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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4377

03/16/2026 Authored by Jones, Keeler, Feist and Falconer
The bill was read for the first time and referred to the Committee on Energy Finance and Policy

1.1 A bill for an act
1.2 relating to energy; specifying required elements in an application to the Public
1.3 Utilities Commission for a certificate of need for a petroleum pipeline; proposing
1.4 coding for new law in Minnesota Statutes, chapter 216B.

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

1.6 Section 1. [216B.2431] CERTIFICATE OF NEED; ENERGY DEMAND
1.7 FORECASTS; PETROLEUM PIPELINES.

1.8 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.9 the meanings given.

1.10 (b) "Application" means an application for a certificate of need filed under section
1.11 216B.243 to construct a pipeline that transports crude oil, motor fuel, or other refined
1.12 petroleum products.

1.13 (c) "Calendar day" means a measure of daily refinery capacity that adjusts for typical
1.14 operating conditions, including downtime for maintenance.

1.15 (d) "Consumer" means a person that purchases a motor fuel or other refined petroleum
1.16 product from a retailer to utilize or otherwise consume the energy contained in the motor
1.17 fuel or other refined petroleum product.

1.18 (e) "Contiguous states" means the states of Iowa, North Dakota, South Dakota, and
1.19 Wisconsin.

1.20 (f) "Demand" means the quantity of motor fuel or other refined petroleum products from
1.21 the applicant's facilities that consumers in Minnesota and in contiguous states are willing

2.1 and able to purchase. Demand includes any resulting quantities placed in the applicant's
2.2 interim storage facilities.

2.3 (g) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

2.4 (h) "Forecast period" means the 15 consecutive years following the year in which an
2.5 application is filed.

2.6 (i) "Fuel efficiency" means the distance a motor vehicle is capable of traveling on one
2.7 gallon of motor fuel.

2.8 (j) "Motor fuel" means a liquid fuel derived from petroleum and used to propel a motor
2.9 vehicle. Motor fuel does not include casinghead, absorption, condensation, or natural
2.10 gasoline, as defined in section 296A.01, subdivision 10.

2.11 (k) "Motor vehicle" has the meaning given in section 169.011, subdivision 42.

2.12 (l) "Other refined petroleum product" means a product, other than motor fuel, produced
2.13 from crude oil at a refinery.

2.14 (m) "Refinery" means a facility that processes crude oil into motor fuel and other refined
2.15 petroleum products.

2.16 (n) "Remote work" means an employment construct in which employees work from a
2.17 location other than the place of employment one or more days per week.

2.18 Subd. 2. **Applicability.** This section applies to an applicant seeking a certificate of need
2.19 for a pipeline that transports crude oil, motor fuel, or other refined petroleum products.

2.20 Subd. 3. **Demand forecasts; motor fuel.** (a) An application must contain separate annual
2.21 demand forecasts for motor fuel from consumers for each year of the forecast period:

2.22 (1) in Minnesota; and

2.23 (2) in contiguous states.

2.24 (b) The forecasts required under paragraph (a) must be derived from the following factors
2.25 using separate forecasts for each year of the forecast period:

2.26 (1) population;

2.27 (2) vehicle miles traveled, which must consider trends in remote work, mass transit
2.28 ridership, and vehicle miles traveled reduction targets established in the statewide multimodal
2.29 transportation plan under section 174.03, subdivision 1a;

2.30 (3) fuel intensity and efficiency of motor vehicles using motor fuel;

3.1 (4) penetration rates of electric vehicles, which must consider federal and state financial
3.2 incentives for vehicles and charging stations;

3.3 (5) specific capacity expansion plans proposed by a refinery designated to receive crude
3.4 oil supplies from the proposed pipelines; and

3.5 (6) world crude oil prices and crude oil prices from the proposed pipeline's supply sources
3.6 and the impact of prices on demand from consumers.

3.7 (c) For purposes of the forecasts and data under paragraphs (a) and (b), the applicant
3.8 must specify underlying assumptions, including a narrative description of how changes in
3.9 the assumptions may affect the findings under paragraphs (a) and (b), with respect to:

3.10 (1) crude oil prices in the United States, in Canada, and globally; and

3.11 (2) changes in crude oil transportation infrastructure out of Western Canada and into or
3.12 out of Minnesota and contiguous states.

3.13 Subd. 4. Demand forecasts; other petroleum products. (a) The application must
3.14 contain separate annual demand forecasts for other refined petroleum products from
3.15 consumers for each year of the forecast period:

3.16 (1) in Minnesota; and

3.17 (2) in contiguous states.

3.18 (b) The demand forecasts required under this subdivision must be derived from forecasts
3.19 of the factors influencing consumer demand for each product.

3.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
3.21 applies to an application for a certificate of need for a petroleum pipeline filed with the
3.22 Public Utilities Commission on or after that date.