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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2783

03/09/2023

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

1.1 A bill for an act
1.2 relating to energy; providing for decommissioning of certain wind energy
1.3 conversion systems; proposing coding for new law in Minnesota Statutes, chapter
1.4 216F.

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

1.6 Section 1. [216F.10] LEGACY WIND CONTRACTS; DECOMMISSIONING.

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

1.9 (b) "Decommission" means to dismantle and remove from a site the machinery,
1.10 equipment, structures, or improvements that are part of a wind energy conversion system,
1.11 and to restore the site to the condition that existed before the wind energy conversion system
1.12 was installed.

1.13 (c) "Decommissioning account" means a separate account established under a power
1.14 purchase agreement and into which an eligible owner deposits revenue from a power purchase
1.15 agreement to decommission a wind energy conversion system.

1.16 (d) "Eligible owner" means an owner of a wind energy conversion system that:

1.17 (1) has a nameplate capacity of two megawatts or less;

1.18 (2) generated electricity sold to an electric utility located in Minnesota under a power
1.19 purchase agreement that (1) was entered into between, 1996, and, 2013, and (2)
1.20 did not require a decommissioning account to be established; and

1.21 (3) has a current interconnection agreement or rights.

2.1 Subd. 2. Revised agreement. (a) No later than six months after the effective date of this
2.2 section, a utility that entered into a power purchase agreement with an eligible owner must
2.3 file with the commission a new proposed power purchase agreement or an amended active
2.4 power purchase agreement with the eligible owner. The new proposed power purchase
2.5 agreement or amended active power purchase agreement must:

2.6 (1) require the eligible owner to establish a decommissioning account that meets the
2.7 requirements of paragraph (b);

2.8 (2) contain a contract term that, at a minimum, is adequate to ensure sufficient money
2.9 is accrued to pay the full estimated cost required to decommission the wind energy conversion
2.10 system; and

2.11 (3) require the utility to pay the eligible owner at least \$33 per megawatt-hour for all
2.12 electricity generated under the new or amended power purchase agreement.

2.13 (b) An eligible owner must deposit into a decommissioning account established under
2.14 paragraph (a) \$2 per megawatt-hour of the revenue received from the power purchase
2.15 agreement. Revenue from the power purchase agreement must be deposited into the
2.16 decommissioning account as the revenue is received. The amount deposited into the
2.17 decommissioning account, including the estimated accrued interest on the account, must
2.18 be sufficient over the term of the power purchase agreement to pay the full estimated cost
2.19 required to decommission the wind energy conversion system at the end of the wind energy
2.20 conversion system's useful life. Money in the decommissioning account must be expended
2.21 only to decommission the wind energy conversion system.

2.22 Subd. 3. Commission approval. The commission must review and approve any power
2.23 purchase agreement entered into or amended under subdivision 2, and is prohibited from
2.24 approving a power purchase agreement that does not meet all of the requirements under
2.25 subdivision 2.

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