

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 4942

1.2 A bill for an act

1.3 relating to state government; authorizing supplemental agriculture appropriations;
1.4 providing broadband appropriation transfer authority; making policy and technical
1.5 changes to agriculture provisions; establishing and modifying agriculture programs;
1.6 requiring an application for federal broadband aid; modifying appropriations to
1.7 the Office of Cannabis Management and the Department of Health; modifying
1.8 fees assessed by the Department of Commerce; adding the Minnesota Consumer
1.9 Data Privacy Act; adding and modifying consumer protection provisions;
1.10 appropriating money for energy, utilities, environment, and climate; requiring
1.11 utilities to accept an individual taxpayer identification number when new customers
1.12 apply for utility service; allowing public utilities providing electric service to
1.13 propose goals for fuel-switching improvement achievements to the commissioner
1.14 of commerce; modifying the commercial property assessed clean energy program;
1.15 making technical changes to various provisions governing or administered by the
1.16 Department of Commerce; requiring reports; appropriating money; amending
1.17 Minnesota Statutes 2022, sections 17.116, subdivision 2; 17.133, subdivision 1;
1.18 18C.70, subdivision 5; 18C.71, subdivision 4; 18C.80, subdivision 2; 28A.10;
1.19 31.94; 32D.30; 41B.047, subdivision 1; 45.0135, subdivision 7; 62Q.73, subdivision
1.20 3; 116J.396, by adding a subdivision; 216B.098, by adding a subdivision; 216B.16,
1.21 subdivisions 6c, 8; 216B.2402, subdivision 10, by adding a subdivision; 216B.2403,
1.22 subdivisions 2, 3, 5, 8; 216B.241, subdivisions 2, 11, 12; 216B.243, subdivision
1.23 3b; 216C.10; 216C.435, subdivisions 3a, 3b, 4, 10, by adding subdivisions;
1.24 216C.436, subdivisions 1, 4, 7, 8, 10; 325E.21, by adding a subdivision; Minnesota
1.25 Statutes 2023 Supplement, sections 17.055, subdivision 3; 17.133, subdivision 3;
1.26 18C.425, subdivision 6; 35.155, subdivision 12; 41B.0391, subdivisions 1, 2, 4,
1.27 6; 116C.779, subdivision 1; 144.197; 216B.1691, subdivision 1; 216C.08; 216C.09;
1.28 216C.435, subdivision 8; 216C.436, subdivisions 1b, 2; 325E.21, subdivision 1b;
1.29 342.72; Laws 2023, chapter 43, article 1, section 2, subdivisions 1, 2, 3, 4, 5; Laws
1.30 2023, chapter 63, article 9, sections 5; 10; 15, subdivision 4; 20; proposing coding
1.31 for new law in Minnesota Statutes, chapters 13; 58B; 62J; 216B; 216C; proposing
1.32 coding for new law as Minnesota Statutes, chapter 325O; repealing Minnesota
1.33 Statutes 2022, section 34.07.

1.34 May 18, 2024

1.35 The Honorable Bobby Joe Champion

1.36 President of the Senate

1.37 The Honorable Melissa Hortman

1.38 Speaker of the House of Representatives

2.1 We, the undersigned conferees for S.F. No. 4942 report that we have agreed upon the
 2.2 items in dispute and recommend as follows:

2.3 That the House recede from its amendments and that S.F. No. 4942 be further amended
 2.4 as follows:

2.5 Delete everything after the enacting clause and insert:

2.6 **"ARTICLE 1**

2.7 **AGRICULTURE APPROPRIATIONS**

2.8 Section 1. Laws 2023, chapter 43, article 1, section 2, is amended to read:

2.9 **Sec. 2. DEPARTMENT OF AGRICULTURE**

2.10			92,025,000		72,223,000
2.11	Subdivision 1. Total Appropriation	\$	<u>88,325,000</u>	\$	<u>80,243,000</u>

2.12 **Appropriations by Fund**

2.13		2024	2025
2.14		91,626,000	71,824,000
2.15	General	<u>87,926,000</u>	<u>79,844,000</u>
2.16	Remediation	399,000	399,000

2.17 The amounts that may be spent for each
 2.18 purpose are specified in the following
 2.19 subdivisions.

2.20 **Subd. 2. Protection Services**

2.21 **Appropriations by Fund**

2.22		2024	2025
2.23		32,034,000	18,743,000
2.24	General	<u>32,084,000</u>	<u>22,113,000</u>
2.25	Remediation	399,000	399,000

2.26 (a) \$399,000 the first year and \$399,000 the
 2.27 second year are from the remediation fund for
 2.28 administrative funding for the voluntary
 2.29 cleanup program.

2.30 (b) \$625,000 the first year and ~~\$625,000~~
 2.31 \$1,120,000 the second year are for the soil
 2.32 health financial assistance program under
 2.33 Minnesota Statutes, section 17.134. The

3.1 commissioner may award no more than
3.2 \$50,000 of the appropriation each year to a
3.3 single recipient. Of the second year amount,
3.4 \$495,000 is for projects located in Dodge,
3.5 Fillmore, Goodhue, Houston, Mower,
3.6 Olmsted, Wabasha, or Winona County. The
3.7 commissioner may use up to 6.5 percent of
3.8 this appropriation for costs incurred to
3.9 administer the program. Any unencumbered
3.10 balance does not cancel at the end of the first
3.11 year and is available in the second year.
3.12 Appropriations encumbered under contract on
3.13 or before June 30, 2025, for soil health
3.14 financial assistance grants are available until
3.15 June 30, 2027. The base for this appropriation
3.16 is \$639,000 in fiscal year 2026 and each year
3.17 thereafter.

3.18 (c) \$800,000 the first year ~~is~~ and \$75,000 the
3.19 second year are for transfer to the pollinator
3.20 research account established under Minnesota
3.21 Statutes, section 18B.051. The base for this
3.22 transfer is \$100,000 in fiscal year 2026 and
3.23 each year thereafter.

3.24 (d) \$150,000 the first year and \$150,000 the
3.25 second year are for transfer to the noxious
3.26 weed and invasive plant species assistance
3.27 account established under Minnesota Statutes,
3.28 section 18.89, to award grants under
3.29 Minnesota Statutes, section 18.90, to counties,
3.30 municipalities, and other weed management
3.31 entities, including Minnesota Tribal
3.32 governments as defined in Minnesota Statutes,
3.33 section 10.65. This is a onetime appropriation.

3.34 (e) \$175,000 the first year and \$175,000 the
3.35 second year are for compensation for

4.1 destroyed or crippled livestock under
4.2 Minnesota Statutes, section 3.737. The first
4.3 year appropriation may be spent to compensate
4.4 for livestock that were destroyed or crippled
4.5 during fiscal year 2023. If the amount in the
4.6 first year is insufficient, the amount in the
4.7 second year is available in the first year. The
4.8 commissioner may use up to \$5,000 each year
4.9 to reimburse expenses incurred by university
4.10 extension educators to provide fair market
4.11 values of destroyed or crippled livestock. If
4.12 the commissioner receives federal dollars to
4.13 pay claims for destroyed or crippled livestock,
4.14 an equivalent amount of this appropriation
4.15 may be used to reimburse nonlethal prevention
4.16 methods performed by federal wildlife services
4.17 staff.

4.18 (f) \$155,000 the first year and \$155,000 the
4.19 second year are for compensation for crop
4.20 damage under Minnesota Statutes, section
4.21 3.7371. If the amount in the first year is
4.22 insufficient, the amount in the second year is
4.23 available in the first year. The commissioner
4.24 may use up to \$10,000 of the appropriation
4.25 each year to reimburse expenses incurred by
4.26 the commissioner or the commissioner's
4.27 approved agent to investigate and resolve
4.28 claims, as well as for costs associated with
4.29 training for approved agents. The
4.30 commissioner may use up to \$40,000 of the
4.31 appropriation each year to make grants to
4.32 producers for measures to protect stored crops
4.33 from elk damage. If the commissioner
4.34 determines that claims made under Minnesota
4.35 Statutes, section 3.737 or 3.7371, are
4.36 unusually high, amounts appropriated for

5.1 either program may be transferred to the
5.2 appropriation for the other program.

5.3 (g) \$825,000 the first year and \$825,000 the
5.4 second year are to replace capital equipment
5.5 in the Department of Agriculture's analytical
5.6 laboratory.

5.7 (h) \$75,000 the first year and \$75,000 the
5.8 second year are to support a meat processing
5.9 liaison position to assist new or existing meat
5.10 and poultry processing operations in getting
5.11 started, expanding, growing, or transitioning
5.12 into new business models.

5.13 (i) \$2,200,000 the first year and \$1,650,000
5.14 the second year are additional funding to
5.15 maintain the current level of service delivery
5.16 for programs under this subdivision. The base
5.17 for this appropriation is \$1,925,000 for fiscal
5.18 year 2026 and each year thereafter.

5.19 (j) \$250,000 the first year and \$250,000 the
5.20 second year are for grants to organizations in
5.21 Minnesota to develop enterprises, supply
5.22 chains, and markets for continuous-living
5.23 cover crops and cropping systems in the early
5.24 stages of commercial development. For the
5.25 purposes of this paragraph, "continuous-living
5.26 cover crops and cropping systems" refers to
5.27 agroforestry, perennial biomass, perennial
5.28 forage, perennial grains, and winter-annual
5.29 cereal grains and oilseeds that have market
5.30 value as harvested or grazed commodities. By
5.31 February 1 each year, the commissioner must
5.32 submit a report to the chairs and ranking
5.33 minority members of the legislative
5.34 committees with jurisdiction over agriculture
5.35 finance and policy detailing uses of the funds

6.1 in this paragraph, including administrative
6.2 costs, and the achievements these funds
6.3 contributed to. The commissioner may use up
6.4 to 6.5 percent of this appropriation for
6.5 administrative costs. This is a onetime
6.6 appropriation.

6.7 (k) \$45,000 the first year and \$45,000 the
6.8 second year are appropriated for
6.9 wolf-livestock conflict-prevention grants. The
6.10 commissioner may use some of this
6.11 appropriation to support nonlethal prevention
6.12 work performed by federal wildlife services.
6.13 This is a onetime appropriation.

6.14 (l) \$10,000,000 the first year is for transfer to
6.15 the grain indemnity account established in
6.16 Minnesota Statutes, section 223.24. This is a
6.17 onetime transfer.

