

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2834

03/06/2014 Authored by Hortman and Kahn

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

03/19/2014 Adoption of Report: Amended and re-referred to the Committee on Commerce and Consumer Protection Finance and Policy

03/26/2014 Adoption of Report: Re-referred to the Committee on Energy Policy

03/31/2014 Adoption of Report: Amended and Placed on the General Register
Read Second Time

1.1 A bill for an act
 1.2 relating to energy; modifying, adding, or authorizing provisions governing
 1.3 medically necessary equipment, low-income rate discounts, interconnection
 1.4 of distributed renewable generation, electric vehicle charging tariffs, on-bill
 1.5 payment programs, energy efficiency programs, emissions reduction planning,
 1.6 certificates of need, solar energy systems, and transmission lines; requiring a
 1.7 report; amending Minnesota Statutes 2012, sections 216B.098, subdivision
 1.8 5; 216B.16, subdivision 14; 216B.1611, by adding a subdivision; 216B.241,
 1.9 by adding subdivisions; 216B.2422, by adding a subdivision; 216B.243,
 1.10 subdivision 8; 216E.01, by adding a subdivision; 216E.04, subdivision 2; 515.07;
 1.11 515B.2-103; 515B.3-102; Laws 2013, chapter 57, section 2; proposing coding
 1.12 for new law in Minnesota Statutes, chapters 216B; 216E; 500.

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

1.14 Section 1. Minnesota Statutes 2012, section 216B.098, subdivision 5, is amended to
 1.15 read:

1.16 Subd. 5. **Medically necessary equipment.** (a) A utility shall reconnect or
 1.17 continue service to a customer's residence where a medical emergency exists or where
 1.18 medical equipment requiring electricity necessary to sustain life is in use, provided that
 1.19 the utility receives ~~from a medical doctor~~ written certification, or initial certification by
 1.20 telephone and written certification within five business days, that failure to reconnect or
 1.21 continue service will impair or threaten the health or safety of a resident of the customer's
 1.22 household. ~~The customer must enter into a payment agreement.~~

1.23 (b) Certification of the necessity for service is required. Certification may be
 1.24 provided by:

- 1.25 (1) a licensed medical doctor;
 1.26 (2) a licensed or registered physician's assistant;
 1.27 (3) a licensed or registered nurse practitioner; or

2.1 (4) a registered nurse, but only to the extent of verifying the current diagnosis or
2.2 prescriptions made by a licensed medical doctor for the customer or member of the
2.3 customer's household.

2.4 (c) Except as provided in paragraph (d), a certification may not extend beyond six
2.5 months from the date of written certification.

2.6 (d) If a utility determines that a longer certification is appropriate given a particular
2.7 customer's circumstances, the utility may, at its sole discretion, extend the duration of a
2.8 certification for up to 12 months.

2.9 (e) A certification may be renewed, provided that the renewal complies with this
2.10 subdivision. A certification may be renewed by the same or another medical professional
2.11 who meets the qualifications of paragraph (b).

2.12 (f) A customer whose account is in arrears must contact and enter into a payment
2.13 agreement with the utility. The payment agreement must consider a customer's financial
2.14 circumstances and any extenuating circumstances of the household. The payment
2.15 agreement may, at the discretion of the utility, contain a provision by which the utility
2.16 forgives all or a portion of the amount in which the account is in arrears, which, if
2.17 implemented, extinguishes individual liability for the amount forgiven.

