

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2486

03/08/2016 Authored by Baker, Swedzinski and Fabian

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

1.1 A bill for an act
1.2 relating to energy; allowing municipal utilities and cooperative electric
1.3 associations to reduce their annual energy-savings goal; disallowing waste
1.4 heat recovery converted to electricity as counting towards a municipal utility's
1.5 or cooperative electric association's annual energy-savings goal; amending
1.6 Minnesota Statutes 2014, section 216B.241, subdivision 1c.

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

1.8 Section 1. Minnesota Statutes 2014, section 216B.241, subdivision 1c, is amended to
1.9 read:

1.10 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving
1.11 goals for energy conservation improvement expenditures and shall evaluate an energy
1.12 conservation improvement program on how well it meets the goals set.

1.13 (b) Each individual utility and association shall have an annual energy-savings
1.14 goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the
1.15 commissioner under paragraph (d). The savings goals must be calculated based on the
1.16 most recent three-year weather-normalized average. A utility or association may elect to
1.17 carry forward energy savings in excess of 1.5 percent for a year to the succeeding three
1.18 calendar years, except that savings from electric utility infrastructure projects allowed
1.19 under paragraph (d) may be carried forward for five years. A particular energy savings can
1.20 be used only for one year's goal.

1.21 (c) The commissioner must adopt a filing schedule that is designed to have all
1.22 utilities and associations operating under an energy-savings plan by calendar year 2010.

1.23 (d) In its energy conservation improvement plan filing, a utility or association may
1.24 request the commissioner to adjust its annual energy-savings percentage goal based on
1.25 its historical conservation investment experience, customer class makeup, load growth, a

conservation potential study, or other factors the ~~commissioner determines warrants~~ utility or association asserts warrant an adjustment. The commissioner:

(1) must approve a request by a municipal utility or cooperative electric association to adjust the utility's or association's annual energy-savings goal;

(2) may approve a request from a public utility to adjust its annual energy-savings goal; and

(3) ~~may not approve~~ is prohibited from approving a plan of a public utility that provides for an annual energy-savings goal of less than one percent of gross annual retail energy sales from energy conservation improvements.

A public utility or association may include in its energy conservation plan energy savings from electric utility infrastructure projects approved by the commission under section 216B.1636 or waste heat recovery converted into electricity projects ~~that~~, each of which may count as energy savings only in addition to a minimum energy-savings goal of at least one percent for energy conservation improvements. Energy savings from electric utility infrastructure projects, as defined in section 216B.1636, may be included in the energy conservation plan of a municipal utility or cooperative electric association. Electric utility infrastructure projects must result in increased energy efficiency greater than that which would have occurred through normal maintenance activity.

(e) An energy-savings goal is not satisfied by attaining the revenue expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the energy-savings goal established in this subdivision.

(f) An association or utility is not required to make energy conservation investments to attain the energy-savings goals of this subdivision that are not cost-effective even if the investment is necessary to attain the energy-savings goals. For the purpose of this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs and benefits to ratepayers, the utility, participants, and society. In addition, the commissioner shall consider the rate at which an association or municipal utility is increasing its energy savings and its expenditures on energy conservation.

(g) On an annual basis, the commissioner shall produce and make publicly available a report on the annual energy savings and estimated carbon dioxide reductions achieved by the energy conservation improvement programs for the two most recent years for which data is available. The commissioner shall report on program performance both in the aggregate and for each entity filing an energy conservation improvement plan for approval or review by the commissioner.

3.1 (h) By January 15, 2010, the commissioner shall report to the legislature whether
3.2 the spending requirements under subdivisions 1a and 1b are necessary to achieve the
3.3 energy-savings goals established in this subdivision.

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