

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 2405

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DATE	D-PG	OFFICIAL STATUS
03/08/2016	4915	Introduction and first reading Referred to Environment and Energy
03/14/2016	5047	Author added Dziedzic
03/21/2016		Comm report: To pass as amended and re-refer to Finance

A bill for an act
relating to energy; establishing an electric vehicle promotion program; providing
for electric vehicle rebates and incentives; proposing coding for new law in
Minnesota Statutes, chapter 216B.

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

Section 1. **[216B.1615] ELECTRIC VEHICLE PROMOTION PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section and section
216B.1616, the terms defined in this subdivision have the meanings given them.

(b) "Electric vehicle charging station" means a public or private parking space
served by battery charging station equipment that has as its primary purpose the transfer
of electric energy by conductive or inductive means to a battery or other energy storage
device in an electric vehicle.

(c) "Electric vehicle infrastructure" means structures, machinery, and equipment
necessary and integral to support an electric vehicle, including electric vehicle charging
stations and battery exchange stations.

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

(e) "Electric vehicle" or "plug-in vehicle" means an electric drive motor vehicle
that (1) draws propulsion using a traction battery having at least five kilowatt hours of
capacity, (2) uses an external source of energy to recharge the battery, and (3) has a gross
vehicle weight rating of up to 14,000 pounds.

Subd. 2. **Program.** (a) By August 1, 2017, each public utility serving a city of the
first class must file with the commission a program to promote (1) the purchase of electric
vehicles by their customers, and (2) the construction of electric vehicle infrastructure.

(b) The program may include, but is not limited to, the following elements:

(1) educational resources for individuals, electric vehicle dealers, multifamily housing developers and property management companies, vehicle fleet managers, and other potential electric vehicle users;

(2) vehicle charging equipment, electric utility infrastructure, services, or financial support for residences and workplaces; and

(3) research and demonstration projects evaluating the value electric vehicles can provide to the grid.

Subd. 3. Program review and implementation. The commissioner of commerce must review the program plans submitted under this section. The commissioner must approve, modify, or reject the plan based on the plan's effectiveness in promoting electric vehicles among utility customers, and the extent to which the plan will result in the construction of electric vehicle infrastructure. If the commissioner rejects a utility's plan, the utility must submit a new plan for commissioner review, subject to a schedule determined by the commissioner. The utility must begin implementing the plan after approval, subject to a schedule determined by the commissioner.

Subd. 4. Cost recovery. (a) The commissioner must approve recovery of costs reasonably incurred by a public utility to implement and administer the program in subdivision 2. Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the commissioner must also approve recovery of costs for expenses incurred by a public utility to provide public advertisement as part of a promotion program.

(b) The commissioner may allow a return on investment at the level approved in the utility's last general rate case.

Subd. 5. Reporting. Beginning one year after implementing a program approved by the commissioner, each public utility implementing a plan under this section must report annually to the commissioner on (1) its activities to promote electric vehicle usage and the outcomes of those efforts, and (2) the potential to utilize plug-in vehicles as grid services.

Sec. 2. [216B.1616] ELECTRIC VEHICLE REBATES AND INCENTIVES.

Subdivision 1. Definition. For the purposes of this section, "dealer" has the meaning given in section 80E.03, subdivision 3.

Subd. 2. Eligibility. The purchaser or leaser of an electric vehicle is eligible for a rebate if:

(1) the electric vehicle:

(i) has not been previously owned;

(ii) has not been modified from the original manufacturer's specifications; and

(iii) is purchased after the effective date of this act for use by the purchaser and not for resale;

(2) the purchaser or leaser:

(i) is a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a), when the electric vehicle is purchased or leased;

(ii) is a business that has a valid address in Minnesota from which business is conducted;

(iii) is a nonprofit corporation incorporated under chapter 317A; or

(iv) is a political subdivision of this state; and

(3) the purchaser or leaser:

(i) has not received a rebate or tax credit for the purchase of an electric vehicle from Minnesota or another state; and

(ii) registers the electric vehicle in Minnesota.

Subd. 3. **Rebate amounts.** Subject to subdivision 5, paragraph (c), the commissioner is authorized to award rebates under this section in the following amounts:

(1) for a battery electric vehicle or plug-in hybrid vehicle that is eligible for a maximum rebate under the federal plug-in vehicle rebate program, up to \$2,500; and

(2) for a plug-in hybrid vehicle that is eligible for less than a maximum rebate under the federal plug-in vehicle rebate program, up to \$1,500.

Subd. 4. **Limits.** The number of rebates awarded under this section are limited to:

(1) no more than one rebate per resident household; and

(2) no more than one rebate per business entity per year.

Subd. 5. **Program administration.** (a) Applications for a rebate under this section must be filed with the commissioner on a form developed by the commissioner.

(b) The commissioner must develop administrative procedures governing the application and rebate award process. Applications must be reviewed and rebates awarded by the commissioner on a first-come, first-served basis.

(c) The commissioner may reduce the rebate amounts provided under subdivision 3 or restrict program eligibility based on fund availability or other factors.

Subd. 6. **Expiration.** This section expires June 30, 2021.