2.18 Sec. 2. Minnesota Statutes 2012, section 216B.16, subdivision 14, is amended to read:

2.19 Subd. 14. **Low-income electric rate discount.** A public utility shall fund an
2.20 affordability program for low-income customers ~~in an amount based on a 50 percent electric~~
2.21 ~~rate discount on the first 400 kilowatt-hours consumed in a billing period for low-income~~
2.22 ~~residential customers of the utility~~ at a base annual funding level of \$8,000,000. The annual
2.23 funding level shall increase in the calendar years subsequent to each commission approval
2.24 of a rate increase for the public utility's residential customers by the same percentage as the
2.25 approved residential rate increase. Costs for the program shall be included in the utility's
2.26 base rate. For the purposes of this subdivision, "low-income" describes a customer who is
2.27 receiving assistance from the federal low-income home energy assistance program. The
2.28 affordability program must be designed to target participating customers with the lowest
2.29 incomes and highest energy costs in order to lower the percentage of income they devote
2.30 to energy bills, increase their payments, lower utility service disconnections, and ~~lower~~
2.31 decrease costs associated with collection activities on their accounts. For low-income
2.32 customers who are 62 years of age or older or disabled, the program must, ~~in addition to~~
2.33 ~~any other program benefits,~~ include a 50 percent electric rate discount on the first 400
2.34 ~~kilowatt-hours consumed in a~~ \$15 discount in each billing period. For the purposes of this
2.35 subdivision, "public utility" includes only those public utilities with more than 200,000

3.1 residential electric service customers. The commission may issue orders necessary to
3.2 implement, administer, and recover the costs of the program on a timely basis.

3.3 **EFFECTIVE DATE.** This section is effective October 1, 2014.

3.4 Sec. 3. Minnesota Statutes 2012, section 216B.1611, is amended by adding a
3.5 subdivision to read:

3.6 **Subd. 3a. Project information.** (a) Beginning July 1, 2014, each electric utility
3.7 shall request an applicant for interconnection of distributed renewable energy generation
3.8 to provide the following information, in a format prescribed by the commissioner:

3.9 (1) the nameplate capacity of the facility in the application;

3.10 (2) the total preincentive installed cost of the generation system at the facility;

3.11 (3) the energy source of the facility; and

3.12 (4) the zip code in which the facility is to be located.

3.13 (b) The commissioner shall develop or identify a system to collect and process the
3.14 information under this subdivision for each utility, and make non-project-specific data
3.15 available to the public on a periodic basis as determined by the commissioner, and in a
3.16 format determined by the commissioner. The commissioner may solicit proposals from
3.17 outside parties to develop the system.

3.18 (c) Electric utilities collecting and transferring data under this subdivision are not
3.19 responsible for the accuracy, completeness, or quality of the information under this
3.20 subdivision.

3.21 (d) Except as provided in paragraph (b), any information provided by an applicant
3.22 to the commissioner under this subdivision is nonpublic.

3.23 **EFFECTIVE DATE.** This section is effective July 1, 2014, and applies to
3.24 applications received on or after that date.

3.25 Sec. 4. **[216B.1614] ELECTRIC VEHICLE CHARGING TARIFF.**

3.26 **Subdivision 1. Definitions.** (a) For the purposes of this section, the terms defined in
3.27 this subdivision have the meanings given them.

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

3.29 (c) "Public utility" has the meaning given in section 216B.02, subdivision 4.

3.30 (d) "Renewable energy" has the meaning given in section 216B.169, subdivision 2,
3.31 paragraph (d).

4.1 Subd. 2. **Required tariff.** (a) By February 1, 2015, each public utility selling
4.2 electricity at retail must file with the commission a tariff that allows a customer to purchase
4.3 electricity solely for the purpose of recharging an electric vehicle. The tariff must:

4.4 (1) contain a time-of-day or off-peak rate;

4.5 (2) offer a customer the option to purchase electricity:

4.6 (i) from the utility's current mix of energy supply sources; or

4.7 (ii) entirely from renewable energy sources, subject to the conditions established

4.8 under section 216B.169, subdivision 2, paragraph (b), and subdivision 3, paragraph (a); and

4.9 (3) be made available to the residential customer class.

4.10 (b) The public utility may, at its discretion, offer the tariff to other customer classes.

