

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 3290**

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DATE	D-PG	OFFICIAL STATUS
03/14/2018	6483	Introduction and first reading Referred to Energy and Utilities Finance and Policy
03/19/2018	6539a	Comm report: To pass as amended and re-refer to Judiciary and Public Safety Finance and Policy
03/21/2018	6841a	Comm report: To pass as amended and re-refer to State Government Finance and Policy and Elections
03/26/2018	6945a	Comm report: To pass as amended and re-refer to Finance
04/19/2018	7746a	Comm report: To pass as amended
	7749	Second reading
05/18/2018	9319a	Special Order: Amended
	9329	Third reading Passed

- 1.1 A bill for an act
- 1.2 relating to energy; establishing a process to compensate businesses for loss of
- 1.3 business opportunity resulting from sale and closure of a biomass energy plant;
- 1.4 amending Minnesota Statutes 2017 Supplement, sections 116C.779, subdivision
- 1.5 1; 216C.417, subdivision 2; proposing coding for new law in Minnesota Statutes,
- 1.6 chapter 116C.
- 1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.8 Section 1. Minnesota Statutes 2017 Supplement, section 116C.779, subdivision 1, is
- 1.9 amended to read:
- 1.10 Subdivision 1. **Renewable development account.** (a) The renewable development
- 1.11 account is established as a separate account in the special revenue fund in the state treasury.
- 1.12 Appropriations and transfers to the account shall be credited to the account. Earnings, such
- 1.13 as interest, dividends, and any other earnings arising from assets of the account, shall be
- 1.14 credited to the account. Funds remaining in the account at the end of a fiscal year are not
- 1.15 canceled to the general fund but remain in the account until expended. The account shall
- 1.16 be administered by the commissioner of management and budget as provided under this
- 1.17 section.
- 1.18 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
- 1.19 plant must transfer all funds in the renewable development account previously established
- 1.20 under this subdivision and managed by the public utility to the renewable development
- 1.21 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
- 1.22 that have not yet been expended and unencumbered funds required to be paid in calendar
- 1.23 year 2017 under paragraphs (e) and (f) and (g), and sections 116C.7792 and 216C.41, are
- 1.24 not subject to transfer under this paragraph.

2.1 (c) ~~Except as provided in subdivision 1a, Beginning January 15, 2018~~ 2019, and  
 2.2 continuing each January 15 thereafter, the public utility that owns the Prairie Island and  
 2.3 Monticello nuclear generating plant plants must transfer to the renewable development  
 2.4 account \$500,000 each year for each dry cask containing spent fuel that is located at the  
 2.5 ~~Prairie Island power plant for~~ the following amounts each year ~~the either~~ plant is in operation;  
 2.6 ~~and \$7,500,000 each year the plant is not in operation:~~ (1) \$23,000,000 in 2019; (2)  
 2.7 \$28,000,000 in 2020; (3) \$28,000,000 in 2021; and (4) \$20,000,000 beginning in 2022 and  
 2.8 each year thereafter. If ordered by the commission pursuant to paragraph ~~(i):~~ (h), the public  
 2.9 utility must transfer \$7,500,000 each year the Prairie Island plant is not in operation and  
 2.10 \$5,250,000 each year the Monticello plant is not in operation. The fund transfer must be  
 2.11 made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility  
 2.12 at Prairie Island or Monticello for any part of a year.

2.13 ~~(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing~~  
 2.14 ~~each January 15 thereafter, the public utility that owns the Monticello nuclear generating~~  
 2.15 ~~plant must transfer to the renewable development account \$350,000 each year for each dry~~  
 2.16 ~~cask containing spent fuel that is located at the Monticello nuclear power plant for each~~  
 2.17 ~~year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered~~  
 2.18 ~~by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear~~  
 2.19 ~~waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for~~  
 2.20 ~~any part of a year.~~

2.21 ~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the  
 2.22 renewable development account under ~~paragraphs~~ paragraph (c) and (d) the amount necessary  
 2.23 to pay its obligations for that calendar year under paragraphs (e), (f) and (g), (j), and (n),  
 2.24 and sections 116C.7792 and 216C.41, ~~for that calendar year.~~

2.25 ~~(f)~~ (e) If the commission approves a new or amended power purchase agreement, the  
 2.26 termination of a power purchase agreement, or the purchase and closure of a facility under  
 2.27 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,  
 2.28 the public utility subject to this section shall enter into a contract with the city in which the  
 2.29 poultry litter plant is located to provide grants to the city for the purposes of economic  
 2.30 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each  
 2.31 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid  
 2.32 by the public utility from funds withheld from the transfer to the renewable development  
 2.33 account, as provided in paragraphs (b) and ~~(e)~~ (d).

