reservation.

(i) "Value-added portion" means the difference between the total sales price and the total cost of components, materials, and services purchased from or provided outside of Minnesota.

Sec. 8. Minnesota Statutes 2010, section 216B.1636, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) "Electric utility" means a public utility as defined in section 216B.02, subdivision 4, that furnishes electric service to retail customers.

(b) "Electric utility infrastructure costs" or "EUIC" means costs for electric utility infrastructure projects that were not included in the electric utility's rate base in its most recent general rate case.

(c) "Electric utility infrastructure projects" means projects owned by an electric utility that:

(1) replace or modify existing electric utility infrastructure, including utility-owned buildings, if the replacement or modification is shown to conserve energy or use energy more efficiently, consistent with section 216B.241, ~~subdivision 1c~~; or

(2) conserve energy or use energy more efficiently by using waste heat recovery converted into electricity as defined in section 216B.241, subdivision 1, paragraph ~~(n)~~ (j).

Sec. 9. Minnesota Statutes 2010, 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
- (3) develop renewable energy sources from the account required in section 116C.779.

Sec. 10. Minnesota Statutes 2010, section 216B.241, subdivision 5c, is amended to read:

Subd. 5c. **Large solar electric generating plant.** (a) For the purpose of this subdivision:

(1) "project" means a solar electric generation project consisting of arrays of solar photovoltaic cells with a capacity of up to two megawatts located on the site of a closed landfill in Olmsted County owned by the Minnesota Pollution Control Agency; and

(2) "cooperative electric association" means a generation and transmission cooperative electric association that has a member distribution cooperative association to which it provides wholesale electric service in whose service territory a project is located.

(b) A cooperative electric association may elect to count all of its purchases of electric energy from a project toward only one of the following:

(1) its energy-savings goal under subdivision 1c; or

(2) its energy objective ~~or standard~~ under section 216B.1691.

(c) A cooperative electric association may include in its conservation plan purchases of electric energy from a project. The cost-effectiveness of project purchases may be determined by a different standard than for other energy conservation improvements under this section if the commissioner determines that doing so is in the public interest in order to encourage solar energy. The kilowatt hours of solar energy purchased by a cooperative electric association from a project may count for up to 33 percent of its one percent savings goal under subdivision 1c or up to 22 percent of its 1.5 percent savings goal under that subdivision. Expenditures made by a cooperative association for the purchase of energy from a project may not be used to meet the revenue expenditure requirements of subdivisions 1a and 1b.

Sec. 11. Minnesota Statutes 2010, section 216B.241, subdivision 9, is amended to read:

Subd. 9. **Building performance standards; Sustainable Building 2030.** (a) The purpose of this subdivision is to establish cost-effective energy-efficiency performance standards for new and substantially reconstructed commercial, industrial, and institutional buildings that can significantly reduce carbon dioxide emissions by lowering energy use in new and substantially reconstructed buildings. For the purposes of this subdivision, the establishment of these standards may be referred to as Sustainable Building 2030.

(b) The commissioner shall contract with the Center for Sustainable Building Research at the University of Minnesota to coordinate development and implementation of energy-efficiency performance standards, strategic planning, research, data analysis, technology transfer, training, and other activities related to the purpose of Sustainable Building 2030. The commissioner and the Center for Sustainable Building Research shall, in consultation with utilities, builders, developers, building operators, and experts in building design and technology, develop a Sustainable Building 2030 implementation plan that must address, at a minimum, the following issues:

- (1) training architects to incorporate the performance standards in building design;
- (2) incorporating the performance standards in utility conservation improvement programs; and
- (3) developing procedures for ongoing monitoring of energy use in buildings that have adopted the performance standards.

The plan must be submitted to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy by July 1, 2009.

(c) Sustainable Building 2030 energy-efficiency performance standards must be firm, quantitative measures of total building energy use and associated carbon dioxide emissions per square foot for different building types and uses, that allow for accurate determinations of a building's conformance with a performance standard. Performance standards must address energy use by electric vehicle charging infrastructure in or adjacent to buildings as that infrastructure begins to be made widely available. The energy-efficiency performance standards must be updated every three or five years to incorporate all cost-effective measures. The performance standards must reflect the reductions in carbon dioxide emissions per square foot resulting from actions taken by utilities to comply with the renewable energy ~~standards~~ objectives in section 216B.1691. The performance standards should be designed to achieve reductions equivalent to the following reduction schedule, measured against energy consumption by an average building in each applicable building sector in 2003: (1) 60 percent in 2010; (2) 70 percent in 2015; (3) 80 percent in 2020; and (4) 90 percent in 2025. A performance standard must not be established or increased absent a conclusive engineering analysis that it is cost-effective based upon established practices used in evaluating utility conservation improvement programs.