4.11 (c) The commission shall, after notice and opportunity for public comment, approve,

4.12 modify, or reject the tariff. The commission may approve the tariff if the public utility

4.13 has demonstrated that the tariff:

4.14 (1) appropriately reflects off-peak versus peak cost differences in the rate charged;

4.15 (2) includes a mechanism to allow the recovery of costs reasonably necessary to

4.16 comply with this section, including costs to inform and educate customers about the

4.17 financial, energy conservation, and environmental benefits of electric vehicles and to

4.18 publicly advertise and promote participation in the customer-optional tariff;

4.19 (3) provides for clear and transparent customer billing statements including, but not

4.20 limited to, the amount of energy consumed under the tariff; and

4.21 (4) incorporates the cost of metering or submetering within the rate charged to

4.22 the customer.

4.23 (d) Within 60 days of commission approval of a public utility's tariff filed under this

4.24 section, the public utility shall make the tariff available to customers.

4.25 (e) The utility may at any time propose revisions to a tariff filed under this

4.26 subdivision based on changing costs or conditions.

4.27 Subd. 3. **Data reporting.** Each public utility providing a tariff under this section

4.28 shall periodically report to the commission, as established by the commission and on a form

4.29 prescribed by the commission, the following information, presented on a per-quarter basis:

4.30 (1) the number of customers who have arranged to purchase electricity under the

4.31 tariff;

4.32 (2) the total amount of electricity sold under the tariff; and

4.33 (3) other data required by the commission.

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

5.1 Sec. 5. Minnesota Statutes 2012, section 216B.241, is amended by adding a
5.2 subdivision to read:

5.3 Subd. 5d. **On-bill loan repayment programs.** (a) For the purposes of this
5.4 subdivision:

5.5 (1) "utility" means a public utility, municipal utility, or cooperative electric
5.6 association that provides electric or natural gas service to retail customers; and

5.7 (2) "on-bill loan repayment program" means a program in which a utility collects
5.8 on a customer's bill repayment of a loan to the customer by an eligible lender to finance
5.9 the customer's investment in eligible energy conservation or renewable energy projects,
5.10 and remits loan repayments to the lender.

5.11 (b) A utility may include as part of its conservation improvement plan an on-bill
5.12 loan repayment program to enable a customer to finance eligible projects with installment
5.13 loans originated by an eligible lender. An eligible project is one that is either an energy
5.14 conservation improvement, or a project that uses an eligible renewable energy source as
5.15 that term is defined in section 216B.2411, subdivision 2, paragraph (b), but does not
5.16 include mixed municipal solid waste or refuse-derived fuel from mixed municipal solid
5.17 waste. An eligible renewable energy source also includes solar thermal technology that
5.18 collects the sun's radiant energy and transfers it to a storage medium for distribution as
5.19 energy to heat or cool air or water, and meets the requirements of section 216C.25. To be
5.20 an eligible lender, a lender must:

5.21 (1) have a federal or state charter and be eligible for federal deposit insurance;

5.22 (2) be a government entity, including an entity established under chapter 469, that
5.23 has authority to provide financial assistance for energy efficiency and renewable energy
5.24 projects;

5.25 (3) be a joint venture by utilities established under section 452.25; or

5.26 (4) be licensed by the Department of Commerce to conduct lending activities.

5.27 The commissioner must allow a utility broad discretion in designing and
5.28 implementing an on-bill loan repayment program, provided that the program complies
5.29 with this subdivision.

5.30 (c) A utility may establish an on-bill loan repayment program for all customer
5.31 classes or for a specific customer class.

5.32 (d) A public utility that implements an on-bill repayment program under this
5.33 subdivision must enter into a contract with one or more eligible lenders that complies
5.34 with the requirements of this subdivision and contains provisions addressing capital
5.35 commitments, loan origination, transfer of loans to the public utility for on-bill loan
5.36 repayment, and acceptance of loans returned due to delinquency or default.

6.1 (e) A public utility's contract with a lender must require the lender to: (1) comply
6.2 with all applicable federal and state laws, rules, and regulations related to lending practices
6.3 and consumer protection; (2) conform to reasonable and prudent lending standards; and (3)
6.4 provide to businesses that sell, install, and maintain eligible projects the ability to participate
6.5 in an on-bill repayment program under this subdivision that is nondiscriminatory.

