

1.1 CONFERENCE COMMITTEE REPORT ON H. F. No. 2834

1.2 A bill for an act
1.3 relating to energy; modifying, adding, or authorizing provisions governing
1.4 medically necessary equipment, propane sales, low-income rate discounts,
1.5 interconnection of distributed renewable generation, electric vehicle charging
1.6 tariffs, on-bill payment programs, energy efficiency programs, emissions
1.7 reduction planning, certificates of need, solar energy systems, and transmission
1.8 lines; requiring a report; amending Minnesota Statutes 2012, sections 216B.098,
1.9 subdivision 5; 216B.16, subdivision 14; 216B.1611, by adding a subdivision;
1.10 216B.241, by adding a subdivision; 216B.2422, by adding a subdivision;
1.11 216B.243, subdivision 8; 216C.41, subdivision 4; 216C.436, subdivision 4, by
1.12 adding a subdivision; 216E.01, by adding a subdivision; 216E.04, subdivision
1.13 2; 239.051, subdivision 29; 239.785, by adding a subdivision; 325E.027;
1.14 515.07; 515B.2-103; 515B.3-102; Laws 2013, chapter 57, section 2; Laws
1.15 2014, chapter 145, section 1; proposing coding for new law in Minnesota
1.16 Statutes, chapters 216B; 216E; 500; repealing Minnesota Rules, parts 3300.0800;
1.17 3300.0900; 3300.1000, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,
1.18 17, 18, 19, 20, 21, 22, 23, 24, 25, 25a, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35,
1.19 36; 3300.1100; 3300.1200; 3300.1300; 3300.1400; 3300.1500; 3300.1600;
1.20 3300.1700; 3300.1800; 3300.1900; 7607.0100; 7607.0110; 7607.0120;
1.21 7607.0130; 7607.0140; 7607.0150; 7607.0160; 7607.0170; 7607.0180;
1.22 7610.0300; 7685.0100; 7685.0120; 7685.0130; 7685.0140.

1.23 May 7, 2014
1.24 The Honorable Paul Thissen
1.25 Speaker of the House of Representatives

1.26 The Honorable Sandra L. Pappas
1.27 President of the Senate

1.28 We, the undersigned conferees for H. F. No. 2834 report that we have agreed upon
1.29 the items in dispute and recommend as follows:

1.30 That the Senate recede from its amendments and that H. F. No. 2834 be further
1.31 amended as follows:

1.32 Delete everything after the enacting clause and insert:

1.33 "Section 1. Minnesota Statutes 2012, section 16C.144, subdivision 3, is amended to
1.34 read:

1.35 Subd. 3. **Lease purchase agreement.** The commissioner may enter into a lease
1.36 purchase agreement with any party for the implementation of utility cost-savings measures

2.1 in accordance with the guaranteed energy-savings agreement. The implementation costs of
2.2 the utility cost-savings measures recommended in the engineering report shall not exceed
2.3 the amount to be saved in utility and operation and maintenance costs over the term of the
2.4 lease purchase agreement. The term of the lease purchase agreement shall not exceed ~~15~~
2.5 25 years from the date of final installation. The lease is assignable in accordance with
2.6 terms approved by the commissioner of management and budget.

2.7 Sec. 2. Minnesota Statutes 2012, section 216B.098, subdivision 5, is amended to read:

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

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

2.17 (1) a licensed medical doctor;

2.18 (2) a licensed physician assistant;

2.19 (3) an advanced practice registered nurse, as defined in section 148.171; or

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

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

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

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

2.31 (f) A customer whose account is in arrears must contact and enter into a payment
2.32 agreement with the utility. The payment agreement must consider a customer's financial
2.33 circumstances and any extenuating circumstances of the household. The payment
2.34 agreement may, at the discretion of the utility, contain a provision by which the utility

3.1 forgives all or a portion of the amount in which the account is in arrears, which, if
3.2 implemented, extinguishes individual liability for the amount forgiven.

3.3 **Sec. 3. [216B.0991] DEFINITIONS.**

3.4 Subdivision 1. **Scope.** For the purposes of sections 216B.0991 to 216B.0995, the
3.5 terms defined in this section have the meanings given them.

3.6 Subd. 2. **Customer.** "Customer" means a person who has an established relationship
3.7 with a propane distributor and whose propane system meets the safety guidelines
3.8 established by the propane distributor for residential heating service.