6.18 (m) \$125,000 the first year and \$125,000 the
6.19 second year are for the PFAS in pesticides
6.20 review. This is a onetime appropriation.

6.21 (n) \$1,941,000 the first year is for transfer to
6.22 the food handler license account. This is a
6.23 onetime transfer.

6.24 (o) \$2,800,000 the second year is for nitrate
6.25 home water treatment, including reverse
6.26 osmosis, for private drinking-water wells with
6.27 nitrate in excess of the maximum contaminant
6.28 level of ten milligrams per liter and located in
6.29 Dodge, Fillmore, Goodhue, Houston, Mower,
6.30 Olmsted, Wabasha, or Winona County. The
6.31 commissioner must prioritize households at
6.32 or below 300 percent of the federal poverty
6.33 guideline and households with infants or
6.34 pregnant individuals. The commissioner may

7.1 also use this appropriation for education,
 7.2 outreach, and technical assistance to
 7.3 homeowners. The commissioner of agriculture
 7.4 may transfer money to the commissioner of
 7.5 health to establish and administer a mitigation
 7.6 program for contaminated wells located in
 7.7 Dodge, Fillmore, Goodhue, Houston, Mower,
 7.8 Olmsted, Wabasha, or Winona County.
 7.9 Notwithstanding Minnesota Statutes, section
 7.10 16B.98, subdivision 14, the commissioner may
 7.11 use up to 6.5 percent of this appropriation for
 7.12 administrative costs. This is a onetime
 7.13 appropriation and is available until June 30,
 7.14 2027.

7.15 (p) \$50,000 the first year is to convene a
 7.16 working group of interested parties, including
 7.17 representatives from the Department of
 7.18 Natural Resources, to investigate and
 7.19 recommend options for addressing crop and
 7.20 fence destruction due to Cervidae. By
 7.21 February 1, 2025, the commissioner must
 7.22 submit a report on the findings and
 7.23 recommendations of the working group to the
 7.24 chairs and ranking minority members of the
 7.25 legislative committees with jurisdiction over
 7.26 agriculture policy and finance.

7.27 Notwithstanding Minnesota Statutes, section
 7.28 16A.28, any unencumbered balance does not
 7.29 cancel at the end of the first year and is
 7.30 available in the second year. This is a onetime
 7.31 appropriation.

7.32 **Subd. 3. Agricultural Marketing and**
 7.33 **Development**

5,165,000

4,985,000

7.34 (a) \$150,000 the first year and \$150,000 the
 7.35 second year are to expand international trade

8.1 opportunities and markets for Minnesota
8.2 agricultural products.

8.3 (b) \$186,000 the first year and \$186,000 the
8.4 second year are for transfer to the Minnesota
8.5 grown account and may be used as grants for
8.6 Minnesota grown promotion under Minnesota
8.7 Statutes, section 17.102. Notwithstanding
8.8 Minnesota Statutes, section 16A.28, the
8.9 appropriations encumbered under contract on
8.10 or before June 30, 2025, for Minnesota grown
8.11 grants in this paragraph are available until June
8.12 30, 2027.

8.13 (c) \$634,000 the first year and \$634,000 the
8.14 second year are for the continuation of the
8.15 dairy development and profitability
8.16 enhancement programs, including dairy
8.17 profitability teams and dairy business planning
8.18 grants under Minnesota Statutes, section
8.19 32D.30.

8.20 (d) The commissioner may use funds
8.21 appropriated in this subdivision for annual
8.22 cost-share payments to resident farmers or
8.23 entities that sell, process, or package
8.24 agricultural products in this state for the costs
8.25 of organic certification. The commissioner
8.26 may allocate these funds for assistance to
8.27 persons transitioning from conventional to
8.28 organic agriculture.

8.29 (e) \$600,000 the first year and \$420,000 the
8.30 second year are to maintain the current level
8.31 of service delivery. The base for this
8.32 appropriation is ~~\$490,000~~ \$510,000 for fiscal
8.33 year 2026 and each year thereafter.

9.1 (f) \$100,000 the first year and \$100,000 the
9.2 second year are for mental health outreach and
9.3 support to farmers, ranchers, and others in the
9.4 agricultural community and for farm safety
9.5 grant and outreach programs under Minnesota
9.6 Statutes, section 17.1195. Mental health
9.7 outreach and support may include a 24-hour
9.8 hotline, stigma reduction, and education.
9.9 Notwithstanding Minnesota Statutes, section
9.10 16A.28, any unencumbered balance does not
9.11 cancel at the end of the first year and is
9.12 available in the second year. This is a onetime
9.13 appropriation.

9.14 (g) \$100,000 the first year and \$100,000 the
9.15 second year are to award and administer grants
9.16 for infrastructure and other forms of financial
9.17 assistance to support EBT, SNAP, SFMNP,
9.18 and related programs at farmers markets.
9.19 Notwithstanding Minnesota Statutes, section
9.20 16A.28, any unencumbered balance does not
9.21 cancel at the end of the first year and is
9.22 available in the second year. This is a onetime
9.23 appropriation.

9.24 (h) \$200,000 the first year and \$200,000 the
9.25 second year are to award cooperative grants
9.26 under Minnesota Statutes, section 17.1016.
9.27 The commissioner may use up to 6.5 percent
9.28 of the appropriation each year to administer
9.29 the grant program. Notwithstanding Minnesota
9.30 Statutes, section 16A.28, any unencumbered
9.31 balance does not cancel at the end of the first
9.32 year and is available in the second year. This
9.33 is a onetime appropriation.

10.1	Subd. 4. Agriculture, Bioenergy, and Bioproduct	37,809,000	33,809,000
10.2	Advancement	<u>34,034,000</u>	<u>38,159,000</u>

10.3 (a) \$10,702,000 the first year and \$10,702,000
 10.4 the second year are for the agriculture
 10.5 research, education, extension, and technology
 10.6 transfer program under Minnesota Statutes,
 10.7 section 41A.14. Except as provided below,
 10.8 the appropriation each year is for transfer to
 10.9 the agriculture research, education, extension,
 10.10 and technology transfer account under
 10.11 Minnesota Statutes, section 41A.14,
 10.12 subdivision 3, and the commissioner shall
 10.13 transfer funds each year to the Board of
 10.14 Regents of the University of Minnesota for
 10.15 purposes of Minnesota Statutes, section
 10.16 41A.14. To the extent practicable, money
 10.17 expended under Minnesota Statutes, section
 10.18 41A.14, subdivision 1, clauses (1) and (2),
 10.19 must supplement and not supplant existing
 10.20 sources and levels of funding. The
 10.21 commissioner may use up to one percent of
 10.22 this appropriation for costs incurred to
 10.23 administer the program.

10.24 Of the amount appropriated for the agriculture
 10.25 research, education, extension, and technology
 10.26 transfer grant program under Minnesota
 10.27 Statutes, section 41A.14:

10.28 (1) \$600,000 the first year and \$600,000 the
 10.29 second year are for the Minnesota Agricultural
 10.30 Experiment Station's agriculture rapid
 10.31 response fund under Minnesota Statutes,
 10.32 section 41A.14, subdivision 1, clause (2);

10.33 (2) up to \$1,000,000 the first year and up to
 10.34 \$1,000,000 the second year are for research
 10.35 on avian influenza, salmonella, and other

11.1 turkey-related diseases and disease prevention
11.2 measures;

11.3 (3) \$2,250,000 the first year and \$2,250,000
11.4 the second year are for grants to the Minnesota
11.5 Agricultural Education Leadership Council to
11.6 enhance agricultural education with priority
11.7 given to Farm Business Management
11.8 challenge grants;

11.9 (4) \$450,000 the first year is for the cultivated
11.10 wild rice breeding project at the North Central
11.11 Research and Outreach Center to include a
11.12 tenure track/research associate plant breeder;

11.13 (5) \$350,000 the first year and \$350,000 the
11.14 second year are for potato breeding;

11.15 (6) \$802,000 the first year and \$802,000 the
11.16 second year are to fund the Forever Green
11.17 Initiative and protect the state's natural
11.18 resources while increasing the efficiency,
11.19 profitability, and productivity of Minnesota
11.20 farmers by incorporating perennial and
11.21 winter-annual crops into existing agricultural
11.22 practices. The base for the allocation under
11.23 this clause is \$802,000 in fiscal year 2026 and
11.24 each year thereafter. By February 1 each year,
11.25 the dean of the College of Food, Agricultural
11.26 and Natural Resource Sciences must submit
11.27 a report to the chairs and ranking minority
11.28 members of the legislative committees with
11.29 jurisdiction over agriculture finance and policy
11.30 and higher education detailing uses of the
11.31 funds in this paragraph, including
11.32 administrative costs, and the achievements
11.33 these funds contributed to; ~~and~~

- 12.1 (7) \$350,000 each year is for farm-scale winter
12.2 greenhouse research and development
12.3 coordinated by University of Minnesota
12.4 Extension Regional Sustainable Development
12.5 Partnerships. The allocation in this clause is
12.6 onetime;₂
- 12.7 (8) \$200,000 the second year is for research
12.8 on natural stands of wild rice; and
- 12.9 (9) \$250,000 the second year is for the
12.10 cultivated wild rice forward selection project
12.11 at the North Central Research and Outreach
12.12 Center, including a tenure track or research
12.13 associate plant scientist.
- 12.14 (b) The base for the agriculture research,
12.15 education, extension, and technology transfer
12.16 program is \$10,352,000 in fiscal year 2026
12.17 and \$10,352,000 in fiscal year 2027.
- 12.18 (c) ~~\$27,107,000~~ \$23,332,000 the first year ~~and~~
12.19 ~~\$23,107,000 the second year are~~ is for the
12.20 agricultural growth, research, and innovation
12.21 program under Minnesota Statutes, section
12.22 41A.12. Except as provided below, the
12.23 commissioner may allocate this appropriation
12.24 ~~each year~~ among the following areas:
12.25 facilitating the start-up, modernization,
12.26 improvement, or expansion of livestock
12.27 operations, including beginning and
12.28 transitioning livestock operations with
12.29 preference given to robotic dairy-milking
12.30 equipment; assisting value-added agricultural
12.31 businesses to begin or expand, to access new
12.32 markets, or to diversify, including aquaponics
12.33 systems, with preference given to hemp fiber
12.34 processing equipment; facilitating the start-up,
12.35 modernization, or expansion of other

13.1 beginning and transitioning farms, including
13.2 by providing loans under Minnesota Statutes,
13.3 section 41B.056; sustainable agriculture
13.4 on-farm research and demonstration; the
13.5 development or expansion of food hubs and
13.6 other alternative community-based food
13.7 distribution systems; enhancing renewable
13.8 energy infrastructure and use; crop research,
13.9 including basic and applied turf seed research;
13.10 Farm Business Management tuition assistance;
13.11 and good agricultural practices and good
13.12 handling practices certification assistance. The
13.13 commissioner may use up to 6.5 percent of
13.14 this appropriation for costs incurred to
13.15 administer the program.