6.6 (f) A public utility's contract with a lender may provide:

6.7 (1) for the public utility to purchase loans from the lender with a condition that the
6.8 lender must purchase back loans in delinquency or default; or

6.9 (2) for the lender to retain ownership of loans with the public utility servicing the
6.10 loans through on-bill repayment as long as payments are current.

6.11 The risk of default must remain with the lender. The lender shall not have recourse
6.12 against the public utility except in the event of negligence or breach of contract by the utility.

6.13 (g) If a public utility customer makes a partial payment on a utility bill that includes
6.14 a loan installment, the partial payment must be credited first to the amount owed for
6.15 utility service, including taxes and fees. A public utility may not suspend or terminate
6.16 a customer's utility service for delinquency or default on a loan that is being serviced
6.17 through the public utility's on-bill loan repayment program.

6.18 (h) An outstanding balance on a loan being repaid under this subdivision is a financial
6.19 obligation only of the customer who is signatory to the loan, and not to any subsequent
6.20 customer occupying the property associated with the loan. If the utility purchases loans
6.21 from the lender as authorized under paragraph (f), clause (1), the utility must return to the
6.22 lender a loan not repaid when a customer borrower no longer occupies the property.

6.23 (i) Costs incurred by a public utility under this subdivision are recoverable as provided
6.24 in section 216B.16, subdivision 6b, paragraph (c), including reasonable incremental costs
6.25 for billing system modifications necessary to implement and operate an on-bill loan
6.26 repayment program and for ongoing costs to operate the program. Approved costs may be
6.27 counted toward a utility's conservation spending requirements under subdivisions 1a and
6.28 1b. Energy savings from energy conservation improvements resulting from this section
6.29 may be counted toward satisfying a utility's energy-savings goals under subdivision 1c.

6.30 (j) This subdivision does not require a utility to terminate or modify an existing
6.31 financing program and does not prohibit a utility from establishing an on-bill financing
6.32 program in which the utility provides the financing capital.

6.33 (k) A municipal utility or cooperative electric association that implements an on-bill
6.34 loan repayment program shall design the program to address the issues identified in
6.35 paragraphs (d) to (h) as determined by the governing board of the utility or association.

7.1 Sec. 6. Minnesota Statutes 2012, section 216B.241, is amended by adding a
7.2 subdivision to read:

7.3 Subd. 5e. **Commercial and multifamily rental buildings.** (a) The commissioner
7.4 shall solicit, after consulting with stakeholders about the terms of the solicitation, and may
7.5 approve for implementation, proposals for one or more utilities to voluntarily participate
7.6 in a program to address energy efficiency in rented commercial or residential buildings,
7.7 including rented multifamily residential buildings. A program under this subdivision may
7.8 be included in a conservation improvement plan under this section, or proposed separately.

7.9 (b) If a program under this subdivision employs an on-bill repayment mechanism,
7.10 it must, to the extent practical, use the criteria and standards of and comply with the
7.11 requirements of subdivision 5d, except that a mechanism may allow successor tenants
7.12 in a rented building to assume any balance of a loan paid through a utility bill, and may
7.13 allow the building owner to assume the balance when a unit is empty. Participation in
7.14 an on-bill repayment program under this subdivision is voluntary for building owners.
7.15 The commissioner may only approve a program under this subdivision that includes an
7.16 on-bill repayment mechanism requiring tenants occupying units in the building to repay a
7.17 loan if the tenants agree to do so in writing.

7.18 Sec. 7. Minnesota Statutes 2012, section 216B.2422, is amended by adding a
7.19 subdivision to read:

7.20 Subd. 2c. **Long-range emission reduction planning.** Each utility required to file
7.21 a resource plan under this section shall include in the filing a narrative identifying and
7.22 describing: (1) the costs, opportunities, and technical barriers to the utility continuing to
7.23 make progress on its system toward achieving the state greenhouse gas emission reduction
7.24 goals established in section 216H.02, subdivision 1; and (2) the technologies, alternatives,
7.25 and steps the utility is considering to address those opportunities and barriers.

