

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 1706

(SENATE AUTHORS: WEBER and Sparks)

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Introduction and first reading
Referred to Energy and Utilities Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to energy; modifying certain permitting provisions for renewable energy
1.3 systems; amending Minnesota Statutes 2016, sections 216B.243, subdivision 8;
1.4 216E.03, subdivisions 3, 9; 216E.04, subdivision 7; 216F.01, subdivision 2;
1.5 216F.011; 216F.04; repealing Minnesota Statutes 2016, section 216F.081.

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

1.7 Section 1. Minnesota Statutes 2016, section 216B.243, subdivision 8, is amended to read:

1.8 Subd. 8. **Exemptions.** (a) This section does not apply to:

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

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

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

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

2.1 (5) conversion of the fuel source of an existing electric generating plant to using natural
2.2 gas;

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

2.6 (7) a large energy facility, as defined in section 216B.2421, subdivision 1, that is a large
2.7 wind energy conversion system, as defined in section 216F.01, subdivision 2, or solar electric
2.8 generation energy generating facility if the system or facility is owned and operated by an
2.9 independent power producer and the electric output of the system or facility is not sold to
2.10 an entity that provides retail service in Minnesota or wholesale electric service to another
2.11 entity in Minnesota other than an entity that is a federally recognized regional transmission
2.12 organization or independent system operator, as defined in section 216E.01, subdivision
2.13 9a, unless a public utility is the initial applicant for a site permit under chapter 216E or 216F
2.14 for the large energy facility; or

2.15 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision
2.16 2, or a solar energy generating ~~large energy~~ facility, as defined in section ~~216B.2421,~~
2.17 ~~subdivision 2~~ 216E.01, subdivision 9a, engaging in a repowering project that:

2.18 (i) will not result in the facility exceeding the nameplate capacity under its most recent
2.19 interconnection agreement; or

2.20 (ii) will result in the facility exceeding the nameplate capacity under its most recent
2.21 interconnection agreement, provided that the Midcontinent Independent System Operator
2.22 has provided a signed generator interconnection agreement that reflects the expected net
2.23 power increase.

2.24 (b) For the purpose of this subdivision, "repowering project" means:

2.25 (1) modifying a large wind energy conversion system or a solar energy generating large
2.26 energy facility to increase its efficiency without increasing its nameplate capacity;

2.27 (2) replacing turbines in a large wind energy conversion system without increasing the
2.28 nameplate capacity of the system; or

2.29 (3) increasing the nameplate capacity of a large wind energy conversion system.

2.30 Sec. 2. Minnesota Statutes 2016, section 216E.03, subdivision 3, is amended to read:

2.31 Subd. 3. **Application.** Any person seeking to construct a large electric power generating
2.32 plant or a high-voltage transmission line must apply to the commission for a site or route

3.1 permit. The application shall contain such information as the commission may require. The
 3.2 applicant shall propose at least two sites for a large electric power generating plant ~~and two~~
 3.3 ~~routes for a high-voltage transmission line.~~ Neither of the two proposed ~~routes~~ sites may
 3.4 be designated as a preferred ~~route~~ site and all proposed ~~routes~~ sites must be numbered and
 3.5 designated as alternatives. The applicant of a high-voltage transmission line must submit
 3.6 an alternative route or route segments if needed to avoid significant human and environmental
 3.7 impacts. The commission shall determine whether an application is complete and advise
 3.8 the applicant of any deficiencies within ten days of receipt. An application is not incomplete
 3.9 if information not in the application can be obtained from the applicant during the first phase
 3.10 of the process and that information is not essential for notice and initial public meetings.

3.11 Sec. 3. Minnesota Statutes 2016, section 216E.03, subdivision 9, is amended to read:

3.12 Subd. 9. **Timing.** The commission shall make a final decision on an application within
 3.13 60 days after receipt of the report of the administrative law judge. A final decision on the
 3.14 request for a site permit or route permit shall be made within one year after the commission's
 3.15 determination that an application is complete. The commission may extend this time limit
 3.16 for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

3.17 Sec. 4. Minnesota Statutes 2016, section 216E.04, subdivision 7, is amended to read:

3.18 Subd. 7. **Timing.** The commission shall make a final decision on an application within
 3.19 60 days after completion of the public hearing. A final decision on the request for a site
 3.20 permit or route permit under this section shall be made within six months after the
 3.21 commission's determination that an application is complete. The commission may extend
 3.22 this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the
 3.23 applicant.

