

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 1111

(SENATE AUTHORS: MATHEWS, Osmek and Hoffman)

DATE	D-PG	OFFICIAL STATUS
02/16/2017	643	Introduction and first reading
		Referred to Energy and Utilities Finance and Policy
02/22/2017	715a	Comm report: To pass as amended and re-refer to State Government Finance and Policy and Elections

1.1 A bill for an act

1.2 relating to energy; establishing a legislative council to make funding

1.3 recommendations to the legislature; proposing coding for new law in Minnesota

1.4 Statutes, chapter 116C.

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

1.6 Section 1. **[116C.7793] LEGISLATIVE RENEWABLE ENERGY COUNCIL.**

1.7 Subdivision 1. **Establishment.** (a) The Legislative Renewable Energy Council of 11

1.8 members is established in the legislative branch, consisting of:

1.9 (1) five members of the house of representatives appointed by the speaker of the house,

1.10 three of whom are from the majority caucus and two of whom are from the minority caucus;

1.11 and

1.12 (2) five members of the senate appointed by the Subcommittee on Committees of the

1.13 Committee on Rules and Administration, three of whom are from the majority caucus and

1.14 two of whom are from the minority caucus; and

1.15 (3) one representative of the Prairie Island Indian Community appointed by that

1.16 community's tribal council.

1.17 (b) Eight legislative members appointed to the council must represent legislative districts

1.18 in which at least 60 percent of residents receive electric service from the utility that owns

1.19 a nuclear powered electric generating plant in this state. No member may be appointed to

1.20 the council from a legislative district that does not contain any electric retail customers of

1.21 the utility that owns a nuclear powered electric generating plant in this state. Council

1.22 members must be geographically balanced to represent the entire electric service area of

1.23 that utility.

2.1 (c) Council members shall elect a chair, a vice-chair, and other officers as determined
2.2 by the council. The chair may convene meetings as necessary to conduct the duties prescribed
2.3 by this section.

2.4 (d) The Legislative Coordinating Commission may appoint nonpartisan staff and contract
2.5 with consultants as necessary to support the functions of the council. The council has final
2.6 approval authority to hire an executive director. The council's administrative expenses are
2.7 subject to approval by the Legislative Coordinating Commission and appropriation by the
2.8 legislature.

2.9 Subd. 2. **Council recommendations.** (a) The council must make recommendations to
2.10 the legislature on appropriations from the energy fund account established under section
2.11 116C.779 that are consistent with that section. The council's recommendations must be
2.12 submitted no later than December 15 each year. The council must present its
2.13 recommendations to the senate and house of representatives committees with jurisdiction
2.14 over energy policy and finance by February 15 in odd-numbered years, and within the first
2.15 four weeks of the legislative session in even-numbered years.

2.16 (b) Recommendations of the council, including approval of recommendations for
2.17 expenditures from the energy fund account, require an affirmative vote of at least eight
2.18 members of the council.

2.19 (c) The council must develop and implement a decision-making process that ensures
2.20 citizens and potential recipients of funds are included at each stage of the process. The
2.21 process must include a fair, equitable, and thorough method to review funding requests,
2.22 and a clear and easily understood process to rank projects.

2.23 Subd. 3. **Conflict of interest.** (a) A council member may not be an advocate for or
2.24 against a council action or vote on any action that may be a conflict of interest. A conflict
2.25 of interest must be disclosed as soon as it is discovered. The council must follow the policies
2.26 and requirements related to conflicts of interest developed by the Office of Grants
2.27 Management under section 16B.98.

2.28 (b) For the purposes of this section, a conflict of interest exists when a person has an
2.29 organizational conflict of interest or a direct financial conflict of interest, and the conflict
2.30 of interest presents the appearance that it will be difficult for the person to impartially fulfill
2.31 the person's duties as a member of the council. An organizational conflict of interest exists
2.32 when a person has an affiliation with an organization subject to council activities that presents
2.33 the appearance of a conflict between organizational interests and the council member's

3.1 duties under this section. An organizational conflict of interest does not exist if the person's
3.2 only affiliation with an organization is being a member of the organization.

3.3 Subd. 4. **Audit.** The legislative auditor must audit energy fund account expenditures
3.4 recommended by the council, including administrative and staffing expenditures, to ensure
3.5 the money is spent in compliance with all applicable laws.

3.6 Subd. 5. **Recipient requirements.** (a) A recipient of a direct appropriation from the
3.7 energy fund account recommended by the council must compile and submit all information
3.8 for funded projects or programs, including proposed measurable outcomes required by the
3.9 council.

3.10 (b) A recipient's future eligibility to receive funds from the energy fund account is
3.11 contingent upon the recipient satisfying all applicable requirements under this section, as
3.12 well as any additional requirements contained in applicable law. If the Office of the
3.13 Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient
3.14 of funds from the energy fund account has not complied with the laws, rules, or regulations
3.15 under this section or other laws applicable to the recipient, the recipient is not eligible for
3.16 future funding from the energy fund account until the recipient demonstrates compliance
3.17 to the legislative auditor.

3.18 (c) A recipient of a direct appropriation from the energy fund account pursuant to a
3.19 recommendation by the council may not receive funds from another direct appropriation
3.20 from the council until four years after completion of the project funded by the prior direct
3.21 appropriation.

3.22 Subd. 6. **Accomplishment plans.** As a condition of accepting funds appropriated from
3.23 the energy fund account on the council's recommendation, a recipient must agree to submit
3.24 an accomplishment plan and periodic accomplishment reports to the council in the form
3.25 determined by the council. The accomplishment plan must identify the project manager
3.26 responsible for expending the appropriation and the final product. The accomplishment plan
3.27 must account for the use of the appropriation, identify outcomes of the expenditure, and
3.28 include an evaluation of results.

3.29 Subd. 7. **Expenditures.** (a) The council's recommendations regarding expenditures from
3.30 the energy fund account may include but are not limited to research and development
3.31 projects, demonstration projects, and statewide programs and financial incentives.

3.32 (b) If general fund money is transferred to the energy fund account, the council may
3.33 recommend the expenditure of, and the legislature may appropriate, funds from the account
3.34 up to the amount of general fund money present in the account for purposes that do not

4.1 exclusively benefit ratepayers receiving electric service from the utility that owns a nuclear
4.2 powered generating plant in this state.

4.3 Subd. 8. **Administration.** The council shall develop administrative procedures for the
4.4 submission and review of proposals seeking funding from the council.

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