2.34 ~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the  
 2.35 termination of a power purchase agreement under section 216B.2424, subdivision 9, with

3.1 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
3.2 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
3.3 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
3.4 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
3.5 30 days after the commission approves the new or amended power purchase agreement, or  
3.6 the termination of the power purchase agreement, and on each June 1 thereafter through  
3.7 2021, to assist the transition required by the new, amended, or terminated power purchase  
3.8 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
3.9 to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

3.10 ~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs  
3.11 (e) and (f) and ~~(g)~~ is limited to the amount deposited into the renewable development account,  
3.12 and its predecessor, the renewable development account, established under this section, that  
3.13 was not required to be deposited into the account under Laws 1994, chapter 641, article 1,  
3.14 section 10.

3.15 ~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the  
3.16 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the  
3.17 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for  
3.18 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello  
3.19 facility for any year in which the commission finds, by the preponderance of the evidence,  
3.20 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored  
3.21 at the facility to a permanent or interim storage site out of the state. This determination shall  
3.22 be made at least every two years.

3.23 (i) The public utility must annually file with the commission a petition to recover through  
3.24 a rider mechanism all funds it is required to transfer or withhold under paragraphs (c) to (f)  
3.25 for the next year. The commission must approve a reasonable cost recovery schedule for  
3.26 all funds under this paragraph.

3.27 (j) On or before January 15 of each year, the public utility must file a petition with the  
3.28 commission identifying the amounts withheld by the public utility the prior year under  
3.29 paragraph (d) and the amount actually paid the prior year for obligations identified in  
3.30 paragraph (d). If the amount actually paid is less than the amount withheld, the public utility  
3.31 must deduct the surplus from the amount withheld for the current year under paragraph (d).  
3.32 If the amount actually paid is more than the amount withheld, the public utility must add  
3.33 the deficiency amount to the amount withheld for the current year under paragraph (d). Any  
3.34 surplus remaining in the account after all programs identified in paragraph (d) are terminated  
3.35 must be returned to the public utility's customers.

4.1 ~~(j)~~ (k) Funds in the account may be expended only for any of the following purposes:

4.2 (1) to stimulate research and development of renewable electric energy technologies;

4.3 (2) to encourage grid modernization, including, but not limited to, projects that implement  
4.4 electricity storage, load control, and smart meter technology; and

4.5 (3) to stimulate other innovative energy projects that reduce demand and increase system  
4.6 efficiency and flexibility.

4.7 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service  
4.8 from the utility that owns a nuclear-powered electric generating plant in this state or the  
4.9 Prairie Island Indian community or its members.

4.10 The utility that owns a nuclear generating plant is eligible to apply for grants under this  
4.11 subdivision.

4.12 ~~(k)~~ (l) For the purposes of paragraph ~~(j)~~ (k), the following terms have the meanings  
4.13 given:

4.14 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph  
4.15 (c), clauses (1), (2), (4), and (5); and

4.16 (2) "grid modernization" means:

4.17 (i) enhancing the reliability of the electrical grid;

4.18 (ii) improving the security of the electrical grid against cyberthreats and physical threats;  
4.19 and

4.20 (iii) increasing energy conservation opportunities by facilitating communication between  
4.21 the utility and its customers through the use of two-way meters, control technologies, energy  
4.22 storage and microgrids, technologies to enable demand response, and other innovative  
4.23 technologies.

4.24 ~~(l)~~ (m) A renewable development account advisory group that includes, among others,  
4.25 representatives of the public utility and its ratepayers, and includes at least one representative  
4.26 of the Prairie Island Indian community appointed by that community's tribal council, shall  
4.27 develop recommendations on account expenditures. Members of the advisory group must  
4.28 be chosen by the public utility. The advisory group must design a request for proposal and  
4.29 evaluate projects submitted in response to a request for proposals. The advisory group must  
4.30 utilize an independent third-party expert to evaluate proposals submitted in response to a  
4.31 request for proposal, including all proposals made by the public utility. A request for proposal  
4.32 for research and development under paragraph ~~(j)~~ (k), clause (1), may be limited to or include

5.1 a request to higher education institutions located in Minnesota for multiple projects authorized  
5.2 under paragraph ~~(j)~~ (k), clause (1). The request for multiple projects may include a provision  
5.3 that exempts the projects from the third-party expert review and instead provides for project  
5.4 evaluation and selection by a merit peer review grant system. In the process of determining  
5.5 request for proposal scope and subject and in evaluating responses to request for proposals,  
5.6 the advisory group must strongly consider, where reasonable, potential benefit to Minnesota  
5.7 citizens and businesses and the utility's ratepayers.