7.26 Sec. 8. Minnesota Statutes 2012, section 216B.243, subdivision 8, is amended to read:

7.27 Subd. 8. **Exemptions.** This section does not apply to:

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

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

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

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

8.9 (5) conversion of the fuel source of an existing electric generating plant to using
 8.10 natural gas; ~~or~~

8.11 (6) the modification of an existing electric generating plant to increase efficiency,
 8.12 as long as the capacity of the plant is not increased more than ten percent or more than
 8.13 100 megawatts, whichever is greater; or

8.14 (7) a wind energy conversion system or solar electric generation facility if the system
 8.15 or facility is owned and operated by an independent power producer and the electric
 8.16 output of the system or facility is not sold to an entity that provides retail or wholesale
 8.17 electric service in Minnesota other than an entity that is a federally recognized regional
 8.18 transmission organization or independent system operator.

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

8.20 Sec. 9. Minnesota Statutes 2012, section 216E.01, is amended by adding a subdivision
 8.21 to read:

8.22 **Subd. 8a. Solar energy generating system.** "Solar energy generating system"
 8.23 means a set of devices whose primary purpose is to produce electricity by means of any
 8.24 combination of collecting, transferring, or converting solar-generated energy.

8.25 Sec. 10. **[216E.021] SOLAR ENERGY SYSTEM SIZE DETERMINATION.**

8.26 (a) This section must be used to determine whether a combination of solar energy
 8.27 generating systems meets the definition of large electric power generating plant and is
 8.28 subject to the commission's siting authority jurisdiction under this chapter. The alternating
 8.29 current nameplate capacity of one solar energy generating system must be combined with
 8.30 the alternating current nameplate capacity of any other solar energy generating system that:

8.31 (1) is constructed within the same 12-month period as the solar energy generating
 8.32 system; and

9.1 (2) exhibits characteristics of being a single development, including but not limited
 9.2 to ownership structure, an umbrella sales arrangement, shared interconnection, revenue
 9.3 sharing arrangements, and common debt or equity financing.

9.4 (b) The commissioner of commerce shall provide forms and assistance for applicants
 9.5 to make a request for a size determination. Upon written request of an applicant, the
 9.6 commissioner shall provide a written size determination within 30 days of receipt of the
 9.7 request and of any information requested by the commissioner. In the case of a dispute,
 9.8 the chair of the Public Utilities Commission shall make the final size determination.

9.9 Sec. 11. Minnesota Statutes 2012, section 216E.04, subdivision 2, is amended to read:

9.10 Subd. 2. **Applicable projects.** The requirements and procedures in this section
 9.11 apply to the following projects:

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

9.13 (2) large electric power generating plants that are fueled by natural gas;

9.14 (3) high-voltage transmission lines of between 100 and 200 kilovolts;

9.15 (4) high-voltage transmission lines in excess of 200 kilovolts and less than five miles
 9.16 in length in Minnesota;

9.17 (5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent
 9.18 of the distance of the line in Minnesota will be located along existing high-voltage
 9.19 transmission line right-of-way;

9.20 (6) a high-voltage transmission line service extension to a single customer between
 9.21 200 and 300 kilovolts and less than ten miles in length; ~~and~~

9.22 (7) a high-voltage transmission line rerouting to serve the demand of a single
 9.23 customer when the rerouted line will be located at least 80 percent on property owned or
 9.24 controlled by the customer or the owner of the transmission line; and

9.25 (8) large electric power generating plants that are powered by solar energy.

9.26 Sec. 12. **[500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY**
 9.27 **SYSTEMS PROHIBITED.**

9.28 Subdivision 1. **General rule.** A private entity may not prohibit or refuse to permit
 9.29 installation, maintenance, or use of a roof-mounted solar energy system by the owner of a
 9.30 single-family dwelling notwithstanding any covenant, restriction, or condition contained
 9.31 in a deed, security instrument, homeowners association document, or any other instrument
 9.32 affecting the transfer, sale of, or an interest in real property, except as provided in this
 9.33 section.