3.9 Subd. 3. **LIHEAP.** "LIHEAP" means the low-income home energy assistance
3.10 program.

3.11 Subd. 4. **Propane distributor.** "Propane distributor" means a person who sells
3.12 propane at retail to customers as their primary residential heat source; propane distributors
3.13 are not public utilities.

3.14 Subd. 5. **Residential heating service.** "Residential heating service" means the
3.15 provision of the primary source of heat for the interior of a residential structure.

3.16 **Sec. 4. [216B.0992] PRICE AND FEE DISCLOSURE.**

3.17 A propane distributor must provide a document listing the current per-gallon price of
3.18 propane and all additional charges, fees, and discounts that pertain to residential heating
3.19 service. The document must be:

3.20 (1) made available to the general public upon request; and

3.21 (2) provided to new customers before residential heating service is initiated.

3.22 **Sec. 5. [216B.0993] BUDGET PAYMENT PLAN.**

3.23 (a) A propane distributor who offers customers a budget payment plan must make
3.24 that same plan available to all customers, including those who participate in the LIHEAP
3.25 program.

3.26 (b) A budget payment plan must equalize a customer's estimated annual propane bill
3.27 by dividing it into equal monthly payments. Any budget plan started after the propane
3.28 distributor's traditional budget plan start date will be divided by the remaining months
3.29 in the budget plan year. Any positive balance remaining at the end of a year may, at the
3.30 customer's discretion, be provided to the customer as a cash payment or carried over as a
3.31 credit on the customer's bill for the next year.

4.1 (c) A propane distributor must notify a customer on a budget payment plan of a price
4.2 or fee change that may affect the monthly amount due under the budget payment plan
4.3 by more than 20 percent.

4.4 (d) A propane distributor may alter or terminate the plan if a customer has failed to
4.5 pay two monthly payments during the period of the budget payment plan. In lieu of the
4.6 requirements of this section, the parties may enter into a mutually agreeable plan.

4.7 **Sec. 6. [216B.0994] PROPANE PURCHASE CONTRACTS.**

4.8 A propane distributor is prohibited from adding any service, distribution,
4.9 transportation, or similar fees to customer billings for those customers who have entered
4.10 into a contract for prepurchasing or capitated pricing of propane for the period of the
4.11 contract provided that:

4.12 (1) the customer has met all obligations of that contract; and

4.13 (2) the propane distributor can receive product from its contracted supply points and
4.14 a force majeure has not been declared by the propane distributor's supplier.

4.15 **Sec. 7. [216B.0995] TERMS OF SALE.**

4.16 Subdivision 1. **Cash sales.** A propane distributor with an available supply of
4.17 propane must not refuse to sell propane to a customer who:

4.18 (1) pays the distributor's established price upon delivery in cash, by certified or
4.19 cashier's check, or by commercial money order or its equivalent; or

4.20 (2) receives energy assistance from LIHEAP or a governmental or private agency
4.21 that has funds available to pay for a delivery.

4.22 Subd. 2. **LIHEAP participation; delivery.** A propane distributor who accepts
4.23 LIHEAP payments must, upon request, make available to its customers information
4.24 regarding LIHEAP, including income eligibility and contact information for organizations
4.25 accepting LIHEAP applications.

4.26 Subd. 3. **Third-party credit disclosure.** A propane distributor must not make
4.27 known the names of past or present delinquent customers to other propane distributors,
4.28 except in the course of a routine credit check performed when a prospective customer
4.29 applies for credit privileges.

4.30 **Sec. 8. Minnesota Statutes 2012, section 216B.16, subdivision 14, is amended to read:**

4.31 **Subd. 14. **Low-income electric rate discount.** A public utility shall fund an**
4.32 **affordability program for low-income customers in an amount based on a 50 percent electric**
4.33 **rate discount on the first 400 kilowatt-hours consumed in a billing period for low-income**