3.24 Sec. 5. Minnesota Statutes 2016, section 216F.01, subdivision 2, is amended to read:

3.25 Subd. 2. **Large wind energy conversion system or LWECS.** "Large wind energy
 3.26 conversion system" or "LWECS" means any combination of WECS with a combined
 3.27 nameplate capacity of 5,000 kilowatts or more and transmission lines directly associated
 3.28 with the plant that are necessary to interconnect the plant to the transmission system.

3.29 Sec. 6. Minnesota Statutes 2016, section 216F.011, is amended to read:

3.30 **216F.011 SIZE DETERMINATION.**

4.1 (a) The total size of a combination of wind energy conversion systems for the purpose
4.2 of determining what jurisdiction has siting authority under this chapter must be determined
4.3 according to this section. The nameplate capacity of one wind energy conversion system
4.4 must be combined with the nameplate capacity of any other wind energy conversion system
4.5 that:

4.6 (1) is located within five miles of the wind energy conversion system;

4.7 (2) is constructed within the same 12-month period as the wind energy conversion
4.8 system; and

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

4.12 (b) The commissioner shall provide forms and assistance for project developers to make
4.13 a request for a size determination. Upon written request of a project developer, the
4.14 commissioner of commerce shall provide a written size determination within 30 days of
4.15 receipt of the request and of any information needed to complete the size determination that
4.16 has been requested by the commissioner. In the case of a dispute, the chair of the Public
4.17 Utilities Commission shall make the final size determination.

4.18 (c) An application to a county for a permit under this chapter for a wind energy conversion
4.19 system is not complete without a size determination made under this section.

4.20 Sec. 7. Minnesota Statutes 2016, section 216F.04, is amended to read:

4.21 **216F.04 SITE PERMIT.**

4.22 (a) No person may construct an LWECs without a site permit issued by the Public
4.23 Utilities Commission.

4.24 (b) Any person seeking to construct an LWECs shall submit an application to the
4.25 commission for a site permit in accordance with this chapter and any rules adopted by the
4.26 commission. The permitted site need not be contiguous land.

4.27 (c) The commission shall make a final decision on an application for a site permit for
4.28 an LWECs within 180 days after acceptance of a complete application by the commission.
4.29 The commission may extend this deadline for cause upon agreement with the proposer.

4.30 (d) The commission may place conditions in a permit and may deny, modify, suspend,
4.31 or revoke a permit.

5.1 Sec. 8. **PERMITTING PROCESS REVIEW.**

5.2 (a) The Public Utilities Commission must evaluate its large wind energy conversion
5.3 system permitting processes under Minnesota Statutes, chapter 216F, and Minnesota Rules,
5.4 part 7854, to determine whether existing processes could be improved or streamlined for
5.5 more efficient and timely permitting. To the extent the Public Utilities Commission identifies
5.6 any processes to improve or streamline, the commission must alter the processes accordingly.

5.7 (b) By January 15, 2018, the Public Utilities Commission must report its findings under
5.8 paragraph (a) to the chairs and ranking minority members of the legislative committees with
5.9 jurisdiction over energy policy and finance. The report must describe in detail the processes
5.10 reviewed, actions taken by the commission to streamline any processes identified, and
5.11 document any corresponding reductions in the length of time required for permitting large
5.12 wind energy conversion system projects.

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

5.14 Sec. 9. **REPEALER.**

5.15 Minnesota Statutes 2016, section 216F.081, is repealed.

5.16 Sec. 10. **EFFECTIVE DATE.**

5.17 Sections 1 to 9 are effective the day following enactment.

216F.081 APPLICATION OF COUNTY STANDARDS.

A county may adopt by ordinance standards for LWECS that are more stringent than standards in commission rules or in the commission's permit standards. The commission, in considering a permit application for LWECS in a county that has adopted more stringent standards, shall consider and apply those more stringent standards, unless the commission finds good cause not to apply the standards.