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State of Minnesota HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **28**

02/10/2025 Authored by Mekeland, Niska, Swedzinski, Davis, Hudson and others

The bill was read for the first time and referred to the Committee on Energy Finance and Policy

02/17/2025 Adoption of Report: Amended and re-referred to the Committee on Environment and Natural Resources Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to energy; providing for data center energy generation redundancy;
- 1.3 amending Minnesota Statutes 2024, sections 116D.04, subdivision 4a; 216B.02,
- 1.4 by adding subdivisions; 216B.243, subdivision 8; 216I.02, by adding a subdivision;
- 1.5 216I.07, subdivision 2; 216I.08, subdivision 2.
- 1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.7 Section 1. Minnesota Statutes 2024, section 116D.04, subdivision 4a, is amended to read:
- 1.8 Subd. 4a. **Alternative review.** (a) The board shall by rule identify alternative forms of
- 1.9 environmental review which will address the same issues and utilize similar procedures as
- 1.10 an environmental impact statement in a more timely or more efficient manner to be utilized
- 1.11 in lieu of an environmental impact statement.
- 1.12 (b) Upon adoption by the responsible governmental unit of the environmental analysis
- 1.13 document and plan for mitigation under an alternative urban areawide review process, the
- 1.14 prerequisites under subdivision 2b are satisfied with respect to the activities covered by the
- 1.15 alternative urban areawide review notwithstanding any additional environmental review
- 1.16 that may be required for a phased action, connected action, or component of the project that
- 1.17 was not evaluated in the alternative urban areawide review. The governmental unit that
- 1.18 completes additional environmental review required for other phased actions, connected
- 1.19 actions, components, or projects under this section must complete the additional
- 1.20 environmental review as a supplemental analysis to the alternative urban areawide review,
- 1.21 unless otherwise agreed by the proposer.
- 1.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.1 Sec. 2. Minnesota Statutes 2024, section 216B.02, is amended by adding a subdivision to
2.2 read:

2.3 Subd. 11. **Emergency backup generator.** "Emergency backup generator" means a
2.4 stationary compressed ignition or spark ignition engine described under Code of Federal
2.5 Regulations, title 40, parts 60.4211(f) and 60.4243(d), respectively, that is installed with
2.6 equipment that prevents the flow of electricity to the electric grid.

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

2.8 Sec. 3. Minnesota Statutes 2024, section 216B.02, is amended by adding a subdivision to
2.9 read:

2.10 Subd. 12. **Data center.** "Data center" means a freestanding structure that primarily
2.11 contains electronic equipment used to process, store, and transmit digital information.

2.12 Sec. 4. Minnesota Statutes 2024, section 216B.243, subdivision 8, is amended to read:

2.13 Subd. 8. **Exemptions.** (a) This section does not apply to:

2.14 (1) cogeneration or small power production facilities as defined in the Federal Power
2.15 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
2.16 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
2.17 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
2.18 any case where the commission has determined after being advised by the attorney general
2.19 that its application has been preempted by federal law;

2.20 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve
2.21 the demand of a single customer at a single location, unless the applicant opts to request
2.22 that the commission determine need under this section or section 216B.2425;

2.23 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand
2.24 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to
2.25 request that the commission determine need under this section or section 216B.2425;

2.26 (4) a high-voltage transmission line of one mile or less required to connect a new or
2.27 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

2.28 (5) conversion of the fuel source of an existing electric generating plant to using natural
2.29 gas;

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater;

(7) a large wind energy conversion system, as defined in section 216I.02, subdivision 12, or a solar energy generating system, as defined in section 216I.02, subdivision 18, for which a site permit application is submitted by an independent power producer under chapter 216I;

(8) a large wind energy conversion system, as defined in section 216I.02, subdivision 12, or a solar energy generating system, as defined in section 216I.02, subdivision 18, engaging in a repowering project that:

(i) will not result in the system exceeding the nameplate capacity under its most recent interconnection agreement; or

(ii) will result in the system exceeding the nameplate capacity under its most recent interconnection agreement, provided that the Midcontinent Independent System Operator has provided a signed generator interconnection agreement that reflects the expected net power increase;

(9) energy storage systems, as defined in section 216I.02, subdivision 6;

(10) transmission lines that directly interconnect large wind energy conversion systems, solar energy generating systems, or energy storage systems to the transmission system; ~~or~~

(11) relocation of an existing high voltage transmission line to new right-of-way, provided that any new structures that are installed are not designed for and capable of operation at higher voltage; or

(12) a combination of emergency backup generators at a single site with a combined capacity of 50,000 kilowatts or more that provides power to a data center and is eligible for permitting as a single stationary source under Minnesota Rules, parts 7007.1140 to 7007.1147.