5.1 residential customers of the utility at a base annual funding level of \$8,000,000. The annual
5.2 funding level shall increase in the calendar years subsequent to each commission approval
5.3 of a rate increase for the public utility's residential customers by the same percentage as the
5.4 approved residential rate increase. Costs for the program shall be included in the utility's
5.5 base rate. For the purposes of this subdivision, "low-income" describes a customer who is
5.6 receiving assistance from the federal low-income home energy assistance program. The
5.7 affordability program must be designed to target participating customers with the lowest
5.8 incomes and highest energy costs in order to lower the percentage of income they devote
5.9 to energy bills, increase their payments, lower utility service disconnections, and ~~lower~~
5.10 decrease costs associated with collection activities on their accounts. For low-income
5.11 customers who are 62 years of age or older or disabled, the program must, ~~in addition to~~
5.12 ~~any other program benefits,~~ include a 50 percent electric rate discount on the first 400
5.13 kilowatt-hours consumed in a \$15 discount in each billing period. For the purposes of this
5.14 subdivision, "public utility" includes only those public utilities with more than 200,000
5.15 residential electric service customers. The commission may issue orders necessary to
5.16 implement, administer, and recover the costs of the program on a timely basis.

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

5.18 Sec. 9. Minnesota Statutes 2012, section 216B.1611, is amended by adding a
5.19 subdivision to read:

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

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

5.24 (2) the preincentive installed cost and cost components of the generation system
5.25 at the facility;

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

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

5.28 (b) The commissioner shall develop or identify a system to collect and process the
5.29 information under this subdivision for each utility, and make non-project-specific data
5.30 available to the public on a periodic basis as determined by the commissioner, and in a
5.31 format determined by the commissioner. The commissioner may solicit proposals from
5.32 outside parties to develop the system. The commissioner may only collect data authorized
5.33 in paragraph (a), and may not require submission of any additional data that could be used
5.34 to personally identify any individual applicant or utility customer.

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

6.4 (d) Except as provided in paragraph (b), any information provided by an applicant to
6.5 the commissioner under this subdivision is nonpublic data as defined in section 13.02,
6.6 subdivision 9.

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

6.9 **Sec. 10. [216B.1614] ELECTRIC VEHICLE CHARGING TARIFF.**

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

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

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

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

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

6.19 (1) contain either a time-of-day or off-peak rate, as elected by the public utility;

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

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

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

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

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

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

6.26 (c) The commission shall, after notice and opportunity for public comment, approve,
6.27 modify, or reject the tariff. The commission may approve the tariff if the public utility
6.28 has demonstrated that the tariff:

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

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

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

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

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

6.34 (3) provides for clear and transparent customer billing statements including, but not
6.35 limited to, the amount of energy consumed under the tariff; and

7.1 (4) incorporates the cost of metering or submetering within the rate charged to
7.2 the customer.

7.3 (d) Within 60 days of commission approval of a public utility's tariff filed under this
7.4 section, the public utility shall make the tariff available to customers.

7.5 (e) The utility may at any time propose revisions to a tariff filed under this
7.6 subdivision based on changing costs or conditions.

7.7 Subd. 3. **Data reporting.** Each public utility providing a tariff under this section
7.8 shall periodically report to the commission, as established by the commission and on a form
7.9 prescribed by the commission, the following information, organized on a per-quarter basis:

7.10 (1) the number of customers who have arranged to purchase electricity under the
7.11 tariff;

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

7.13 (3) other data required by the commission.

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

7.15 Sec. 11. Minnesota Statutes 2012, section 216B.241, is amended by adding a
7.16 subdivision to read:

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

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

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

7.24 (b) A utility may include as part of its conservation improvement plan an on-bill
7.25 repayment program to enable a customer to finance eligible projects with installment
7.26 loans originated by an eligible lender. An eligible project is one that is either an energy
7.27 conservation improvement, or a project installed on the customer's site that uses an eligible
7.28 renewable energy source as that term is defined in section 216B.2411, subdivision 2,
7.29 paragraph (b), but does not include mixed municipal solid waste or refuse-derived fuel
7.30 from mixed municipal solid waste. An eligible renewable energy source also includes
7.31 solar thermal technology that collects the sun's radiant energy and uses that energy to heat
7.32 or cool air or water, and meets the requirements of section 216C.25. To be an eligible
7.33 lender, a lender must:

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

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

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

8.5 (4) be licensed, certified, or otherwise have its lending activities overseen by a
8.6 state or federal government agency.

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

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

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

8.16 (e) A public utility's contract with a lender must require the lender to comply with
8.17 all applicable federal and state laws, rules, and regulations related to lending practices
8.18 and consumer protection; to conform to reasonable and prudent lending standards; and to
8.19 provide businesses that sell, maintain, and install eligible projects the ability to participate
8.20 in an on-bill repayment program under this subdivision on a nondiscriminatory basis.

