

State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1301

03/06/2013 Authored by Hortman and Bly
The bill was read for the first time and referred to the Committee on Energy Policy
03/13/2013 Adoption of Report: Pass and Read Second Time
03/18/2013 By motion, re-referred to the Committee on Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act
1.2 relating to energy; providing for state energy conservation policies; amending
1.3 Minnesota Statutes 2012, sections 216B.2401; 216C.05.

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

1.5 Section 1. Minnesota Statutes 2012, section 216B.2401, is amended to read:

1.6 216B.2401 ENERGY CONSERVATION SAVINGS POLICY GOAL.

1.7 The legislature finds that energy savings are an energy resource, and that
1.8 cost-effective energy savings are preferred over all other energy resources. The legislature
1.9 further finds that cost-effective energy savings should be procured systematically and
1.10 aggressively in order to reduce utility costs for businesses and residents, improve the
1.11 competitiveness and profitability of businesses, create more energy-related jobs, reduce the
1.12 economic burden of fuel imports, and reduce pollution and emissions that cause climate
1.13 change. Therefore, it is the energy policy of the state of Minnesota to achieve annual
1.14 energy savings equal to at least 1.5 percent of annual retail energy sales of electricity and
1.15 natural gas directly through cost-effective energy conservation improvement programs
1.16 and rate design, and indirectly through energy efficiency achieved by energy consumers
1.17 without direct utility involvement, energy codes and appliance standards, programs
1.18 designed to transform the market or change consumer behavior, energy savings resulting
1.19 from efficiency improvements to the utility infrastructure and system, and other efforts to
1.20 promote energy efficiency and energy conservation.

1.21 Sec. 2. Minnesota Statutes 2012, section 216C.05, is amended to read:

1.22 216C.05 FINDINGS AND PURPOSE.

2.1 Subdivision 1. **Energy planning.** The legislature finds and declares that continued
2.2 growth in demand for energy will cause severe social and economic dislocations, and that
2.3 the state has a vital interest in providing for: increased efficiency in energy consumption,
2.4 the development and use of renewable energy resources wherever possible, and the
2.5 creation of an effective energy forecasting, planning, and education program.

2.6 The legislature further finds and declares that the protection of life, safety, and
2.7 financial security for citizens during an energy crisis is of paramount importance.

2.8 Therefore, the legislature finds that it is in the public interest to review, analyze, and
2.9 encourage those energy programs that will minimize the need for annual increases in fossil
2.10 fuel consumption by 1990 and the need for additional electrical generating plants, and
2.11 provide for an optimum combination of energy sources and energy conservation consistent
2.12 with environmental protection and the protection of citizens.

2.13 The legislature intends to monitor, through energy policy planning and
2.14 implementation, the transition from historic growth in energy demand to a period when
2.15 demand for traditional fuels becomes stable and the supply of renewable energy resources
2.16 is readily available and adequately utilized.

2.17 The legislature further finds that for economic growth, environmental improvement,
2.18 and protection of citizens, it is in the public interest to encourage those energy programs
2.19 that will provide an optimum combination of energy resources, including energy savings.

2.20 Therefore, the legislature, through its committees, must monitor and evaluate
2.21 progress towards greater reliance on cost-effective energy efficiency and renewable
2.22 energy and lesser dependence on fossil fuels in order to reduce the economic burden
2.23 of fuel imports, diversify utility-owned and consumer-owned energy resources, reduce
2.24 utility costs for businesses and residents, improve the competitiveness and profitability of
2.25 Minnesota businesses, create more energy-related jobs that contribute to the Minnesota
2.26 economy, and reduce pollution and emissions that cause climate change.

2.27 Subd. 2. **Energy policy goals.** It is the energy policy of the state of Minnesota that:

2.28 (1) annual energy savings equal to at least 1.5 percent of annual retail energy sales of
2.29 electricity and natural gas be achieved through energy efficiency;

2.30 ~~(1)~~ (2) the per capita use of fossil fuel as an energy input be reduced by 15 percent
2.31 by the year 2015, through increased reliance on energy efficiency and renewable energy
2.32 alternatives; and

2.33 ~~(2)~~ (3) 25 percent of the total energy used in the state be derived from renewable
2.34 energy resources by the year 2025.

3.1 Sec. 3. **DEPARTMENT OF COMMERCE; DIVISION OF ENERGY**
3.2 **RESOURCES; INTERIM ACTIVITY.**

3.3 The division of energy resources of the Department of Commerce must conduct
3.4 public meetings with stakeholders and members of the public during the interim between
3.5 the 2013 and 2014 regular legislative sessions and shall produce a report on findings and
3.6 legislative recommendations to accomplish the following purposes:

3.7 (1) clarify statewide energy-savings policies and utility energy-savings goals;

3.8 (2) maximize cost-effective energy savings, including energy savings of large
3.9 customers;

3.10 (3) maximize carbon reductions and economic benefits from energy efficiency and
3.11 conservation improvements;

3.12 (4) minimize total utility costs and rate impacts for ratepayers in all sectors;

3.13 (5) determine appropriate funding sources for nonconservation projects and
3.14 programs, including cogeneration projects; and

3.15 (6) determine the appropriate consideration in the integrated resource planning and
3.16 certificate of need processes of the requirement for energy conservation efforts, including
3.17 attaining energy saving goals required in the conservation improvement program.

3.18 The report must be submitted by January 15, 2014, to the chairs and ranking minority
3.19 members of the committees of the legislature with primary jurisdiction over energy policy.

3.20 The division must provide public notice of the meetings.

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