

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 86

1.2 A bill for an act  
1.3 relating to energy; removing ban on increased carbon dioxide emissions by  
1.4 utilities; amending Minnesota Statutes 2010, section 216H.02, subdivision 4;  
1.5 repealing Minnesota Statutes 2010, section 216H.03.

1.6 May 20, 2011

1.7 The Honorable Michelle L. Fischbach  
1.8 President of the Senate

1.9 The Honorable Kurt Zellers  
1.10 Speaker of the House of Representatives

1.11 We, the undersigned conferees for S.F. No. 86 report that we have agreed upon the  
1.12 items in dispute and recommend as follows:

1.13 That the House recede from its amendment and that S.F. No. 86 be further amended  
1.14 as follows:

1.15 Delete everything after the enacting clause and insert:

1.16 "Section 1. Minnesota Statutes 2010, section 216H.03, subdivision 7, is amended to  
1.17 read:

1.18 Subd. 7. **Other exemptions.** The prohibitions in subdivision 3 do not apply to:

1.19 (1) a new large energy facility under consideration by the Public Utilities  
1.20 Commission pursuant to proposals or applications filed with the Public Utilities  
1.21 Commission before April 1, 2007, or to any power purchase agreement related to a facility  
1.22 described in this clause. The exclusion of pending proposals and applications from the  
1.23 prohibitions in subdivision 3 does not limit the applicability of any other law and is not an  
1.24 expression of legislative intent regarding whether any pending proposal or application  
1.25 should be approved or denied;

1.26 (2) a contract not subject to commission approval that was entered into prior to  
1.27 April 1, 2007, to purchase power from a new large energy facility that was approved by  
1.28 a comparable authority in another state prior to that date, for which municipal or public  
1.29 power district bonds have been issued, and on which construction has begun; ~~or~~

2.1 (3) a new large energy facility or a power purchase agreement between a Minnesota  
2.2 utility and a new large energy facility located outside Minnesota that the Public  
2.3 Utilities Commission has determined is essential to ensure the long-term reliability of  
2.4 Minnesota's electric system, to allow electric service for increased industrial demand,  
2.5 or to avoid placing a substantial financial burden on Minnesota ratepayers. An order  
2.6 of the commission granting an exemption under this clause is stayed until the June 1  
2.7 following the next regular or annual session of the legislature that begins after the date of  
2.8 the commission's final order; or

2.9 (4) 1,500 megawatts of electric generating capacity, in aggregate, from new large  
2.10 energy facilities or power purchase agreements with those new large energy facilities that:

2.11 (i) are fueled by feedstock coal; and

2.12 (ii) began construction after April 1, 2007.

2.13 Projects will receive priority for exemption under this clause based on the shortest amount  
2.14 of time after April 1, 2007, and the date construction of a new large energy facility begins.

2.15 Power purchase agreements with new large energy facilities that are exempt from the  
2.16 prohibitions in subdivision 3 pursuant to this clause are also exempt from the prohibitions  
2.17 in subdivision 3. An exemption under this clause is not valid unless certified by the Public  
2.18 Utilities Commission. The commission must certify a request for an exemption if it finds  
2.19 the request and the grant of the exemption is in compliance with this clause.

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

2.21 Delete the title and insert:

2.22 "A bill for an act  
2.23 relating to energy; modifying ban on increased carbon dioxide emissions by  
2.24 utilities; amending Minnesota Statutes 2010, section 216H.03, subdivision 7."

3.1 We request the adoption of this report and repassage of the bill.

3.2 Senate Conferees:

3.3 .....  
3.4 Julie A. Rosen LeRoy A. Stumpf

3.5 .....  
3.6 Doug Magnus

3.7 House Conferees:

3.8 .....  
3.9 Michael Beard Tim O'Driscoll

3.10 .....  
3.11 Lyle Koenen