(d) The annual amount of the contract with the Center for Sustainable Building Research is up to \$500,000. The Center for Sustainable Building Research shall expend no more than \$150,000 of this amount each year on administration, coordination, and oversight activities related to Sustainable Building 2030. The balance of contract funds

34.1 must be spent on substantive programmatic activities allowed under this subdivision that  
34.2 may be conducted by the Center for Sustainable Building Research and others, and for  
34.3 subcontracts with not-for-profit energy organizations, architecture and engineering firms,  
34.4 and other qualified entities to undertake technical projects and activities in support of  
34.5 Sustainable Building 2030. The primary work to be accomplished each year by qualified  
34.6 technical experts under subcontracts is the development and thorough justification of  
34.7 recommendations for specific energy-efficiency performance standards. Additional work  
34.8 may include:

34.9 (1) research, development, and demonstration of new energy-efficiency technologies  
34.10 and techniques suitable for commercial, industrial, and institutional buildings;

34.11 (2) analysis and evaluation of practices in building design, construction,  
34.12 commissioning and operations, and analysis and evaluation of energy use in the  
34.13 commercial, industrial, and institutional sectors;

34.14 (3) analysis and evaluation of the effectiveness and cost-effectiveness of Sustainable  
34.15 Building 2030 performance standards, conservation improvement programs, and building  
34.16 energy codes;

34.17 (4) development and delivery of training programs for architects, engineers,  
34.18 commissioning agents, technicians, contractors, equipment suppliers, developers, and  
34.19 others in the building industries; and

34.20 (5) analysis and evaluation of the effect of building operations on energy use.

34.21 (e) The commissioner shall require utilities to develop and implement conservation  
34.22 improvement programs that are expressly designed to achieve energy efficiency goals  
34.23 consistent with the Sustainable Building 2030 performance standards. These programs  
34.24 must include offerings of design assistance and modeling, financial incentives, and the  
34.25 verification of the proper installation of energy-efficient design components in new and  
34.26 substantially reconstructed buildings. A utility's design assistance program must consider  
34.27 the strategic planting of trees and shrubs around buildings as an energy conservation  
34.28 strategy for the designed project. A utility making an expenditure under its conservation  
34.29 improvement program that results in a building meeting the Sustainable Building 2030  
34.30 performance standards may claim the energy savings toward its energy-savings goal  
34.31 established in subdivision 1c.

34.32 (f) The commissioner shall report to the legislature every three years, beginning  
34.33 January 15, 2010, on the cost-effectiveness and progress of implementing the Sustainable  
34.34 Building 2030 performance standards and shall make recommendations on the need to  
34.35 continue the program as described in this section.

Sec. 12. Minnesota Statutes 2010, section 216B.243, subdivision 9, is amended to read:

Subd. 9. **Renewable energy standard facilities.** This section does not apply to a wind energy conversion system or a solar electric generation facility that is intended to be used to meet 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 must consider:

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

Sec. 13. Minnesota Statutes 2010, section 216C.43, subdivision 11, is amended to read:

Subd. 11. **CIP energy-savings goals obligations.** A utility or association may count toward its energy-savings goals obligations under section 216B.241, ~~subdivision 1c,~~ the energy savings resulting from its investment in an energy improvement project.

Sec. 14. Minnesota Statutes 2010, section 373.48, subdivision 3, is amended to read:

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

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

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

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

36.4           (3) the joint powers board issues revenue bonds to pay the full costs of the project  
36.5 and that the participating counties pay any available revenues of the project under this  
36.6 subdivision and pledge the revenues to the joint powers entity for payment of the revenue  
36.7 bonds.

APPENDIX  
Article locations in 11-0767

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| ARTICLE 2 | RENEWABLE ENERGY .....   | Page.Ln 19.23 |
| ARTICLE 3 | REPEALERS .....          | Page.Ln 26.1  |
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