10.1 Subd. 2. **Applicability.** This section applies to single-family dwellings, whether
10.2 attached or detached, where the dwelling owner is responsible for maintenance, repair,
10.3 replacement, and insurance of the roof of the dwelling.

10.4 Subd. 3. **Definitions.** (a) The definitions in this subdivision apply to this section.

10.5 (b) "Private entity" means a homeowners association, community association, or
10.6 other association that is subject to a homeowners association document.

10.7 (c) "Homeowners association document" means a document containing the
10.8 declaration, articles of incorporation, bylaws, or rules and regulations of:

10.9 (1) a common interest community, as defined in section 515B.1-103, regardless of
10.10 whether the common interest community is subject to chapter 515B; and

10.11 (2) a residential community that is not a common interest community.

10.12 (d) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

10.13 Subd. 4. **Allowable conditions.** (a) This section does not prohibit a private entity
10.14 from requiring that:

10.15 (1) a licensed contractor install a solar energy system;

10.16 (2) a roof-mounted solar energy system not extend above the peak of a pitched roof
10.17 or beyond the edge of the roof;

10.18 (3) the owner or installer of a solar energy system indemnify or reimburse the private
10.19 entity or its members for loss or damage caused by the installation, maintenance, use,
10.20 repair, or removal of a solar energy system;

10.21 (4) the owner and each successive owner of a solar energy system list the private
10.22 entity as a certificate holder on the homeowner's insurance policy; or

10.23 (5) the owner and each successive owner of a solar energy system be responsible for
10.24 removing the system if reasonably necessary for the repair, maintenance, or replacement
10.25 of common elements or limited common elements, as defined in section 515B.1-103.

10.26 (b) A private entity may impose other reasonable restrictions on the installation,
10.27 maintenance, or use of solar energy systems, provided that those restrictions do not decrease
10.28 the projected generation of energy by a solar energy system by more than 20 percent or
10.29 increase its cost by more than (1) 20 percent, for a solar water heater, or (2) \$2,000, for a
10.30 solar photovoltaic system, compared with the generation of energy and the cost of labor
10.31 and materials certified by the designer or installer of the solar energy system as originally
10.32 proposed without the restrictions. A private entity may obtain an alternative bid and
10.33 design from a solar energy system designer or installer for the purposes of this paragraph.

10.34 (c) A solar energy system must meet applicable standards and requirements imposed
10.35 by the state and by governmental units, as defined in section 462.384.

11.1 (d) A solar energy system for heating water must be certified by the Solar Rating
 11.2 Certification Corporation (SRCC) or an equivalent certification agency. A solar energy
 11.3 system for producing electricity must meet all applicable safety and performance standards
 11.4 established by the National Electrical Code, the Institute of Electrical and Electronics
 11.5 Engineers, and accredited testing laboratories, including, but not limited to, Underwriters
 11.6 Laboratories and, where applicable, rules of the Public Utilities Commission regarding
 11.7 safety and reliability.

11.8 (e) If approval by a private entity is required for the installation or use of a solar
 11.9 energy system, the application for approval must be processed and approved in the same
 11.10 manner as an application for approval of an architectural modification to the property,
 11.11 and must not be willfully avoided or delayed. A private entity shall approve or deny an
 11.12 application in writing. If an application is not denied in writing within 60 days from the
 11.13 date of receipt of the application, the application is deemed approved unless the delay is
 11.14 the result of a reasonable request for additional information.