5.8 (n) The cost of acquiring the services of the independent third-party expert described in  
5.9 paragraph (m) and any other reasonable costs incurred to administer the advisory group and  
5.10 its actions required by this section must be paid from funds withheld by the public utility  
5.11 under paragraph (d). The total amount withheld under this paragraph must not exceed  
5.12 \$125,000 each year.

5.13 ~~(m)~~ (o) The advisory group shall submit funding recommendations to the public utility,  
5.14 which has full and sole authority to determine which expenditures shall be submitted by  
5.15 the advisory group to the ~~legislature~~ commission. The commission may approve proposed  
5.16 expenditures, may disapprove proposed expenditures that it finds not to be in compliance  
5.17 with this subdivision or otherwise not in the public interest, and may, if agreed to by the  
5.18 public utility, modify proposed expenditures. The commission shall, by order, submit its  
5.19 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (p).

5.20 ~~(n)~~ (p) The commission shall present its recommended appropriations from the account  
5.21 to the senate and house of representatives committees with jurisdiction over energy policy  
5.22 and finance annually by February 15. Expenditures from the account must be appropriated  
5.23 by law. In enacting appropriations from the account, the legislature:

5.24 (1) may approve or disapprove, but may not modify, the amount of an appropriation for  
5.25 a project recommended by the commission; and

5.26 (2) may not appropriate money for a project the commission has not recommended  
5.27 funding.

5.28 ~~(o)~~ (q) A request for proposal for renewable energy generation projects must, when  
5.29 feasible and reasonable, give preference to projects that are most cost-effective for a particular  
5.30 energy source.

5.31 ~~(p)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking  
5.32 minority members of the legislative committees with jurisdiction over energy policy on  
5.33 projects funded by the account under paragraph (k) for the prior year and all previous years.

6.1 The report must, to the extent possible and reasonable, itemize the actual and projected  
6.2 financial benefit to the public utility's ratepayers of each project.

6.3 (s) By June 1, 2018, and each June 1 thereafter, the public utility that owns the Prairie  
6.4 Island Nuclear Electric Generating Plant must submit to the commissioner of management  
6.5 and budget an estimate of the amount the public utility will deposit into the account the  
6.6 following January 15, based on the provisions of paragraphs (c) to (h) and any appropriations  
6.7 made from the fund during the most recent legislative session.

6.8 ~~(q)~~ (t) By February 1 June 30, 2018, and each February 1 June 30 thereafter, the  
6.9 commissioner of management and budget shall must estimate the balance in the account as  
6.10 of the following January 31, taking into account the balance in the account as of June 30  
6.11 and the information provided under paragraph (r). By July 15, 2018, and each July 15  
6.12 thereafter, the commissioner of management and budget must submit a written report  
6.13 regarding the availability of funds in and obligations of the account to the chairs and ranking  
6.14 minority members of the senate and house committees with jurisdiction over energy policy  
6.15 and finance, the public utility, and the advisory group. If more than \$15,000,000 is estimated  
6.16 to be available in the account as of January 31, the advisory group must, by January 31 the  
6.17 next year, issue a request for proposals to initiate a grant cycle for the purposes of paragraph  
6.18 (k).

6.19 ~~(r)~~ (u) A project receiving funds from the account must produce a written final report  
6.20 that includes sufficient detail for technical readers and a clearly written summary for  
6.21 nontechnical readers. The report must include an evaluation of the project's financial,  
6.22 environmental, and other benefits to the state and the public utility's ratepayers.

6.23 ~~(s)~~ (v) Final reports, any mid-project status reports, and renewable development account  
6.24 financial reports must be posted online on a public Web site designated by the commissioner  
6.25 of commerce.

6.26 ~~(t)~~ (w) All final reports must acknowledge that the project was made possible in whole  
6.27 or part by the Minnesota renewable development account, noting that the account is financed  
6.28 by the public utility's ratepayers.