13.16 Of the amount appropriated for the agricultural
13.17 growth, research, and innovation program
13.18 under Minnesota Statutes, section 41A.12:

13.19 (1) ~~\$1,000,000 the first year and \$1,000,000~~
13.20 ~~the second year are~~ is for distribution in equal
13.21 amounts to each of the state's county fairs to
13.22 preserve and promote Minnesota agriculture;

13.23 (2) ~~\$5,750,000 the first year and \$5,750,000~~
13.24 ~~the second year are~~ is for incentive payments
13.25 under Minnesota Statutes, sections 41A.16,
13.26 41A.17, 41A.18, and 41A.20. Notwithstanding
13.27 Minnesota Statutes, section 16A.28, the first
13.28 year appropriation is available until June 30,
13.29 2025, ~~and the second year appropriation is~~
13.30 ~~available until June 30, 2026.~~ If this
13.31 appropriation exceeds the total amount for
13.32 which all producers are eligible in a fiscal
13.33 year, the balance of the appropriation is
13.34 available for other purposes under this
13.35 paragraph. ~~The base under this clause is~~

14.1 ~~\$3,000,000 in fiscal year 2026 and each year~~
14.2 ~~thereafter;~~
14.3 (3) ~~\$3,375,000 the first year and \$3,375,000~~
14.4 ~~the second year are~~ is for grants that enable
14.5 retail petroleum dispensers, fuel storage tanks,
14.6 and other equipment to dispense biofuels to
14.7 the public in accordance with the biofuel
14.8 replacement goals established under
14.9 Minnesota Statutes, section 239.7911. A retail
14.10 petroleum dispenser selling petroleum for use
14.11 in spark ignition engines for vehicle model
14.12 years after 2000 is eligible for grant money
14.13 under this clause if the retail petroleum
14.14 dispenser has no more than 10 retail petroleum
14.15 dispensing sites and each site is located in
14.16 Minnesota. The grant money must be used to
14.17 replace or upgrade equipment that does not
14.18 have the ability to be certified for E25. A grant
14.19 award must not exceed 65 percent of the cost
14.20 of the appropriate technology. A grant award
14.21 must not exceed \$200,000 per station. The
14.22 commissioner must cooperate with biofuel
14.23 stakeholders in the implementation of the grant
14.24 program. The commissioner, in cooperation
14.25 with any economic or community development
14.26 financial institution and any other entity with
14.27 which the commissioner contracts, must
14.28 submit a report on the biofuels infrastructure
14.29 financial assistance program by January 15 of
14.30 each year to the chairs and ranking minority
14.31 members of the legislative committees and
14.32 divisions with jurisdiction over agriculture
14.33 policy and finance. The annual report must
14.34 include but not be limited to a summary of the
14.35 following metrics: (i) the number and types
14.36 of projects financed; (ii) the amount of dollars

15.1 leveraged or matched per project; (iii) the
15.2 geographic distribution of financed projects;
15.3 (iv) any market expansion associated with
15.4 upgraded infrastructure; (v) the demographics
15.5 of the areas served; (vi) the costs of the
15.6 program; and (vii) the number of grants to
15.7 minority-owned or female-owned businesses:
15.8 ~~The base under this clause is \$3,000,000 for~~
15.9 ~~fiscal year 2026 and each year thereafter;~~
15.10 (4) \$1,250,000 the first year ~~and \$1,250,000~~
15.11 ~~the second year are~~ is for grants to facilitate
15.12 the start-up, modernization, or expansion of
15.13 meat, poultry, egg, and milk processing
15.14 facilities. A grant award under this clause must
15.15 not exceed \$200,000. Any unencumbered
15.16 balance at the end of the second year does not
15.17 cancel until June 30, 2026, and may be used
15.18 for other purposes under this paragraph. ~~The~~
15.19 ~~base under this clause is \$250,000 in fiscal~~
15.20 ~~year 2026 and each year thereafter;~~
15.21 (5) \$1,150,000 the first year ~~and \$1,150,000~~
15.22 ~~the second year are~~ is for providing more
15.23 fruits, vegetables, meat, poultry, grain, and
15.24 dairy for children in school and early
15.25 childhood education ~~centers~~ settings,
15.26 including, at the commissioner's discretion,
15.27 providing grants to reimburse schools and
15.28 early childhood education ~~centers~~ and child
15.29 care providers for purchasing equipment and
15.30 agricultural products. Organizations must
15.31 participate in the National School Lunch
15.32 Program or the Child and Adult Care Food
15.33 Program to be eligible. Of the amount
15.34 appropriated, \$150,000 ~~each year~~ is for a
15.35 statewide coordinator of farm-to-institution

16.1 strategy and programming. The coordinator
16.2 must consult with relevant stakeholders and
16.3 provide technical assistance and training for
16.4 participating farmers and eligible grant
16.5 recipients. ~~The base under this clause is~~
16.6 ~~\$1,294,000 in fiscal year 2026 and each year~~
16.7 ~~thereafter;~~

16.8 ~~(6) \$4,000,000 the first year is for Dairy~~
16.9 ~~Assistance, Investment, Relief Initiative~~
16.10 ~~(DAIRI) grants and other forms of financial~~
16.11 ~~assistance to Minnesota dairy farms that enroll~~
16.12 ~~in coverage under a federal dairy risk~~
16.13 ~~protection program and produced no more~~
16.14 ~~than 16,000,000 pounds of milk in 2022. The~~
16.15 ~~commissioner must make DAIRI payments~~
16.16 ~~based on the amount of milk produced in~~
16.17 ~~2022, up to 5,000,000 pounds per participating~~
16.18 ~~farm, at a rate determined by the commissioner~~
16.19 ~~within the limits of available funding. Any~~
16.20 ~~unencumbered balance does not cancel at the~~
16.21 ~~end of the first year and is available in the~~
16.22 ~~second year. Any unencumbered balance at~~
16.23 ~~the end of the second year does not cancel~~
16.24 ~~until June 30, 2026, and may be used for other~~
16.25 ~~purposes under this paragraph. The allocation~~
16.26 ~~in this clause is onetime;~~

16.27 ~~(7) (6) \$2,000,000 the first year and~~
16.28 ~~\$2,000,000 the second year are is for urban~~
16.29 ~~youth agricultural education or urban~~
16.30 ~~agriculture community development; and~~
16.31 ~~(8) (7) \$1,000,000 the first year and~~
16.32 ~~\$1,000,000 the second year are is for the good~~
16.33 ~~food access program under Minnesota~~
16.34 ~~Statutes, section 17.1017; and~~

17.1 (8) \$225,000 the first year is to provide grants
17.2 to secondary career and technical education
17.3 programs for the purpose of offering
17.4 instruction in meat cutting and butchery.
17.5 Notwithstanding Minnesota Statutes, section
17.6 16B.98, subdivision 14, the commissioner may
17.7 use up to 6.5 percent of this appropriation for
17.8 administrative costs. This is a onetime
17.9 appropriation. Grants may be used for costs,
17.10 including but not limited to:
17.11 (i) equipment required for a meat cutting
17.12 program;
17.13 (ii) facility renovation to accommodate meat
17.14 cutting; and
17.15 (iii) training faculty to teach the fundamentals
17.16 of meat processing.
17.17 A grant recipient may be awarded a grant of
17.18 up to \$75,000 and may use up to ten percent
17.19 of the grant for faculty training. Priority may
17.20 be given to applicants who are coordinating
17.21 with meat cutting and butchery programs at
17.22 Minnesota State Colleges and Universities
17.23 institutions or with local industry partners.
17.24 By January 15, 2025, the commissioner must
17.25 report to the chairs and ranking minority
17.26 members of the legislative committees with
17.27 jurisdiction over agriculture finance and
17.28 education finance by listing the grants made
17.29 under this paragraph by county and noting the
17.30 number and amount of grant requests not
17.31 fulfilled. The report may include additional
17.32 information as determined by the
17.33 commissioner, including but not limited to
17.34 information regarding the outcomes produced

18.1 by these grants. If additional grants are
18.2 awarded under this paragraph that were not
18.3 covered in the report due by January 15, 2025,
18.4 the commissioner must submit an additional
18.5 report to the chairs and ranking minority
18.6 members of the legislative committees with
18.7 jurisdiction over agriculture finance and
18.8 education finance regarding all grants issued
18.9 under this paragraph by November 1, 2025.

18.10 Notwithstanding Minnesota Statutes, section
18.11 16A.28, any unencumbered balance does not
18.12 cancel at the end of the first year and is
18.13 available for the second year, and
18.14 appropriations encumbered under contract on
18.15 or before June 30, 2025, for agricultural
18.16 growth, research, and innovation grants are
18.17 available until June 30, 2028.

18.18 (d) \$27,457,000 the second year is for the
18.19 agricultural growth, research, and innovation
18.20 program under Minnesota Statutes, section
18.21 41A.12. Except as provided below, the
18.22 commissioner may allocate this appropriation
18.23 among the following areas: facilitating the
18.24 start-up, modernization, improvement, or
18.25 expansion of livestock operations, including
18.26 beginning and transitioning livestock
18.27 operations with preference given to robotic
18.28 dairy-milking equipment; assisting
18.29 value-added agricultural businesses to begin
18.30 or expand, to access new markets, or to
18.31 diversify, including aquaponics systems, with
18.32 preference given to hemp fiber processing
18.33 equipment; facilitating the start-up,
18.34 modernization, or expansion of other
18.35 beginning and transitioning farms, including

19.1 by providing loans under Minnesota Statutes,
19.2 section 41B.056; sustainable agriculture
19.3 on-farm research and demonstration; the
19.4 development or expansion of food hubs and
19.5 other alternative community-based food
19.6 distribution systems; enhancing renewable
19.7 energy infrastructure and use; crop research,
19.8 including basic and applied turf seed research;
19.9 Farm Business Management tuition assistance;
19.10 and good agricultural practices and good
19.11 handling practices certification assistance. The
19.12 commissioner may use up to 6.5 percent of
19.13 this appropriation for costs incurred to
19.14 administer the program.

