

A bill for an act

relating to energy; removing ban on increased carbon dioxide emissions by
utilities; amending Minnesota Statutes 2010, section 216H.03, subdivision 7.

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

Section 1. Minnesota Statutes 2010, section 216H.03, subdivision 7, is amended to
read:

Subd. 7. **Other exemptions.** The prohibitions in subdivision 3 do not apply to:

(1) a new large energy facility under consideration by the Public Utilities
Commission pursuant to proposals or applications filed with the Public Utilities
Commission before April 1, 2007, or to any power purchase agreement related to a facility
described in this clause. The exclusion of pending proposals and applications from the
prohibitions in subdivision 3 does not limit the applicability of any other law and is not an
expression of legislative intent regarding whether any pending proposal or application
should be approved or denied;

(2) a contract not subject to commission approval that was entered into prior to
April 1, 2007, to purchase power from a new large energy facility that was approved by
a comparable authority in another state prior to that date, for which municipal or public
power district bonds have been issued, and on which construction has begun; ~~or~~

(3) a new large energy facility or a power purchase agreement between a Minnesota
utility and a new large energy facility located outside Minnesota that the Public
Utilities Commission has determined is essential to ensure the long-term reliability of
Minnesota's electric system, to allow electric service for increased industrial demand,
or to avoid placing a substantial financial burden on Minnesota ratepayers. An order
of the commission granting an exemption under this clause is stayed until the June 1

2.1 following the next regular or annual session of the legislature that begins after the date of
2.2 the commission's final order; or

2.3 (4) 2,500 megawatts of electric generating capacity, in aggregate, from new large
2.4 energy facilities or power purchase agreements with new large energy facilities that:

2.5 (i) are fueled by feedstock coal that on a moist, mineral-matter-free basis has a
2.6 calorific value averaging less than 8,500 Btus per pound, or beneficiated coal derived
2.7 from such coal; and

2.8 (ii) began construction after April 1, 2007.

2.9 Projects will receive priority for exemption under this clause based on the shortest amount
2.10 of time after April 1, 2007, and the date construction of a new large energy facility begins
2.11 or a power purchase agreement with a new large energy facility is signed, as applicable,
2.12 until the 2,500 megawatt aggregate capacity limit is reached.

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