11.15 Sec. 13. Minnesota Statutes 2012, section 515.07, is amended to read:

11.16 **515.07 COMPLIANCE WITH COVENANTS, BYLAWS, AND RULES.**

11.17 Each apartment owner shall comply strictly with the bylaws and with the
 11.18 administrative rules adopted pursuant thereto, as either of the same may be lawfully
 11.19 amended from time to time, and with the covenants, conditions, and restrictions set forth in
 11.20 the declaration or in the owner's deed to the apartment. Failure to comply with any of the
 11.21 same shall be ground for an action to recover sums due, for damages or injunctive relief or
 11.22 both maintainable by the manager or board of directors on behalf of the association of
 11.23 apartment owners or, in a proper case, by an aggrieved apartment owner. This chapter is
 11.24 subject to ~~section~~ sections 500.215 and 500.216.

11.25 Sec. 14. Minnesota Statutes 2012, section 515B.2-103, is amended to read:

11.26 **515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND**
 11.27 **BYLAWS.**

11.28 (a) All provisions of the declaration and bylaws are severable.

11.29 (b) The rule against perpetuities may not be applied to defeat any provision of
 11.30 the declaration or this chapter, or any instrument executed pursuant to the declaration
 11.31 or this chapter.

11.32 (c) In the event of a conflict between the provisions of the declaration and the
 11.33 bylaws, the declaration prevails except to the extent that the declaration is inconsistent
 11.34 with this chapter.

12.1 (d) The declaration and bylaws must comply with ~~section~~ sections 500.215 and
12.2 500.216.

12.3 Sec. 15. Minnesota Statutes 2012, section 515B.3-102, is amended to read:

12.4 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

12.5 (a) Except as provided in subsections (b) and (c), and subject to the provisions of the
12.6 declaration or bylaws, the association shall have the power to:

12.7 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles
12.8 of incorporation, bylaws and declaration, as follows: (i) regulating the use of the common
12.9 elements; (ii) regulating the use of the units, and conduct of unit occupants, which may
12.10 jeopardize the health, safety or welfare of other occupants, which involves noise or
12.11 other disturbing activity, or which may damage the common elements or other units;
12.12 (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the
12.13 common elements and conduct which may damage the common interest community;
12.14 (v) regulating the exterior appearance of the common interest community, including,
12.15 for example, balconies and patios, window treatments, and signs and other displays,
12.16 regardless of whether inside a unit; (vi) implementing the articles of incorporation,
12.17 declaration and bylaws, and exercising the powers granted by this section; and (vii)
12.18 otherwise facilitating the operation of the common interest community;

12.19 (2) adopt and amend budgets for revenues, expenditures and reserves, and levy and
12.20 collect assessments for common expenses from unit owners;

12.21 (3) hire and discharge managing agents and other employees, agents, and
12.22 independent contractors;

12.23 (4) institute, defend, or intervene in litigation or administrative proceedings (i) in
12.24 its own name on behalf of itself or two or more unit owners on matters affecting the
12.25 common elements or other matters affecting the common interest community or, (ii) with
12.26 the consent of the owners of the affected units on matters affecting only those units;

12.27 (5) make contracts and incur liabilities;

12.28 (6) regulate the use, maintenance, repair, replacement, and modification of the
12.29 common elements and the units;

12.30 (7) cause improvements to be made as a part of the common elements, and, in the
12.31 case of a cooperative, the units;

12.32 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest
12.33 to real estate or personal property, but (i) common elements in a condominium or planned
12.34 community may be conveyed or subjected to a security interest only pursuant to section

13.1 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative
13.2 may be subjected to a security interest, only pursuant to section 515B.3-112;

13.3 (9) grant or amend easements for public utilities, public rights-of-way or other
13.4 public purposes, and cable television or other communications, through, over or under
13.5 the common elements; grant or amend easements, leases, or licenses to unit owners for
13.6 purposes authorized by the declaration; and, subject to approval by a vote of unit owners
13.7 other than declarant or its affiliates, grant or amend other easements, leases, and licenses
13.8 through, over or under the common elements;

13.9 (10) impose and receive any payments, fees, or charges for the use, rental, or
13.10 operation of the common elements, other than limited common elements, and for services
13.11 provided to unit owners;