19.15 Of the amount appropriated for the agricultural
19.16 growth, research, and innovation program
19.17 under Minnesota Statutes, section 41A.12:

19.18 (1) \$1,000,000 the second year is for
19.19 distribution in equal amounts to each of the
19.20 state's county fairs to preserve and promote
19.21 Minnesota agriculture;

19.22 (2) \$5,750,000 the second year is for incentive
19.23 payments under Minnesota Statutes, sections
19.24 41A.16, 41A.17, 41A.18, and 41A.20.
19.25 Notwithstanding Minnesota Statutes, section
19.26 16A.28, this appropriation is available until
19.27 June 30, 2027. If this appropriation exceeds
19.28 the total amount for which all producers are
19.29 eligible in a fiscal year, the balance of the
19.30 appropriation is available for other purposes
19.31 under this paragraph. The base under this
19.32 clause is \$3,000,000 in fiscal year 2026 and
19.33 each year thereafter;

19.34 (3) \$3,375,000 the second year is for grants
19.35 that enable retail petroleum dispensers, fuel

20.1 storage tanks, and other equipment to dispense
20.2 biofuels to the public in accordance with the
20.3 biofuel replacement goals established under
20.4 Minnesota Statutes, section 239.7911. A retail
20.5 petroleum dispenser selling petroleum for use
20.6 in spark ignition engines for vehicle model
20.7 years after 2000 is eligible for grant money
20.8 under this clause if the retail petroleum
20.9 dispenser has no more than ten retail
20.10 petroleum dispensing sites and each site is
20.11 located in Minnesota. The grant money must
20.12 be used to replace or upgrade equipment that
20.13 does not have the ability to be certified for
20.14 E25. A grant award must not exceed 65
20.15 percent of the cost of the appropriate
20.16 technology. A grant award must not exceed
20.17 \$200,000 per station. The commissioner must
20.18 cooperate with biofuel stakeholders in the
20.19 implementation of the grant program. The
20.20 commissioner, in cooperation with any
20.21 economic or community development
20.22 financial institution and any other entity with
20.23 which the commissioner contracts, must
20.24 submit a report on the biofuels infrastructure
20.25 financial assistance program by January 15 of
20.26 each year to the chairs and ranking minority
20.27 members of the legislative committees and
20.28 divisions with jurisdiction over agriculture
20.29 policy and finance. The annual report must
20.30 include but not be limited to a summary of the
20.31 following metrics: (i) the number and types
20.32 of projects financed; (ii) the amount of money
20.33 leveraged or matched per project; (iii) the
20.34 geographic distribution of financed projects;
20.35 (iv) any market expansion associated with
20.36 upgraded infrastructure; (v) the demographics

21.1 of the areas served; (vi) the costs of the
21.2 program; and (vii) the number of grants to
21.3 minority-owned or female-owned businesses.
21.4 The base under this clause is \$3,000,000 for
21.5 fiscal year 2026 and each year thereafter;
21.6 (4) \$1,250,000 the second year is for grants
21.7 to facilitate the start-up, modernization, or
21.8 expansion of meat, poultry, egg, and milk
21.9 processing facilities. A grant award under this
21.10 clause must not exceed \$200,000. Any
21.11 unencumbered balance at the end of the second
21.12 year does not cancel until June 30, 2027, and
21.13 may be used for other purposes under this
21.14 paragraph. The base under this clause is
21.15 \$250,000 in fiscal year 2026 and each year
21.16 thereafter;
21.17 (5) \$1,275,000 the second year is for providing
21.18 more fruits, vegetables, meat, poultry, grain,
21.19 and dairy for children in school and early
21.20 childhood education settings, including, at the
21.21 commissioner's discretion, providing grants
21.22 to reimburse schools and early childhood
21.23 education and child care providers for
21.24 purchasing equipment and agricultural
21.25 products. Organizations must participate in
21.26 the National School Lunch Program or the
21.27 Child and Adult Care Food Program to be
21.28 eligible. Of the amount appropriated, \$150,000
21.29 is for a statewide coordinator of
21.30 farm-to-institution strategy and programming.
21.31 The coordinator must consult with relevant
21.32 stakeholders and provide technical assistance
21.33 and training for participating farmers and
21.34 eligible grant recipients. The base under this

22.1 clause is \$1,294,000 in fiscal year 2026 and
22.2 each year thereafter;

22.3 (6) \$4,000,000 the second year is for Dairy
22.4 Assistance, Investment, Relief Initiative
22.5 (DAIRI) grants and other forms of financial
22.6 assistance to Minnesota dairy farms that enroll
22.7 in coverage under a federal dairy risk
22.8 protection program and produced no more
22.9 than 16,000,000 pounds of milk in 2022. The
22.10 commissioner must make DAIRI payments
22.11 based on the amount of milk produced in
22.12 2022, up to 5,000,000 pounds per participating
22.13 farm, at a rate determined by the commissioner
22.14 within the limits of available funding. Any
22.15 unencumbered balance on June 30, 2026, may
22.16 be used for other purposes under this
22.17 paragraph. The allocation in this clause is
22.18 onetime;

22.19 (7) \$2,000,000 the second year is for urban
22.20 youth agricultural education or urban
22.21 agriculture community development;

22.22 (8) \$1,000,000 the second year is for the good
22.23 food access program under Minnesota
22.24 Statutes, section 17.1017; and

22.25 (9) \$225,000 the second year is for the
22.26 protecting livestock grant program for
22.27 producers to support the installation of
22.28 measures to prevent the transmission of avian
22.29 influenza. For the appropriation in this
22.30 paragraph, a grant applicant must document
22.31 a cost-share of 20 percent. An applicant's
22.32 cost-share amount may be reduced up to
22.33 \$2,000 to cover time and labor costs.

22.34 Notwithstanding Minnesota Statutes, section
22.35 16B.98, subdivision 14, the commissioner may

23.1 use up to 6.5 percent of this appropriation for
 23.2 administrative costs. This appropriation is
 23.3 available until June 30, 2027. This is a onetime
 23.4 appropriation. Notwithstanding Minnesota
 23.5 Statutes, section 16A.28, this appropriation
 23.6 does not cancel at the end of the second year
 23.7 and is available until June 30, 2027.

23.8 Appropriations encumbered under contract on
 23.9 or before June 30, 2027, for agricultural
 23.10 growth, research, and innovation grants are
 23.11 available until June 30, 2030.

23.12 ~~(d)~~ (e) The base for the agricultural growth,
 23.13 research, and innovation program is
 23.14 ~~\$16,294,000~~ \$17,582,000 in fiscal year 2026
 23.15 and each year thereafter and includes \$200,000
 23.16 each year for cooperative development grants.

23.17	Subd. 5. Administration and Financial	16,618,000	14,287,000
23.18	Assistance	<u>16,643,000</u>	<u>14,587,000</u>

23.19 (a) \$474,000 the first year and \$474,000 the
 23.20 second year are for payments to county and
 23.21 district agricultural societies and associations
 23.22 under Minnesota Statutes, section 38.02,
 23.23 subdivision 1. Aid payments to county and
 23.24 district agricultural societies and associations
 23.25 must be disbursed no later than July 15 of each
 23.26 year. These payments are the amount of aid
 23.27 from the state for an annual fair held in the
 23.28 previous calendar year.

23.29 (b) \$350,000 the first year and \$350,000 the
 23.30 second year are for grants to the Minnesota
 23.31 Agricultural Education and Leadership
 23.32 Council for programs of the council under
 23.33 Minnesota Statutes, chapter 41D. The base for
 23.34 this appropriation is \$250,000 in fiscal year
 23.35 2026 and each year thereafter.

24.1 (c) \$2,000 the first year is for a grant to the
24.2 Minnesota State Poultry Association. This is
24.3 a onetime appropriation. Notwithstanding
24.4 Minnesota Statutes, section 16A.28, any
24.5 unencumbered balance does not cancel at the
24.6 end of the first year and is available for the
24.7 second year.

24.8 (d) \$18,000 the first year and \$18,000 the
24.9 second year are for grants to the Minnesota
24.10 Livestock Breeders Association. This is a
24.11 onetime appropriation.

24.12 (e) \$60,000 the first year and \$60,000 the
24.13 second year are for grants to the Northern
24.14 Crops Institute that may be used to purchase
24.15 equipment. This is a onetime appropriation.

24.16 (f) \$34,000 the first year and \$34,000 the
24.17 second year are for grants to the Minnesota
24.18 State Horticultural Society. This is a onetime
24.19 appropriation.

24.20 (g) \$25,000 the first year and \$25,000 the
24.21 second year are for grants to the Center for
24.22 Rural Policy and Development. This is a
24.23 onetime appropriation.

24.24 (h) \$75,000 the first year and \$75,000 the
24.25 second year are appropriated from the general
24.26 fund to the commissioner of agriculture for
24.27 grants to the Minnesota Turf Seed Council for
24.28 basic and applied research on: (1) the
24.29 improved production of forage and turf seed
24.30 related to new and improved varieties; and (2)
24.31 native plants, including plant breeding,
24.32 nutrient management, pest management,
24.33 disease management, yield, and viability. The
24.34 Minnesota Turf Seed Council may subcontract

25.1 with a qualified third party for some or all of
25.2 the basic or applied research. Any
25.3 unencumbered balance does not cancel at the
25.4 end of the first year and is available in the
25.5 second year. The Minnesota Turf Seed Council
25.6 must prepare a report outlining the use of the
25.7 grant money and related accomplishments. No
25.8 later than January 15, 2025, the council must
25.9 submit the report to the chairs and ranking
25.10 minority members of the legislative
25.11 committees and divisions with jurisdiction
25.12 over agriculture finance and policy. This is a
25.13 onetime appropriation.