6.29 ~~(u)~~ (x) Of the amount in the renewable development account, priority must be given to  
6.30 making the payments required under section 216C.417.

6.31 **EFFECTIVE DATE.** This section is effective June 1, 2018.

7.1 Sec. 2. **[116C.7793] PRAIRIE ISLAND NET ZERO PROJECT.**

7.2 **Subdivision 1. Program established.** The Prairie Island Net Zero Project is established  
7.3 with the goal of the Prairie Island Indian Community developing an energy system that  
7.4 results in net zero emissions.

7.5 **Subd. 2. Grant.** The commissioner of employment and economic development must  
7.6 enter into a grant contract with the Prairie Island Indian Community to provide the amounts  
7.7 appropriated each year under subdivision 4 to stimulate research, development, and  
7.8 implementation of renewable energy projects benefiting the Prairie Island Indian Community  
7.9 or its members. Any examination conducted by the commissioner of employment and  
7.10 economic development to determine the sufficiency of the financial stability and capacity  
7.11 of the Prairie Island Indian Community to carry out the purposes of this grant is limited to  
7.12 the Community Services Department of the Prairie Island Indian Community.

7.13 **Subd. 3. Plan; report.** The Prairie Island Indian Community must file a plan with the  
7.14 commissioner of employment and economic development no later than July 1, 2019,  
7.15 describing the Prairie Island Net Zero Project elements and implementation strategy. The  
7.16 Prairie Island Indian Community must file a report on July 1, 2020, and each July 1 thereafter  
7.17 through 2025, describing the progress made in implementing the project and the uses of  
7.18 expended funds.

7.19 **Subd. 4. Appropriation.** Notwithstanding section 116C.779, subdivision 1, paragraph  
7.20 (k), \$3,000,000 in fiscal year 2019, \$7,000,000 in fiscal year 2020, \$4,500,000 in fiscal  
7.21 year 2021, \$9,000,000 in fiscal year 2022, \$8,000,000 in fiscal year 2023, and \$8,500,000  
7.22 in fiscal year 2024 are appropriated from the renewable development account under section  
7.23 116C.779, subdivision 1, to the commissioner of employment and economic development  
7.24 for a grant to the Prairie Island Indian Community for the purposes of this section. Any  
7.25 funds remaining at the end of a fiscal year do not cancel to the renewable development  
7.26 account but remain available until spent. This subdivision expires the day after the last  
7.27 transfer of funds to the commissioner.

7.28 **Subd. 5. Transfer.** (a) Any funds appropriated under section 216C.417, subdivision 2,  
7.29 that are unexpended at the end of a fiscal year are transferred to the commissioner of  
7.30 employment and economic development for a grant to the Prairie Island Indian Community  
7.31 for the purposes of this section.

7.32 **(b) Beginning in fiscal year 2019 and continuing each year thereafter, on the day**  
7.33 **following the public release of the February state budget forecast the commissioner of**  
7.34 **management and budget must compare the obligation forecasted in each fiscal year for the**

8.1 Made in Minnesota solar production incentive program under section 216C.417 with the  
8.2 obligations forecasted under that program in the previous year's February state budget  
8.3 forecast. If the amount in the most recent forecast in any one fiscal year is less than the  
8.4 amount of the obligation forecasted for the same fiscal year in the previous February forecast,  
8.5 the commissioner of management and budget must transfer the difference from the renewable  
8.6 development account established in section 116C.779 to the commissioner of employment  
8.7 and economic development for a grant to the Prairie Island Indian Community for the Prairie  
8.8 Island Net Zero Project in section 116C.7793.

8.9 (c) The total amount appropriated and transferred from the renewable development  
8.10 account under this subdivision and subdivision 4 must not exceed \$45,000,000.

8.11 (d) This subdivision expires the day following the day that the total amount appropriated  
8.12 and transferred from the renewable development account under this subdivision and  
8.13 subdivision 4 equals \$45,000,000.

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

8.15 Sec. 3. Minnesota Statutes 2017 Supplement, section 216C.417, subdivision 2, is amended  
8.16 to read:

8.17 Subd. 2. **Appropriation.** (a) Unspent money remaining in the account established under  
8.18 Minnesota Statutes 2016, section 216C.412, on July 1, 2017, must be transferred to the  
8.19 renewable development account in the special revenue fund established under Minnesota  
8.20 Statutes, section 116C.779, subdivision 1.

