

1.1 A bill for an act

1.2 relating to utilities; regulating certain distributed energy resources; amending
1.3 Minnesota Statutes 2008, section 216B.2411, subdivision 1.

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

1.5 Section 1. Minnesota Statutes 2008, section 216B.2411, subdivision 1, is amended to
1.6 read:

1.7 Subdivision 1. **Generation projects.** (a) Any municipality or rural electric
1.8 association providing electric service and subject to section 216B.241 may, and each
1.9 public utility may, use five percent of the total amount to be spent on energy conservation
1.10 improvements under section 216B.241, on:

1.11 (1) projects in Minnesota to construct an electric generating facility that utilizes
1.12 eligible renewable energy sources as defined in subdivision 2, such as methane or other
1.13 combustible gases derived from the processing of plant or animal wastes, biomass fuels
1.14 such as short-rotation woody or fibrous agricultural crops, or other renewable fuel, as
1.15 its primary fuel source;

1.16 (2) projects in Minnesota to install a distributed generation facility of ten megawatts
1.17 or less of interconnected capacity that is fueled by natural gas, renewable fuels, or another
1.18 similarly clean fuel; or

1.19 (3) projects in Minnesota to install a qualifying solar energy project as defined in
1.20 subdivision 2.

1.21 (b) A utility that offers a program to customers to promote installing qualifying solar
1.22 energy projects may request authority from the commissioner to exceed the five percent
1.23 limit in paragraph (a) to meet customer demand for installation of qualifying solar energy

2.1 projects. In considering this request, the commissioner shall consider customer interest in
2.2 qualifying solar energy and the impact on other customers.

2.3 (c) For public utilities, as defined under section 216B.02, subdivision 4, projects
2.4 under this section must be considered energy conservation improvements as defined in
2.5 section 216B.241. For cooperative electric associations and municipal utilities, projects
2.6 under this section must be considered load-management activities described in section
2.7 216B.241, subdivision 1.