25.14 (i) \$100,000 the first year and \$100,000 the
25.15 second year are for grants to GreenSeam for
25.16 assistance to agriculture-related businesses to
25.17 support business retention and development,
25.18 business attraction and creation, talent
25.19 development and attraction, and regional
25.20 branding and promotion. These are onetime
25.21 appropriations. No later than December 1,
25.22 2024, and December 1, 2025, GreenSeam
25.23 must report to the chairs and ranking minority
25.24 members of the legislative committees with
25.25 jurisdiction over agriculture and rural
25.26 development with information on new and
25.27 existing businesses supported, number of new
25.28 jobs created in the region, new educational
25.29 partnerships and programs supported, and
25.30 regional branding and promotional efforts.

25.31 (j) \$1,950,000 the first year and \$1,950,000
25.32 the second year are for grants to Second
25.33 Harvest Heartland on behalf of Minnesota's
25.34 six Feeding America food banks for the
25.35 following purposes:

26.1 (1) at least \$850,000 each year must be
26.2 allocated to purchase milk for distribution to
26.3 Minnesota's food shelves and other charitable
26.4 organizations that are eligible to receive food
26.5 from the food banks. Milk purchased under
26.6 the grants must be acquired from Minnesota
26.7 milk processors and based on low-cost bids.
26.8 The milk must be allocated to each Feeding
26.9 America food bank serving Minnesota
26.10 according to the formula used in the
26.11 distribution of United States Department of
26.12 Agriculture commodities under The
26.13 Emergency Food Assistance Program. Second
26.14 Harvest Heartland may enter into contracts or
26.15 agreements with food banks for shared funding
26.16 or reimbursement of the direct purchase of
26.17 milk. Each food bank that receives funding
26.18 under this clause may use up to two percent
26.19 for administrative expenses. Notwithstanding
26.20 Minnesota Statutes, section 16A.28, any
26.21 unencumbered balance the first year does not
26.22 cancel and is available the second year;

26.23 (2) to compensate agricultural producers and
26.24 processors for costs incurred to harvest and
26.25 package for transfer surplus fruits, vegetables,
26.26 and other agricultural commodities that would
26.27 otherwise go unharvested, be discarded, or be
26.28 sold in a secondary market. Surplus
26.29 commodities must be distributed statewide to
26.30 food shelves and other charitable organizations
26.31 that are eligible to receive food from the food
26.32 banks. Surplus food acquired under this clause
26.33 must be from Minnesota producers and
26.34 processors. Second Harvest Heartland may
26.35 use up to 15 percent of each grant awarded

27.1 under this clause for administrative and
27.2 transportation expenses; and
27.3 (3) to purchase and distribute protein products,
27.4 including but not limited to pork, poultry, beef,
27.5 dry legumes, cheese, and eggs to Minnesota's
27.6 food shelves and other charitable organizations
27.7 that are eligible to receive food from the food
27.8 banks. Second Harvest Heartland may use up
27.9 to two percent of each grant awarded under
27.10 this clause for administrative expenses. Protein
27.11 products purchased under the grants must be
27.12 acquired from Minnesota processors and
27.13 producers.

27.14 Second Harvest Heartland must submit
27.15 quarterly reports to the commissioner and the
27.16 chairs and ranking minority members of the
27.17 legislative committees with jurisdiction over
27.18 agriculture finance in the form prescribed by
27.19 the commissioner. The reports must include
27.20 but are not limited to information on the
27.21 expenditure of funds, the amount of milk or
27.22 other commodities purchased, and the
27.23 organizations to which this food was
27.24 distributed. The base for this appropriation is
27.25 \$1,700,000 for fiscal year 2026 and each year
27.26 thereafter.

27.27 (k) \$25,000 the first year and \$25,000 the
27.28 second year are for grants to the Southern
27.29 Minnesota Initiative Foundation to promote
27.30 local foods through an annual event that raises
27.31 public awareness of local foods and connects
27.32 local food producers and processors with
27.33 potential buyers.

27.34 (l) \$300,000 the first year and \$300,000 the
27.35 second year are for grants to The Good Acre

28.1 for the Local Emergency Assistance Farmer
28.2 Fund (LEAFF) program to compensate
28.3 emerging farmers for crops donated to hunger
28.4 relief organizations in Minnesota. This is a
28.5 onetime appropriation.

28.6 (m) \$750,000 the first year and \$750,000 the
28.7 second year are to expand the Emerging
28.8 Farmers Office and provide services to
28.9 beginning and emerging farmers to increase
28.10 connections between farmers and market
28.11 opportunities throughout the state. This
28.12 appropriation may be used for grants,
28.13 translation services, training programs, or
28.14 other purposes in line with the
28.15 recommendations of the Emerging Farmer
28.16 Working Group established under Minnesota
28.17 Statutes, section 17.055, subdivision 1. The
28.18 base for this appropriation is \$1,000,000 in
28.19 fiscal year 2026 and each year thereafter.

28.20 (n) \$50,000 the first year is to provide
28.21 technical assistance and leadership in the
28.22 development of a comprehensive and
28.23 well-documented state aquaculture plan. The
28.24 commissioner must provide the state
28.25 aquaculture plan to the legislative committees
28.26 with jurisdiction over agriculture finance and
28.27 policy by February 15, 2025.

28.28 (o) \$337,000 the first year and \$337,000 the
28.29 second year are for farm advocate services.
28.30 Of these amounts, \$50,000 the first year and
28.31 \$50,000 the second year are for the
28.32 continuation of the farmland transition
28.33 programs and may be used for grants to
28.34 farmland access teams to provide technical
28.35 assistance to potential beginning farmers.

29.1 Farmland access teams must assist existing
29.2 farmers and beginning farmers with
29.3 transitioning farm ownership and farm
29.4 operation. Services provided by teams may
29.5 include but are not limited to mediation
29.6 assistance, designing contracts, financial
29.7 planning, tax preparation, estate planning, and
29.8 housing assistance.

29.9 (p) \$260,000 the first year and \$260,000 the
29.10 second year are for a pass-through grant to
29.11 Region Five Development Commission to
29.12 provide, in collaboration with Farm Business
29.13 Management, statewide mental health
29.14 counseling support to Minnesota farm
29.15 operators, families, and employees, and
29.16 individuals who work with Minnesota farmers
29.17 in a professional capacity. Region Five
29.18 Development Commission may use up to 6.5
29.19 percent of the grant awarded under this
29.20 paragraph for administration.

29.21 (q) \$1,000,000 the first year is for transfer to
29.22 the agricultural emergency account established
29.23 under Minnesota Statutes, section 17.041.

29.24 (r) \$1,084,000 the first year and \$500,000 the
29.25 second year are to support IT modernization
29.26 efforts, including laying the technology
29.27 foundations needed for improving customer
29.28 interactions with the department for licensing
29.29 and payments. This is a onetime appropriation.

29.30 (s) \$275,000 the first year is for technical
29.31 assistance grants to certified community
29.32 development financial institutions that
29.33 participate in United States Department of
29.34 Agriculture loan or grant programs for small
29.35 or emerging farmers, including but not limited

30.1 to the Increasing Land, Capital, and Market
30.2 Access Program. For purposes of this
30.3 paragraph, "emerging farmer" has the meaning
30.4 given in Minnesota Statutes, section 17.055,
30.5 subdivision 1. The commissioner may use up
30.6 to 6.5 percent of this appropriation for costs
30.7 incurred to administer the program.
30.8 Notwithstanding Minnesota Statutes, section
30.9 16A.28, any unencumbered balance does not
30.10 cancel at the end of the first year and is
30.11 available in the second year. This is a onetime
30.12 appropriation.
30.13 (t) \$1,425,000 the first year and \$1,425,000
30.14 the second year are for transfer to the
30.15 agricultural and environmental revolving loan
30.16 account established under Minnesota Statutes,
30.17 section 17.117, subdivision 5a, for low-interest
30.18 loans under Minnesota Statutes, section
30.19 17.117.
30.20 (u) \$150,000 the first year and \$150,000 the
30.21 second year are for administrative support for
30.22 the Rural Finance Authority.
30.23 (v) The base in fiscal years 2026 and 2027 is
30.24 \$150,000 each year to coordinate
30.25 climate-related activities and services within
30.26 the Department of Agriculture and
30.27 counterparts in local, state, and federal
30.28 agencies and to hire a full-time climate
30.29 implementation coordinator. The climate
30.30 implementation coordinator must coordinate
30.31 efforts seeking federal funding for Minnesota's
30.32 agricultural climate adaptation and mitigation
30.33 efforts and develop strategic partnerships with
30.34 the private sector and nongovernment
30.35 organizations.

31.1 (w) \$1,200,000 the first year and \$930,000 the
31.2 second year are to maintain the current level
31.3 of service delivery. The base for this
31.4 appropriation is ~~\$1,085,000~~ \$1,065,000 in
31.5 fiscal year 2026 and ~~\$1,085,000~~ \$1,065,000
31.6 in fiscal year 2027 and each year thereafter.

31.7 (x) \$250,000 the first year is for a grant to the
31.8 Board of Regents of the University of
31.9 Minnesota to purchase equipment for the
31.10 Veterinary Diagnostic Laboratory to test for
31.11 chronic wasting disease, African swine fever,
31.12 avian influenza, and other animal diseases.
31.13 The Veterinary Diagnostic Laboratory must
31.14 report expenditures under this paragraph to
31.15 the legislative committees with jurisdiction
31.16 over agriculture finance and higher education
31.17 with a report submitted by January 3, 2024,
31.18 and a final report submitted by December 31,
31.19 2024. The reports must include a list of
31.20 equipment purchased, including the cost of
31.21 each item.

31.22 (y) \$1,000,000 the first year and \$1,000,000
31.23 the second year are to award and administer
31.24 down payment assistance grants under
31.25 Minnesota Statutes, section 17.133, with
31.26 priority given to ~~emerging farmers as defined~~
31.27 ~~in Minnesota Statutes, section 17.055,~~
31.28 ~~subdivision 1~~ eligible applicants with no more
31.29 than \$100,000 in annual gross farm product
31.30 sales and eligible applicants who are producers
31.31 of industrial hemp, cannabis, or one or more
31.32 of the following specialty crops as defined by
31.33 the United States Department of Agriculture
31.34 for purposes of the specialty crop block grant
31.35 program: fruits and vegetables, tree nuts, dried

32.1 fruits, medicinal plants, culinary herbs and
32.2 spices, horticulture crops, floriculture crops,
32.3 and nursery crops. Notwithstanding Minnesota
32.4 Statutes, section 16A.28, any unencumbered
32.5 balance at the end of the first year does not
32.6 cancel and is available in the second year and
32.7 appropriations encumbered under contract by
32.8 June 30, 2025, are available until June 30,
32.9 2027.