8.21 (b) There is annually appropriated from the renewable development account in the special  
8.22 revenue fund established in Minnesota Statutes, section 116C.779, to the commissioner of  
8.23 commerce money sufficient to make the incentive payments required under Minnesota  
8.24 Statutes 2016, section 216C.415. Any funds appropriated under this paragraph that are  
8.25 unexpended ~~at the end of a fiscal year~~ must be transferred to the commissioner of employment  
8.26 and economic development as provided under section 116C.7793, subdivision 5. Any funds  
8.27 remaining after the transfer under this paragraph cancel to the renewable development  
8.28 account.

8.29 (c) Notwithstanding Minnesota Statutes 2016, section 216C.412, subdivision 1, none of  
8.30 this appropriation may be used for administrative costs.



9.1 Sec. 4. **BIOMASS BUSINESS COMPENSATION.**

9.2 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
9.3 the meanings given.

9.4 (b) "Biomass plant" means the biomass plant identified under Minnesota Statutes, section  
9.5 116C.779, subdivision 1, paragraph (e).

9.6 (c) "Early termination" means the early termination of the power purchase agreement  
9.7 authorized under Minnesota Statutes, section 216B.2424, subdivision 9, with the biomass  
9.8 plant.

9.9 (d) "Operating income" means a business's revenue minus its operating expenses.

9.10 Subd. 2. Office of Administrative Hearings; claims process. (a) The chief  
9.11 administrative law judge of the Office of Administrative Hearings must assign an  
9.12 administrative law judge to administer a claims award process to compensate businesses  
9.13 negatively affected by the early termination. The chief administrative law judge may develop  
9.14 a process, prescribe forms, identify documentation required for submission of claims by  
9.15 affected businesses, and issue awards to eligible businesses consistent with this section.  
9.16 The process must allow, but not require, each business that applies for compensation to  
9.17 appear in person, by its authorized representative, before the assigned administrative law  
9.18 judge to provide evidence in support of its claim.

9.19 (b) The chief administrative law judge may contract with and use the services of financial  
9.20 or other consultants as necessary to examine financial documentation presented by claimants  
9.21 or otherwise assist in the evaluation and award of claims.

9.22 (c) Records submitted to the Office of Administrative Hearings as part of the claims  
9.23 process constitute business data under Minnesota Statutes, section 13.591.

9.24 (d) An award made pursuant to this section is final and not subject to judicial review.

9.25 (e) An award made pursuant to this section does not constitute an admission of liability  
9.26 of the state for any damages or other losses suffered by a business affected by the early  
9.27 termination.

9.28 Subd. 3. Eligibility. To be eligible for an award of compensation, an affected business  
9.29 must meet the following criteria:

9.30 (1) as of May 1, 2017, it was operating under the terms of a valid written contract, or  
9.31 oral contract that is supported by business records, with the company operating the biomass  
9.32 plant or the fertilizer plant integrated with the biomass plant, through which contract the

10.1 business supplied or managed material for, or received material from, the biomass plant or  
 10.2 the fertilizer plant integrated with the biomass plant;

10.3 (2) the business is located in the state; and

10.4 (3) as the result of the early termination, the business suffered:

10.5 (i) decreased operating income; or

10.6 (ii) the loss of value of investments in real or personal property essential to its business  
 10.7 operations with the biomass plant.

10.8 Subd. 4. **Types of claims.** (a) An eligible business may make claims for an award of  
 10.9 compensation based on either or both:

10.10 (1) decreased operating income; or

10.11 (2) the loss of value of investments in real or personal property essential to its business  
 10.12 operations with the biomass plant.

10.13 (b) To establish and quantify a claim for decreased operating income, an eligible business  
 10.14 must:

10.15 (1) demonstrate its operating income over the past five years for supplying or managing  
 10.16 material for, or receiving material from, the biomass plant;

10.17 (2) present evidence of any alternative business opportunities it has pursued or could  
 10.18 pursue to mitigate the loss of revenue from the termination of its contract with the biomass  
 10.19 plant; and

10.20 (3)(i) demonstrate the extent to which, after the termination of its contract with the  
 10.21 biomass plant, its annual operating income, including operating income from any alternative  
 10.22 business opportunities, will be less than the past five-year average of its annual operating  
 10.23 income; and

10.24 (ii) multiply that calculated decrease by two.