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

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

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

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

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

8.33 (h) An outstanding balance on a loan being repaid under this subdivision is a
8.34 financial obligation only of the customer who is signatory to the loan, and not to any
8.35 subsequent customer occupying the property associated with the loan. If the public utility
8.36 purchases loans from the lender as authorized under paragraph (f), clause (1), the public

9.1 utility must return to the lender a loan not repaid when a customer borrower no longer
9.2 occupies the property.

9.3 (i) Costs incurred by a public utility under this subdivision are recoverable as
9.4 provided in section 216B.16, subdivision 6b, paragraph (c), including reasonable
9.5 incremental costs for billing system modifications necessary to implement and operate an
9.6 on-bill repayment program and for ongoing costs to operate the program. Costs in a plan
9.7 approved by the commissioner may be counted toward a utility's conservation spending
9.8 requirements under subdivisions 1a and 1b. Energy savings from energy conservation
9.9 improvements resulting from this section may be counted toward satisfying a utility's
9.10 energy-savings goals under subdivision 1c.

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

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

9.17 Sec. 12. Minnesota Statutes 2012, section 216B.2422, is amended by adding a
9.18 subdivision to read:

9.19 Subd. 2c. **Long-range emission reduction planning.** Each utility required to file a
9.20 resource plan under subdivision 2 shall include in the filing a narrative identifying and
9.21 describing the costs, opportunities, and technical barriers to the utility continuing to make
9.22 progress on its system toward achieving the state greenhouse gas emission reduction goals
9.23 established in section 216H.02, subdivision 1, and the technologies, alternatives, and steps
9.24 the utility is considering to address those opportunities and barriers.

9.25 Sec. 13. Minnesota Statutes 2012, section 216B.243, subdivision 8, is amended to read:

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

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

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

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

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

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

10.11 (6) the modification of an existing electric generating plant to increase efficiency,
10.12 as long as the capacity of the plant is not increased more than ten percent or more than
10.13 100 megawatts, whichever is greater; or

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

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

10.20 Sec. 14. Minnesota Statutes 2012, section 216C.41, subdivision 4, is amended to read:

10.21 Subd. 4. **Payment period.** (a) A facility may receive payments under this section for
10.22 a ten-year period. No payment under this section may be made for electricity generated:

10.23 (1) by a qualified hydroelectric facility after December 31, 2021;

10.24 (2) by a qualified wind energy conversion facility after December 31, 2018; or

10.25 (3) by a qualified on-farm biogas recovery facility after December 31, ~~2015~~ 2017.

10.26 (b) The payment period begins and runs consecutively from the date the facility
10.27 begins generating electricity or, in the case of refurbishment of a hydropower facility, after
10.28 substantial repairs to the hydropower facility dam funded by the incentive payments are
10.29 initiated.

10.30 Sec. 15. Minnesota Statutes 2012, section 216C.436, subdivision 4, is amended to read:

10.31 Subd. 4. **Financing terms.** Financing provided under this section must have:

10.32 (1) a ~~weighted~~ cost-weighted average maturity not exceeding the useful life of
10.33 the energy improvements installed, as determined by the implementing entity, but in no
10.34 event may a term exceed 20 years;

11.1 (2) a principal amount not to exceed the lesser of ~~ten~~ 20 percent of the assessed value
11.2 of the real property on which the improvements are to be installed or the actual cost of
11.3 installing the energy improvements, including the costs of necessary equipment, materials,
11.4 and labor, the costs of each related energy audit or renewable energy system feasibility
11.5 study, and the cost of verification of installation; and

11.6 (3) an interest rate sufficient to pay the financing costs of the program, including the
11.7 issuance of bonds and any financing delinquencies.

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

11.9 Sec. 16. Minnesota Statutes 2012, section 216C.436, is amended by adding a
11.10 subdivision to read:

11.11 **Subd. 9. Supplemental funding sources.** (a) An implementing entity is authorized
11.12 to establish, acquire, and use additional or alternative funding sources for the purposes
11.13 of this section.

11.14 (b) For the purposes of this subdivision, additional or alternative funding sources do
11.15 not include issuance of general obligation bonds.