32.10 (z) \$222,000 the first year and \$322,000 the
32.11 second year are for meat processing training
32.12 and retention incentive grants under section
32.13 5. The commissioner may use up to 6.5
32.14 percent of this appropriation for costs incurred
32.15 to administer the program. Notwithstanding
32.16 Minnesota Statutes, section 16A.28, any
32.17 unencumbered balance does not cancel at the
32.18 end of the first year and is available in the
32.19 second year. This is a onetime appropriation.

32.20 (aa) \$300,000 the first year and \$300,000 the
32.21 second year are for transfer to the Board of
32.22 Regents of the University of Minnesota to
32.23 evaluate, propagate, and maintain the genetic
32.24 diversity of oilseeds, grains, grasses, legumes,
32.25 and other plants including flax, timothy,
32.26 barley, rye, triticale, alfalfa, orchard grass,
32.27 clover, and other species and varieties that
32.28 were in commercial distribution and use in
32.29 Minnesota before 1970, excluding wild rice.
32.30 This effort must also protect traditional seeds
32.31 brought to Minnesota by immigrant
32.32 communities. This appropriation includes
32.33 funding for associated extension and outreach
32.34 to small and Black, Indigenous, and People of

33.1 Color (BIPOC) farmers. This is a onetime
 33.2 appropriation.

33.3 (bb) \$300,000 the second year is to award and
 33.4 administer beginning farmer equipment and
 33.5 infrastructure grants under Minnesota Statutes,
 33.6 section 17.055. This is a onetime
 33.7 appropriation.

33.8 (cc) \$25,000 the first year is for the credit
 33.9 market report. Notwithstanding Minnesota
 33.10 Statutes, section 16A.28, any unencumbered
 33.11 balance does not cancel at the end of the first
 33.12 year and is available in the second year. This
 33.13 is a onetime appropriation.

33.14 ~~(bb)~~ (dd) The commissioner shall continue to
 33.15 increase connections with ethnic minority and
 33.16 immigrant farmers to farming opportunities
 33.17 and farming programs throughout the state.

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

33.19 Sec. 2. Laws 2023, chapter 43, article 1, section 4, is amended to read:

33.20	Sec. 4. AGRICULTURAL UTILIZATION		6,143,000	
33.21	RESEARCH INSTITUTE	\$	<u>6,368,000</u>	\$ 4,343,000

33.22 (a) \$300,000 the first year is for equipment
 33.23 upgrades, equipment replacement, installation
 33.24 expenses, and laboratory infrastructure at the
 33.25 Agricultural Utilization Research Institute's
 33.26 laboratories in the cities of Crookston,
 33.27 Marshall, and Waseca.

33.28 (b) \$1,500,000 the first year is to replace
 33.29 analytical and processing equipment and make
 33.30 corresponding facility upgrades at Agricultural
 33.31 Utilization Research Institute facilities in the
 33.32 cities of Marshall, Crookston, and Waseca. Of
 33.33 this amount, up to \$500,000 may be used for

34.1 renewable natural gas and anaerobic digestion
34.2 projects. This is a onetime appropriation and
34.3 is available until June 30, 2026.

34.4 (c) \$300,000 the first year and \$300,000 the
34.5 second year are to maintain the current level
34.6 of service delivery.

34.7 (d) \$225,000 the first year is to support food
34.8 businesses. This is a onetime appropriation
34.9 and is available until June 30, 2026.

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

34.11 **ARTICLE 2**
34.12 **AGRICULTURE POLICY**

34.13 Section 1. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision
34.14 to read:

34.15 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the
34.16 meanings given.

34.17 (b) "Approved agent" means a person authorized by the Department of Agriculture to
34.18 determine if crop or fence damage was caused by elk and to assign a monetary value to the
34.19 crop or fence damage.

34.20 (c) "Commissioner" means the commissioner of agriculture or the commissioner's
34.21 authorized representative.

34.22 (d) "Estimated value" means the current value of crops or fencing as determined by an
34.23 approved agent.

34.24 (e) "Owner" means an individual, firm, corporation, copartnership, or association with
34.25 an interest in crops or fencing damaged by elk.

34.26 Sec. 2. Minnesota Statutes 2022, section 3.7371, subdivision 2, is amended to read:

34.27 Subd. 2. **Claim form and reporting.** (a) The owner must prepare a claim on forms
34.28 provided by the commissioner and available on the Department of Agriculture's Agriculture
34.29 website or by request from the commissioner. ~~The claim form must be filed with the~~
34.30 ~~commissioner.~~

35.1 (b) After discovering crop or fence damage suspected to be caused by elk, an owner
35.2 must promptly notify an approved agent of the damage. To submit a claim for crop or fence
35.3 damage caused by elk, an owner must complete the required portions of the claim form
35.4 provided by the commissioner. An owner who has submitted a claim must provide an
35.5 approved agent with all information required to investigate the crop or fence damage.

35.6 Sec. 3. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision to
35.7 read:

35.8 Subd. 2a. **Investigation and crop valuation.** (a) Upon receiving notification of crop or
35.9 fence damage suspected to be caused by elk, an approved agent must promptly investigate
35.10 the damage in a timely manner. An approved agent must make written findings on the claim
35.11 form regarding whether the crop or fence was destroyed or damaged by elk. The approved
35.12 agent's findings must be based on physical and circumstantial evidence, including:

35.13 (1) the condition of the crop or fence;

35.14 (2) the presence of elk tracks;

35.15 (3) the geographic area of the state where the crop or fence damage occurred;

35.16 (4) any sightings of elk in the area; and

35.17 (5) any other circumstances that the approved agent considers to be relevant.

35.18 (b) The absence of affirmative evidence may be grounds for denial of a claim.

35.19 (c) On a claim form, an approved agent must make written findings of the extent of crop
35.20 or fence damage and, if applicable, the amount of crop destroyed.

35.21 (d) For damage to standing crops, an owner may choose to have the approved agent use
35.22 the method in clause (1) or (2) to complete the claim form and determine the amount of
35.23 crop loss:

35.24 (1) to submit a claim form to the commissioner at the time that the suspected elk damage
35.25 is discovered, the approved agent must record on the claim form: (i) the field's potential
35.26 yield per acre; (ii) the field's average yield per acre that is expected on the damaged acres;
35.27 (iii) the estimated value of the crop; and (iv) the total amount of loss. Upon completing the
35.28 claim form, the approved agent must submit the form to the commissioner; or

35.29 (2) to submit a claim form to the commissioner at the time that the crop is harvested,
35.30 the approved agent must record on the claim form at the time of the investigation: (i) the
35.31 percent of crop loss from damage; (ii) the actual yield of the damaged field when the crop

36.1 is harvested; (iii) the estimated value of the crop; and (iv) the total amount of loss. Upon
36.2 completing the claim form, the approved agent must submit the form to the commissioner.

36.3 (e) For damage to stored crops, an approved agent must record on the claim form: (1)
36.4 the type and volume of destroyed stored crops; (2) the estimated value of the crop; and (3)
36.5 the total amount of loss.

36.6 (f) For damage to fencing, an approved agent must record on the claim form: (1) the
36.7 type of materials damaged; (2) the linear feet of the damage; (3) the value of the materials
36.8 per unit according to National Resource Conservation Service specifications; and (4) the
36.9 calculated total damage to the fence.

36.10 Sec. 4. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision to
36.11 read:

36.12 Subd. 2b. **Claim form.** A completed claim form must be signed by the owner and an
36.13 approved agent. An approved agent must submit the claim form to the commissioner for
36.14 the commissioner's review and payment. The commissioner must return an incomplete claim
36.15 form to the approved agent. When returning an incomplete claim form to an approved agent,
36.16 the commissioner must indicate which information is missing from the claim form.

36.17 Sec. 5. Minnesota Statutes 2022, section 3.7371, subdivision 3, is amended to read:

36.18 Subd. 3. **Compensation.** (a) ~~The crop~~ An owner is entitled to the target price or the
36.19 market price, whichever is greater, estimated value of the damaged or destroyed crop plus
36.20 adjustments for yield loss determined according to agricultural stabilization and conservation
36.21 service programs for individual farms, adjusted annually, as determined by the commissioner,
36.22 upon recommendation of the commissioner's approved agent for the owner's county or
36.23 fence. Verification of crop or fence damage or destruction by elk may be provided by
36.24 submitting photographs or other evidence and documentation together with a statement
36.25 from an independent witness using forms prescribed by the commissioner. The commissioner,
36.26 upon recommendation of the commissioner's approved agent, shall determine whether the
36.27 crop damage or destruction or damage to or destruction of a fence surrounding a crop or
36.28 pasture is caused by elk and, if so, the amount of the crop or fence that is damaged or
36.29 destroyed. In any fiscal year, an owner may not be compensated for a damaged or destroyed
36.30 crop or fence surrounding a crop or pasture that is less than \$100 in value and may be
36.31 compensated up to \$20,000, as determined under this section, if normal harvest procedures
36.32 for the area are followed. An owner may not be compensated more than \$1,800 per fiscal
36.33 year for damage to fencing surrounding a crop or pasture.

37.1 (b) In any fiscal year, the commissioner may provide compensation for claims filed
37.2 under this section up to the amount expressly appropriated for this purpose.

37.3 Sec. 6. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended
37.4 to read:

37.5 Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner
37.6 may award and administer equipment and infrastructure grants to beginning farmers. The
37.7 commissioner shall give preference to applicants who are ~~emerging farmers~~ experiencing
37.8 limited land access or limited market access as those terms are defined in section 17.133,
37.9 subdivision 1. Grant money may be used for equipment and infrastructure development.

37.10 (b) The commissioner shall develop competitive eligibility criteria and may allocate
37.11 grants on a needs basis.

37.12 (c) Grant projects may continue for up to two years.

37.13 Sec. 7. Minnesota Statutes 2022, section 17.116, subdivision 2, is amended to read:

37.14 Subd. 2. **Eligibility.** (a) Grants may ~~only~~ be made to farmers; and organizations such as
37.15 farms, agricultural cooperatives, educational institutions, individuals at educational
37.16 institutions, ~~or~~ nonprofit organizations, Tribal governments, or local units of government
37.17 residing or located in the state for research or demonstrations on farms in the state.

