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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 4029

05/22/2016 Authored by Hortman, Simonson, Loeffler and Clark

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; establishing the Renewables First Initiative; requiring electric
1.3 utilities to replace retiring nonrenewable electric generation with renewable
1.4 energy and other clean energy resources if reliable and cost-effective; amending
1.5 Minnesota Statutes 2014, section 216B.2422, subdivision 4, by adding a
1.6 subdivision; Minnesota Statutes 2015 Supplement, section 216B.2425, by adding
1.7 a subdivision.

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

1.9 Section 1. TITLE.

1.10 This act shall be known as the "Renewables First Initiative."

1.11 Sec. 2. Minnesota Statutes 2014, section 216B.2422, is amended by adding a
1.12 subdivision to read:

1.13 Subd. 2d. Retiring generation; resource planning. Each utility required to file a
1.14 resource plan under subdivision 2 must include in the filing a plan to retire nonrenewable
1.15 generation resources on the utility's system that are within ten years of being fully
1.16 depreciated, as determined by utility documents filed with the commission, or whose
1.17 operating licenses will expire within ten years.

1.18 Sec. 3. Minnesota Statutes 2014, section 216B.2422, subdivision 4, is amended to read:

1.19 Subd. 4. **Preference for renewable energy facility.** (a) The commission shall not
1.20 approve a new or refurbished nonrenewable energy facility in an integrated resource
1.21 plan or a certificate of need, pursuant to section 216B.243, nor shall the commission
1.22 allow rate recovery pursuant to section 216B.16 or approve a power purchase agreement
1.23 for such a nonrenewable energy facility, unless the utility has first demonstrated that a

2.1 ~~renewable energy facility~~ there is no cost-effective and reliable combination of renewable
2.2 energy, energy efficiency, demand response, or energy storage resources that could satisfy
2.3 the resource need identified by the utility, and that a combination of renewable energy
2.4 resources is not in the public interest. The public interest determination must include
2.5 whether the resource plan helps the utility achieve the greenhouse gas reduction goals
2.6 under section 216H.02, the renewable energy standard under section 216B.1691, or the
2.7 solar energy standard under section 216B.1691, subdivision 2f.

2.8 (b) If a utility demonstrates under paragraph (a) that no cost-effective and
2.9 reliable combination of renewable energy resources exists or is in the public interest,
2.10 the commission may approve the inclusion of nonrenewable generation resources in
2.11 combination with renewable energy, energy efficiency, demand response, or energy
2.12 storage resources as necessary to cost-effectively and reliably satisfy the resource need
2.13 identified by the utility.

2.14 **EFFECTIVE DATE.** This section is effective the day following final enactment,
2.15 but does not apply to the replacement of nonrenewable generation resources proposed to
2.16 be retired in a resource plan pending before the commission as of January 1, 2016.

2.17 Sec. 4. Minnesota Statutes 2015 Supplement, section 216B.2425, is amended by
2.18 adding a subdivision to read:

2.19 Subd. 7a. **Retiring generation; transmission and distribution planning.** Each
2.20 entity subject to this section must identify and include in its report under subdivision
2.21 2 transmission upgrades that are needed to support the retirement of nonrenewable
2.22 generation facilities that are within ten years of being fully depreciated, as determined by
2.23 utility documents filed with the commission at the time of the submission required under
2.24 subdivision 2, or whose operating licenses will expire within ten years of that time.