13.12 (11) impose interest and late charges for late payment of assessments and, after
13.13 notice and an opportunity to be heard before the board or a committee appointed by it,
13.14 levy reasonable fines for violations of the declaration, bylaws, and rules and regulations
13.15 of the association;

13.16 (12) impose reasonable charges for the review, preparation and recordation of
13.17 amendments to the declaration, resale certificates required by section 515B.4-107,
13.18 statements of unpaid assessments, or furnishing copies of association records;

13.19 (13) provide for the indemnification of its officers and directors, and maintain
13.20 directors' and officers' liability insurance;

13.21 (14) provide for reasonable procedures governing the conduct of meetings and
13.22 election of directors;

13.23 (15) exercise any other powers conferred by law, or by the declaration, articles
13.24 of incorporation or bylaws; and

13.25 (16) exercise any other powers necessary and proper for the governance and
13.26 operation of the association.

13.27 (b) Notwithstanding subsection (a) the declaration or bylaws may not impose
13.28 limitations on the power of the association to deal with the declarant which are more
13.29 restrictive than the limitations imposed on the power of the association to deal with other
13.30 persons.

13.31 (c) Notwithstanding subsection (a), powers exercised under this section must comply
13.32 with ~~section~~ sections 500.215 and 500.216.

13.33 Sec. 16. Laws 2013, chapter 57, section 2, is amended to read:

13.34 Sec. 2. **TRANSMISSION LINE; CERTIFICATE OF NEED REQUIRED**
13.35 **AND EVIDENCE REQUIRED.**

14.1 (a) A high-voltage transmission line with a capacity of 100 kilovolts or more proposed
14.2 to be located within a city in the metropolitan area as defined in Minnesota Statutes,
14.3 section 473.121, subdivision 2, for which a route permit application was filed between
14.4 June 2011 and August 2011, and a certificate of need application was filed between June
14.5 2012 and August 2012, to rebuild approximately eight miles of 69 kilovolt transmission
14.6 with a high-voltage transmission line to meet local area distribution needs, must be
14.7 approved in a certificate of need proceeding conducted under Minnesota Statutes, section
14.8 216B.243. The certificate of need may be approved only if the commission finds by clear
14.9 and convincing evidence that there is no feasible and available distribution level alternative
14.10 to the transmission line. In making its findings the commission shall consider the factors
14.11 provided in applicable law and rules including, without limitation, cost-effectiveness,
14.12 energy conservation, and the protection or enhancement of environmental quality.

14.13 (b) Further proceedings regarding the routing of a high-voltage transmission line
14.14 described in this section shall be suspended until the Public Utilities Commission has
14.15 made a determination that the transmission line is needed.

14.16 (c) If an application for a certificate of need described in paragraph (a) is withdrawn
14.17 or otherwise abandoned, this section shall apply to any high-voltage transmission line of
14.18 100 kilovolts or more proposed to meet the same needs as the line described in paragraph
14.19 (a) and that follows a route that is similar to that of the line subject to paragraph (a). In
14.20 addition, a certificate of need for a line subject to this paragraph is not effective until
14.21 30 days following the adjournment of the regular legislative session next following
14.22 commission approval of the certificate of need.

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

14.24 Sec. 17. **LEGISLATIVE ENERGY COMMISSION; PROPANE CONVERSION**
14.25 **STRATEGIES.**

14.26 (a) The Legislative Energy Commission is required to investigate the feasibility of
14.27 converting propane gas users to alternative sources of energy, including but not limited to
14.28 renewable technologies, such as geothermal ground-source heat pumps and solar thermal,
14.29 and nonrenewable sources, such as natural gas. The investigation, among other things,
14.30 should assess the technical and economic issues for converting nonmetropolitan users of
14.31 propane to users of alternative sources of heat. The investigation should assess to what
14.32 extent increased residential weatherization efforts could decrease the need for delivered
14.33 fuels.

14.34 (b) The commission is requested to complete its investigations so that any
14.35 recommendations for legislation are completed by January 15, 2015.

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