37.18 (b) Grants may only be made for projects that show:

37.19 (1) the ability to maximize direct or indirect energy savings or production;

37.20 (2) a positive effect or reduced adverse effect on the environment; or

37.21 (3) increased profitability for the individual farm by reducing costs or improving
37.22 marketing opportunities.

37.23 Sec. 8. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

37.24 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
37.25 the meanings given.

37.26 (b) "Eligible farmer" means an individual who at the time that the grant is awarded:

37.27 (1) is a resident of Minnesota who intends to acquire farmland located within the state
37.28 and provide the majority of the day-to-day physical labor and management of the farm;

37.29 (2) grosses no more than \$250,000 per year from the sale of farm products; ~~and~~

38.1 (3) has not, and whose spouse has not, at any time had a direct or indirect ownership
38.2 interest in farmland; and

38.3 (4) is not, and whose spouse is not, related by blood or marriage to an owner of the
38.4 farmland that the individual intends to acquire.

38.5 (c) "Farm down payment" means an initial, partial payment required by a lender or seller
38.6 to purchase farmland.

38.7 (d) "Incubator farm" means a farm where:

38.8 (1) individuals are given temporary, exclusive, and affordable access to small parcels
38.9 of land, infrastructure, and often training, for the purpose of honing skills and launching a
38.10 farm business; and

38.11 (2) a majority of the individuals farming the small parcels of land grow industrial hemp,
38.12 cannabis, or one or more of the following specialty crops as defined by the United States
38.13 Department of Agriculture for purposes of the specialty crop block grant program: fruits
38.14 and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture
38.15 crops, floriculture crops, and nursery crops.

38.16 (e) "Limited land access" means farming without ownership of land and:

38.17 (1) the individual or the individual's child rents or leases the land, with the term of each
38.18 rental or lease agreement not exceeding three years in duration, from a person who is not
38.19 related to the individual or the individual's spouse by blood or marriage; or

38.20 (2) the individual rents the land from an incubator farm.

38.21 (f) "Limited market access" means the individual has gross sales of no more than
38.22 \$100,000 per year from the sale of farm products.

38.23 Sec. 9. Minnesota Statutes 2023 Supplement, section 17.133, subdivision 3, is amended
38.24 to read:

38.25 Subd. 3. **Report to legislature.** No later than December 1, 2023, and annually thereafter,
38.26 the commissioner must provide a report to the chairs and ranking minority members of the
38.27 legislative committees having jurisdiction over agriculture and rural development, in
38.28 compliance with sections 3.195 and 3.197, on the farm down payment assistance grants
38.29 under this section. The report must include:

38.30 (1) background information on beginning farmers in Minnesota and any other information
38.31 that the commissioner and authority find relevant to evaluating the effect of the grants on
38.32 increasing opportunities for and the number of beginning farmers;

- 39.1 (2) the number and amount of grants;
- 39.2 (3) the geographic distribution of grants by county;
- 39.3 (4) the number of grant recipients who are emerging farmers;
- 39.4 (5) the number of grant recipients who were experiencing limited land access or limited
- 39.5 market access when the grant was awarded;
- 39.6 ~~(5)~~ (6) disaggregated data regarding the gender, race, and ethnicity of grant recipients;
- 39.7 ~~(6)~~ (7) the number of farmers who cease to own land and are subject to payment of a
- 39.8 penalty, along with the reasons for the land ownership cessation; and
- 39.9 ~~(7)~~ (8) the number and amount of grant applications that exceeded the allocation available
- 39.10 in each year.

39.11 Sec. 10. Minnesota Statutes 2023 Supplement, section 17.134, subdivision 3, is amended

39.12 to read:

39.13 Subd. 3. **Grant eligibility.** Any owner or lessee of farmland may apply for a grant under

39.14 this section. The commissioner must give preference to owners and lessees that have not

39.15 previously implemented an eligible project and owners and lessees that are certified or

39.16 assessed and pursuing certification under sections 17.9891 to 17.993. Local government

39.17 units, including cities; towns; counties; soil and water conservation districts; Minnesota

39.18 Tribal governments as defined in section 10.65; and joint powers boards, are also eligible

39.19 for a grant. A local government unit that receives a grant for equipment or technology must

39.20 make those purchases available for use by the public.

39.21 Sec. 11. Minnesota Statutes 2023 Supplement, section 17.134, is amended by adding a

39.22 subdivision to read:

39.23 Subd. 3a. **Equipment sales limitation.** In addition to the applicable grants management

39.24 requirements imposed under sections 16B.97 to 16B.991, an owner or lessee that receives

39.25 a grant under this section to purchase equipment must certify to the commissioner that the

39.26 owner or lessee will not sell the equipment for at least ten years.

39.27 Sec. 12. Minnesota Statutes 2023 Supplement, section 17.710, is amended to read:

39.28 **17.710 AGRICULTURAL CONTRACTS.**

39.29 (a) A production or marketing contract entered into, renewed, or amended on or after

39.30 July 1, ~~1999~~ 2024, between an agricultural producer and a processor, marketer, or other

40.1 purchaser of agricultural products, including a cooperative organized under chapter 308A
40.2 or 308B must not contain provisions that prohibit the producer from disclosing terms,
40.3 conditions, and prices contained in the contract. Any provision prohibiting disclosure by
40.4 the producer is void.

40.5 (b) A contract entered into, renewed, or amended on or after July 1, 2023, between an
40.6 agricultural producer and an entity buying, selling, certifying, or otherwise participating in
40.7 a market for stored carbon must not contain provisions that prohibit the producer from
40.8 disclosing terms, conditions, and prices contained in the contract. Any provision prohibiting
40.9 disclosure by the producer is void.

40.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

40.11 Sec. 13. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision to
40.12 read:

40.13 **Subd. 1d. Application or use of a pesticide.** "Application or use of a pesticide" includes:

40.14 (1) the dispersal of a pesticide on, in, at, or directed toward a target site;

40.15 (2) preapplication activities that involve the mixing and loading of a restricted use
40.16 pesticide; and

40.17 (3) other restricted use pesticide-related activities, including but not limited to transporting
40.18 or storing pesticide containers that have been opened; cleaning equipment; and disposing
40.19 of excess pesticides, spray mix, equipment wash waters, pesticide containers, and other
40.20 materials that contain pesticide.

40.21 Sec. 14. Minnesota Statutes 2022, section 18B.26, subdivision 6, is amended to read:

40.22 **Subd. 6. Discontinuance or cancellation of registration.** (a) To ensure the complete
40.23 withdrawal from distribution or further use of a pesticide, a person who intends to discontinue
40.24 a pesticide registration must:

40.25 (1) terminate a further distribution within the state and continue to register the pesticide
40.26 annually for two successive years; and

40.27 (2) initiate and complete a total recall of the pesticide from all distribution in the state
40.28 within 60 days from the date of notification to the commissioner of intent to discontinue
40.29 registration; ~~or~~.

40.30 ~~(3) submit to the commissioner evidence adequate to document that no distribution of~~
40.31 ~~the registered pesticide has occurred in the state.~~

41.1 (b) Upon the request of a registrant, the commissioner may immediately cancel
41.2 registration of a pesticide product. The commissioner may immediately cancel registration
41.3 of a pesticide product at the commissioner's discretion. When requesting that the
41.4 commissioner immediately cancel registration of a pesticide product, a registrant must
41.5 provide the commissioner with:

41.6 (1) a statement that the pesticide product is no longer in distribution; and

41.7 (2) documentation of pesticide gross sales from the previous year supporting the statement
41.8 under clause (1).

41.9 Sec. 15. Minnesota Statutes 2022, section 18B.28, is amended by adding a subdivision to
41.10 read:

41.11 Subd. 5. **Advisory panel.** Before approving the issuance of an experimental use pesticide
41.12 product registration under this section, the commissioner must convene and consider the
41.13 advice of a panel of outside scientific and health experts. The panel must include but is not
41.14 limited to representatives of the Department of Health, the Department of Natural Resources,
41.15 the Pollution Control Agency, and the University of Minnesota.

41.16 Sec. 16. Minnesota Statutes 2022, section 18B.305, subdivision 2, is amended to read:

41.17 Subd. 2. **Training manual and examination development.** The commissioner, in
41.18 consultation with University of Minnesota Extension and other higher education institutions,
41.19 shall continually revise and update pesticide applicator training manuals and examinations.
41.20 The manuals and examinations must be written to meet or exceed the minimum competency
41.21 standards required by the United States Environmental Protection Agency and pertinent
41.22 state specific information. Pesticide applicator training manuals and examinations must
41.23 meet or exceed the competency standards in Code of Federal Regulations, title 40, part 171.
41.24 Competency standards for training manuals and examinations must be published on the
41.25 Department of Agriculture website. Questions in the examinations must be determined by
41.26 the commissioner in consultation with other responsible agencies. Manuals and examinations
41.27 must include pesticide management practices that discuss prevention of pesticide occurrence
41.28 in groundwater and surface water of the state, and economic thresholds and guidance for
41.29 insecticide use.

41.30 Sec. 17. Minnesota Statutes 2022, section 18B.32, subdivision 1, is amended to read:

41.31 Subdivision 1. **Requirement.** (a) A person may not engage in structural pest control
41.32 applications:

42.1 (1) for hire without a structural pest control license; ~~and~~

42.2 (2) as a sole proprietorship, company, partnership, or corporation unless the person is
42.3 or employs a licensed master in structural pest control operations; and

42.4 (3) unless the person is 18 years of age or older.

42.5 (b) A structural pest control licensee must have a valid license identification card to
42.6 purchase a restricted use pesticide or apply pesticides for hire and must display it upon
42.7 demand by an authorized representative of the commissioner or a law enforcement officer.
42.8 The license identification card must contain information required by the commissioner.

42.9 Sec. 18. Minnesota Statutes 2022, section 18B.32, subdivision 3, is amended to read:

42.10 Subd. 3. **Application.** (a) A person must apply to the commissioner for a structural pest
42.11 control license on forms and in the manner required by the commissioner. The commissioner
42.12 shall require the applicant to pass a written, closed-book, monitored examination or oral
42.13 examination, or both, ~~and may also require a practical demonstration regarding structural~~
42.14 ~~pest control.~~ The commissioner shall establish the examination procedure, including the
42.15 phases and contents of the examination.