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

11.17 Sec. 17. Minnesota Statutes 2012, section 216E.01, is amended by adding a subdivision
11.18 to read:

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

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

11.23 Sec. 18. **[216E.021] SOLAR ENERGY SYSTEM SIZE DETERMINATION.**

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

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

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

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

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

12.10 Sec. 19. Minnesota Statutes 2012, section 216E.04, subdivision 2, is amended to read:

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

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

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

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

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

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

12.21 (6) a high-voltage transmission line service extension to a single customer between
12.22 200 and 300 kilovolts and less than ten miles in length; ~~and~~

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

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

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

12.28 Sec. 20. Minnesota Statutes 2012, section 239.051, subdivision 29, is amended to read:

12.29 Subd. 29. **Refinery, terminal.** "Refinery" or "terminal" means a petroleum refinery,
12.30 pipeline terminal, river terminal, storage facility, or other point of origin where liquefied
12.31 petroleum gas or petroleum products are manufactured, or imported by rail, truck, barge, or
12.32 pipe; and held, stored, transferred, offered for distribution, distributed, offered for sale, or
12.33 sold. For the purpose of restricting petroleum product blending, this definition includes all

13.1 refineries and terminals within and outside of Minnesota, but does not include a licensed
13.2 distributor's bulk storage facility that is used to store petroleum products for which the
13.3 petroleum inspection fee charged under this chapter is either not due or has been paid.

13.4 Sec. 21. Minnesota Statutes 2012, section 239.785, is amended by adding a subdivision
13.5 to read:

13.6 Subd. 7. Notification of product unavailability; terminal operators. A person
13.7 who operates a terminal where liquefied petroleum gas is loaded into transport trucks for
13.8 subsequent distribution shall notify the commissioner within 24 hours when liquefied
13.9 petroleum gas is physically not available for sale to licensed distributors.

13.10 Sec. 22. Minnesota Statutes 2012, section 325E.027, is amended to read:

13.11 **325E.027 DISCRIMINATION PROHIBITION.**

13.12 (a) No dealer or distributor of liquid propane gas or number 1 or number 2 fuel oil
13.13 who has signed a low-income home energy assistance program vendor agreement with the
13.14 Department of Commerce may refuse to deliver liquid propane gas or number 1 or number
13.15 2 fuel oil to any person located within the dealer's or distributor's normal delivery area
13.16 who receives direct grants under the low-income home energy assistance program if:

13.17 (1) the person has requested delivery;

13.18 (2) the dealer or distributor has product available;

13.19 (3) the person requesting delivery is capable of making full payment at the time of
13.20 delivery; and

13.21 (4) the person is not in arrears regarding any previous fuel purchase from that dealer
13.22 or distributor.

13.23 (b) A dealer or distributor making delivery to a person receiving direct grants
13.24 under the low-income home energy assistance program may not charge that person any
13.25 additional costs or fees that would not be charged to any other customer and must make
13.26 available to that person any discount program on the same basis as the dealer or distributor
13.27 makes available to any other customer.

13.28 (c) The commissioner of commerce may enforce this section using any of the
13.29 authority granted to the commissioner under section 45.027.

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

13.31 Sec. 23. Laws 2013, chapter 57, section 2, is amended to read:

14.1 **Sec. 2. TRANSMISSION LINE; CERTIFICATE OF NEED REQUIRED**
14.2 **AND EVIDENCE REQUIRED.**

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

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

14.18 (c) If an application for a certificate of need described in paragraph (a) is withdrawn
14.19 or otherwise abandoned, this section shall apply to any high-voltage transmission line of
14.20 100 kilovolts or more proposed to meet the same needs as the line described in paragraph
14.21 (a) and that follows a route that is similar to that of the line subject to paragraph (a). In
14.22 addition, a certificate of need for a line subject to this paragraph is not effective until
14.23 30 days following the adjournment of the regular legislative session next following
14.24 commission approval of the certificate of need.

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

14.26 Sec. 24. Laws 2014, chapter 145, section 1, is amended to read:

14.27 Section 1. **LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM;**
14.28 **SUPPLEMENTAL APPROPRIATION.**

14.29 (a) \$20,000,000 is appropriated in fiscal year 2014 from the general fund to the
14.30 commissioner of commerce for the purpose of providing additional heating assistance
14.31 through the low-income home energy assistance program under United States Code, title
14.32 42, sections 8621 to 8630, and Minnesota Statutes, section 216C.02, subdivision 1. No
14.33 more than five eight percent of this appropriation may be used for expenses to administer
14.34 the program. Any unspent balance available on June 30, 2014, cancels to the general fund.