10.25 (c) To establish and quantify a claim for loss of value of investments in real or personal  
 10.26 property, an eligible business must provide sufficient evidence of:

10.27 (1) the essential nature of the investment made in the property to fulfilling the contract  
 10.28 with the biomass plant;

10.29 (2) the extent to which the eligible business is able to repurpose the property to another  
 10.30 productive use after the early termination, including but not limited to the use, sales, salvage,  
 10.31 or scrap value of the property for which the loss is claimed; and

11.1 (3) the value of the eligible business's nondepreciated investment in the property.

11.2 Subd. 5. **Limitations on awards.** (a) An award of compensation for a claim for decreased  
11.3 operating income must not exceed the amount calculated under subdivision 4, paragraph  
11.4 (b), clause 3.

11.5 (b) An award of compensation for a claim for loss of value of investments in real or  
11.6 personal property must be offset by the use, sales, salvage, or scrap value of the property  
11.7 for which a loss is claimed.

11.8 (c) Any payment received from business interruption insurance policies, settlements, or  
11.9 other forms of compensation related to the termination of the business's contract with the  
11.10 biomass plant, offsets any award of compensation provided under this section.

11.11 Subd. 6. **Priority.** The chief administrative law judge may give priority to claims by  
11.12 eligible businesses that demonstrate a significant effort to pursue alternative business  
11.13 opportunities or to conduct other loss mitigation efforts to reduce its claimed losses related  
11.14 to the termination of its contract with the company operating the biomass plant.

11.15 Subd. 7. **Awarding claims.** If the amount provided for compensation in the biomass  
11.16 business compensation account established under section 5 is insufficient to fully award all  
11.17 claims determined to be eligible for an award, all awards must be adjusted proportionally  
11.18 based on the value of the claim.

11.19 Subd. 8. **Deadlines.** The chief administrative law judge must make the application  
11.20 process for eligible claims available by August 1, 2018. A business seeking an award under  
11.21 this section must file all claims with the chief administrative law judge within 60 days  
11.22 following closure of the biomass plant. All preliminary awards on eligible claims must be  
11.23 made within 120 days following the deadline to file claims. Any requests for reconsideration  
11.24 must be filed with the chief administrative law judge within 60 days following notice of  
11.25 preliminary awards. All final awards on eligible claims must be made within 60 days  
11.26 following the deadline to file reconsiderations. The commissioner of management and  
11.27 budget shall pay all awarded claims within 45 days after receiving notice of the final awards  
11.28 from the chief administrative law judge.

11.29 Subd. 9. **Expiration.** This section expires June 30, 2021.

11.30 **EFFECTIVE DATE.** This section is effective June 1, 2018.

12.1 Sec. 5. **BIOMASS BUSINESS COMPENSATION ACCOUNT.**

12.2 **Subdivision 1. Account established.** A biomass business compensation account is  
12.3 established as a separate account in the special revenue fund in the state treasury.

12.4 Appropriations and transfers to the account must be credited to the account. Earnings, such  
12.5 as interest, and any other earnings arising from the assets of the account are credited to the  
12.6 account. Funds remaining in the account as of December 31, 2020, must be transferred to  
12.7 the renewable development account established under Minnesota Statutes, section 116C.779.

12.8 **Subd. 2. Funding for the special account.** Notwithstanding Minnesota Statutes, section  
12.9 116C.779, subdivision 1, paragraph (k), on July 1, 2019, \$40,000,000 must be transferred  
12.10 from the renewable development account under Minnesota Statutes, section 116C.779, to  
12.11 the biomass business compensation account established under subdivision 1. The transferred  
12.12 funds are appropriated to pay eligible obligations under the biomass business compensation  
12.13 program established under section 4.

12.14 **Subd. 3. Payment of expenses.** Beginning on July 1, 2019, the chief administrative law  
12.15 judge must certify to the commissioner of management and budget the total costs incurred  
12.16 to administer the biomass business compensation claims process. The commissioner of  
12.17 management and budget must transfer an amount equal to the certified costs incurred for  
12.18 biomass business compensation claim activities from the renewable development account  
12.19 under Minnesota Statutes, section 116C.779, and deposit it to the administrative hearings  
12.20 account under Minnesota Statutes, section 14.54. Transfers may occur quarterly, based on  
12.21 quarterly cost and revenue reports, throughout the fiscal year, with final certification and  
12.22 reconciliation after each fiscal year. The total amount transferred under this subdivision  
12.23 must not exceed \$200,000.

12.24 **Subd. 4. Expiration.** This section expires June 30, 2021.

12.25 **EFFECTIVE DATE.** This section is effective June 1, 2018.