(b) For the purpose of this subdivision, "repowering project" means:

(1) modifying a large wind energy conversion system or a solar energy generating system that is a large energy facility to increase its efficiency without increasing its nameplate capacity;

(2) replacing turbines in a large wind energy conversion system without increasing the nameplate capacity of the system; or

4.1 (3) increasing the nameplate capacity of a large wind energy conversion system.

4.2 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
4.3 final enactment and applies to applications under Minnesota Statutes, section 216B.243,
4.4 that are pending before or submitted to the Public Utilities Commission on or after that date.

4.5 Sec. 5. Minnesota Statutes 2024, section 216I.02, is amended by adding a subdivision to
4.6 read:

4.7 Subd. 5a. **Emergency backup generator.** "Emergency backup generator" has the
4.8 meaning given in section 216B.02, subdivision 11.

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

4.10 Sec. 6. Minnesota Statutes 2024, section 216I.07, subdivision 2, is amended to read:

4.11 Subd. 2. **Applicable projects.** The requirements and procedures under this section apply
4.12 to projects for which the applicant's proposal is:

4.13 (1) large electric power generating plants with a capacity of less than 80 megawatts;

4.14 (2) a combination of emergency backup generators designed to serve one person and
4.15 located on property owned or controlled by the person;

4.16 ~~(2)~~ (3) large electric power generating plants that are fueled by natural gas;

4.17 ~~(3)~~ (4) high-voltage transmission lines with a capacity between 100 and 300 kilovolts;

4.18 ~~(4)~~ (5) high-voltage transmission lines with a capacity in excess of 300 kilovolts and
4.19 less than 30 miles in length in Minnesota;

4.20 ~~(5)~~ (6) high-voltage transmission lines with a capacity in excess of 300 kilovolts, if at
4.21 least 80 percent of the distance of the line in Minnesota, as proposed by the applicant, is
4.22 located along existing high-voltage transmission line right-of-way;

4.23 ~~(6)~~ (7) solar energy systems;

4.24 ~~(7)~~ (8) energy storage systems; and

4.25 ~~(8)~~ (9) large wind energy conversion systems.

4.26 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
4.27 final enactment and applies to applications under Minnesota Statutes, section 216I.07, that
4.28 are pending before or submitted to the Public Utilities Commission on or after that date.

5.1 Sec. 7. Minnesota Statutes 2024, section 216I.08, subdivision 2, is amended to read:

5.2 Subd. 2. **Applicable projects.** An applicant may seek approval under this section from
5.3 a local unit of government to construct:

5.4 (1) large electric power generating plants and solar energy generating systems with a
5.5 capacity of less than 80 megawatts;

5.6 (2) a combination of emergency backup generators designed to serve one person and
5.7 located on property owned or controlled by the person;

5.8 ~~(2)~~ (3) large electric power generating plants of any size that burn natural gas and are
5.9 intended to be a peaking plant;

5.10 ~~(3)~~ (4) high-voltage transmission lines with a capacity between 100 and 200 kilovolts;

5.11 ~~(4)~~ (5) substations with a voltage designed for and capable of operation at a nominal
5.12 voltage of 100 kilovolts or more;

5.13 ~~(5)~~ (6) a high-voltage transmission line service extension to a single customer between
5.14 200 and 300 kilovolts and less than ten miles in length;

5.15 ~~(6)~~ (7) a high-voltage transmission line rerouting to serve the demand of a single
5.16 customer, if at least 80 percent of the rerouted line is located on property owned or controlled
5.17 by the customer or the owner of the transmission line;

5.18 ~~(7)~~ (8) energy storage systems; and

5.19 ~~(8)~~ (9) large wind energy conversion systems with a capacity less than 25 megawatts.

5.20 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
5.21 final enactment and applies to applications under Minnesota Statutes, section 216I.08, that
5.22 are pending before or submitted to a local unit of government on or after that date.