15.1 (b) The funding provided in this section shall supplement, and not replace, any
15.2 federal or other funding existing or otherwise available for heating assistance in Minnesota.

15.3 (c) The commissioner shall disburse the funds provided in this section in a manner
15.4 consistent with the requirements of the federal low-income home energy assistance
15.5 program under United States Code, title 42, sections 8621 to 8630.

15.6 **EFFECTIVE DATE.** This section is effective retroactively from March 1, 2014.

15.7 Sec. 25. **LEGISLATIVE ENERGY COMMISSION; PROPANE CONVERSION**
15.8 **STRATEGIES.**

15.9 (a) The Legislative Energy Commission is requested to investigate the feasibility of
15.10 converting propane gas users to natural gas or other alternative sources of energy. The
15.11 investigation, among other things, should assess the technical and economic issues for
15.12 converting nonmetropolitan users of propane gas to pipeline service of natural gas.

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

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

15.16 Sec. 26. **REPEALER.**

15.17 Subdivision 1. **Weatherization assistance.** Minnesota Rules, parts 3300.0800;
15.18 3300.0900; 3300.1000, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19,
15.19 20, 21, 22, 23, 24, 25, 25a, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 36; 3300.1100;
15.20 3300.1200; 3300.1300; 3300.1400; 3300.1500; 3300.1600; 3300.1700; 3300.1800; and
15.21 3300.1900, are repealed.

15.22 Subd. 2. **Energy conservation loan program.** Minnesota Rules, parts 7607.0100;
15.23 7607.0110; 7607.0120; 7607.0130; 7607.0140; 7607.0150; 7607.0160; 7607.0170; and
15.24 7607.0180, are repealed.

15.25 Subd. 3. **Cooling systems replacement; energy efficiency criteria.** Minnesota
15.26 Rules, parts 7685.0100; 7685.0120; 7685.0130; and 7685.0140, are repealed."

15.27 Delete the title and insert:

15.28 "A bill for an act
15.29 relating to energy; modifying, adding, or authorizing provisions governing
15.30 medically necessary equipment, propane sales, low-income rate discounts,
15.31 interconnection of distributed generation, electric vehicle charging tariffs,
15.32 on-bill repayment programs, energy efficiency programs, emissions reduction
15.33 planning, certificates of need, solar energy systems, transmission lines, and
15.34 low-income home energy assistance; repealing certain obsolete administrative
15.35 rules; requiring a report; amending Minnesota Statutes 2012, sections 16C.144,
15.36 subdivision 3; 216B.098, subdivision 5; 216B.16, subdivision 14; 216B.1611,
15.37 by adding a subdivision; 216B.241, by adding a subdivision; 216B.2422,

16.1 by adding a subdivision; 216B.243, subdivision 8; 216C.41, subdivision 4;
16.2 216C.436, subdivision 4, by adding a subdivision; 216E.01, by adding a
16.3 subdivision; 216E.04, subdivision 2; 239.051, subdivision 29; 239.785, by
16.4 adding a subdivision; 325E.027; Laws 2013, chapter 57, section 2; Laws 2014,
16.5 chapter 145, section 1; proposing coding for new law in Minnesota Statutes,
16.6 chapters 216B; 216E; repealing Minnesota Rules, parts 3300.0800; 3300.0900;
16.7 3300.1000, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19,
16.8 20, 21, 22, 23, 24, 25, 25a, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36; 3300.1100;
16.9 3300.1200; 3300.1300; 3300.1400; 3300.1500; 3300.1600; 3300.1700;
16.10 3300.1800; 3300.1900; 7607.0100; 7607.0110; 7607.0120; 7607.0130;
16.11 7607.0140; 7607.0150; 7607.0160; 7607.0170; 7607.0180; 7685.0100;
16.12 7685.0120; 7685.0130; 7685.0140."

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

House Conferees:

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Melissa Hortman

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Will Morgan

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Pat Garofalo

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Yvonne Selcer

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Erik Simonson

Senate Conferees:

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John Marty

.....
Julie A. Rosen

.....
John A. Hoffman

.....
Jim Carlson

.....
D. Scott Dibble