42.16 (b) The commissioner may license a person as a master under a structural pest control
42.17 license if the person has the necessary qualifications through knowledge and experience to
42.18 properly plan, determine, and supervise the selection and application of pesticides in structural
42.19 pest control. To demonstrate the qualifications and become licensed as a master under a
42.20 structural pest control license, a person must:

42.21 (1) pass a closed-book test administered by the commissioner;

42.22 (2) have direct experience as a licensed journeyman under a structural pest control license
42.23 for at least two years by this state or a state with equivalent certification requirements or as
42.24 a full-time licensed master in another state with equivalent certification requirements; and

42.25 (3) show practical knowledge and field experience under clause (2) in the actual selection
42.26 and application of pesticides under varying conditions.

42.27 (c) The commissioner may license a person as a journeyman under a structural pest
42.28 control license if the person:

42.29 (1) has the necessary qualifications in the practical selection and application of pesticides;

42.30 (2) has passed a closed-book examination given by the commissioner; and

43.1 (3) is engaged as an employee of or is working under the direction of a person licensed
43.2 as a master under a structural pest control license.

43.3 (d) The commissioner may license a person as a fumigator under a structural pest control
43.4 license if the person:

43.5 (1) has knowledge of the practical selection and application of fumigants;

43.6 (2) has passed a closed-book examination given by the commissioner; and

43.7 (3) is licensed by the commissioner as a master or journeyman under a structural pest
43.8 control license.

43.9 Sec. 19. Minnesota Statutes 2022, section 18B.32, subdivision 4, is amended to read:

43.10 Subd. 4. **Renewal.** (a) An applicator may apply to renew a structural pest control
43.11 applicator license ~~may be renewed~~ on or before the expiration of an existing license subject
43.12 to reexamination, attendance at ~~workshops~~ a recertification workshop approved by the
43.13 commissioner, or other requirements imposed by the commissioner to provide the applicator
43.14 with information regarding changing technology and to help assure a continuing level of
43.15 competency and ability to use pesticides safely and properly. A recertification workshop
43.16 must meet or exceed the competency standards in Code of Federal Regulations, title 40,
43.17 part 171. Competency standards for a recertification workshop must be published on the
43.18 Department of Agriculture website. If the commissioner requires an applicator to attend a
43.19 recertification workshop and the applicator fails to attend the workshop, the commissioner
43.20 may require the applicator to pass a reexamination. The commissioner may require an
43.21 additional demonstration of applicator qualification if the applicator has had a license
43.22 suspended or revoked or has otherwise had a history of violations of this chapter.

43.23 (b) If ~~a person~~ an applicator fails to renew a structural pest control license within three
43.24 months of its expiration, the ~~person~~ applicator must obtain a structural pest control license
43.25 subject to the requirements, procedures, and fees required for an initial license.

43.26 Sec. 20. Minnesota Statutes 2022, section 18B.32, subdivision 5, is amended to read:

43.27 Subd. 5. **Financial responsibility.** (a) ~~A structural pest control license may not be issued~~
43.28 ~~unless the applicant furnishes proof of financial responsibility.~~ The commissioner may
43.29 suspend or revoke a structural pest control license if an applicator fails to provide proof of
43.30 financial responsibility upon the commissioner's request. Financial responsibility may be
43.31 demonstrated by:

43.32 (1) proof of net assets equal to or greater than \$50,000; or

44.1 (2) a performance bond or insurance of a kind and in an amount determined by the
44.2 commissioner.

44.3 (b) The bond or insurance must cover a period of time at least equal to the term of the
44.4 ~~applicant's~~ applicator's license. The commissioner must immediately suspend the license
44.5 of ~~a person~~ an applicator who fails to maintain the required bond or insurance. The
44.6 performance bond or insurance policy must contain a provision requiring the insurance or
44.7 bonding company to notify the commissioner by ten days before the effective date of
44.8 cancellation, termination, or any other change of the bond or insurance. If there is recovery
44.9 against the bond or insurance, additional coverage must be secured by the applicator to
44.10 maintain financial responsibility equal to the original amount required.

44.11 (c) An employee of a licensed person is not required to maintain an insurance policy or
44.12 bond during the time the employer is maintaining the required insurance or bond.

44.13 (d) Applications for reinstatement of a license suspended under the provisions of this
44.14 section must be accompanied by proof of satisfaction of judgments previously rendered.

44.15 Sec. 21. Minnesota Statutes 2022, section 18B.33, subdivision 1, is amended to read:

44.16 Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire without a
44.17 commercial applicator license for the appropriate use categories or a structural pest control
44.18 license.

44.19 (b) A commercial applicator licensee must have a valid license identification card to
44.20 purchase a restricted use pesticide or apply pesticides for hire and must display it upon
44.21 demand by an authorized representative of the commissioner or a law enforcement officer.
44.22 The commissioner shall prescribe the information required on the license identification
44.23 card.

44.24 (c) A person licensed under this section is considered qualified and is not required to
44.25 verify, document, or otherwise prove a particular need prior to use, except as required by
44.26 the federal label.

44.27 (d) A person who uses a general-use sanitizer or disinfectant for hire in response to
44.28 COVID-19 is exempt from the commercial applicator license requirements under this section.

44.29 (e) A person licensed under this section must be 18 years of age or older.

45.1 Sec. 22. Minnesota Statutes 2022, section 18B.33, subdivision 5, is amended to read:

45.2 Subd. 5. **Renewal application.** (a) ~~A person~~ An applicator must apply to the
45.3 commissioner to renew a commercial applicator license. The commissioner may renew a
45.4 commercial applicator license accompanied by the application fee, subject to reexamination,
45.5 attendance at ~~workshops~~ a recertification workshop approved by the commissioner, or other
45.6 requirements imposed by the commissioner to provide the applicator with information
45.7 regarding changing technology and to help assure a continuing level of competence and
45.8 ability to use pesticides safely and properly. ~~The applicant~~ A recertification workshop must
45.9 meet or exceed the competency standards in Code of Federal Regulations, title 40, part 171.
45.10 Competency standards for a recertification workshop must be published on the Department
45.11 of Agriculture website. Upon the receipt of an applicator's renewal application, the
45.12 commissioner may require the applicator to attend a recertification workshop. Depending
45.13 on the application category, the commissioner may require an applicator to complete a
45.14 recertification workshop once per year, once every two years, or once every three years. If
45.15 the commissioner requires an applicator to attend a recertification workshop and the
45.16 applicator fails to attend the workshop, the commissioner may require the applicator to pass
45.17 a reexamination. An applicator may renew a commercial applicator license within 12 months
45.18 after expiration of the license without having to meet initial testing requirements. The
45.19 commissioner may require an additional demonstration of applicator qualification if a person
45.20 the applicator has had a license suspended or revoked or has had a history of violations of
45.21 this chapter.

45.22 (b) ~~An applicant~~ applicator that meets renewal requirements by reexamination instead
45.23 of attending ~~workshops~~ a recertification workshop must pay the equivalent workshop fee
45.24 for the reexamination as determined by the commissioner.

45.25 Sec. 23. Minnesota Statutes 2022, section 18B.33, subdivision 6, is amended to read:

45.26 Subd. 6. **Financial responsibility.** (a) ~~A commercial applicator license may not be issued~~
45.27 ~~unless the applicant furnishes proof of financial responsibility.~~ The commissioner may
45.28 suspend or revoke an applicator's commercial applicator license if the applicator fails to
45.29 provide proof of financial responsibility upon the commissioner's request. Financial
45.30 responsibility may be demonstrated by: (1) proof of net assets equal to or greater than
45.31 \$50,000; or (2) by a performance bond or insurance of the kind and in an amount determined
45.32 by the commissioner.

45.33 (b) The bond or insurance must cover a period of time at least equal to the term of the
45.34 ~~applicant's~~ applicator's license. The commissioner must immediately suspend the license

46.1 of ~~a person~~ an applicator who fails to maintain the required bond or insurance. The
46.2 performance bond or insurance policy must contain a provision requiring the insurance or
46.3 bonding company to notify the commissioner by ten days before the effective date of
46.4 cancellation, termination, or any other change of the bond or insurance. If there is recovery
46.5 against the bond or insurance, additional coverage must be secured by the applicator to
46.6 maintain financial responsibility equal to the original amount required.

46.7 (c) An employee of a licensed ~~person~~ applicator is not required to maintain an insurance
46.8 policy or bond during the time the employer is maintaining the required insurance or bond.

46.9 (d) Applications for reinstatement of a license suspended under the provisions of this
46.10 section must be accompanied by proof of satisfaction of judgments previously rendered.

46.11 Sec. 24. Minnesota Statutes 2022, section 18B.34, subdivision 1, is amended to read:

46.12 Subdivision 1. **Requirement.** (a) Except for a licensed commercial applicator, certified
46.13 private applicator, or licensed structural pest control applicator, a person, including a
46.14 government employee, may not purchase or use a restricted use pesticide in performance
46.15 of official duties without having a noncommercial applicator license for an appropriate use
46.16 category.

46.17 (b) A licensee must have a valid license identification card when applying pesticides
46.18 and must display it upon demand by an authorized representative of the commissioner or a
46.19 law enforcement officer. The license identification card must contain information required
46.20 by the commissioner.

46.21 (c) A person licensed under this section is considered qualified and is not required to
46.22 verify, document, or otherwise prove a particular need prior to use, except as required by
46.23 the federal label.

46.24 (d) A person licensed under this section must be 18 years of age or older.

46.25 Sec. 25. Minnesota Statutes 2022, section 18B.34, subdivision 4, is amended to read:

46.26 Subd. 4. **Renewal.** (a) ~~A person~~ An applicator must apply to the commissioner to renew
46.27 a noncommercial applicator license. The commissioner may renew a license subject to
46.28 reexamination, attendance at ~~workshops~~ a recertification workshop approved by the
46.29 commissioner, or other requirements imposed by the commissioner to provide the applicator
46.30 with information regarding changing technology and to help assure a continuing level of
46.31 competence and ability to use pesticides safely and properly. A recertification workshop
46.32 must meet or exceed the competency standards in Code of Federal Regulations, title 40,

47.1 part 171. Competency standards for a recertification website must be published on the
47.2 Department of Agriculture website. Upon the receipt of an applicator's renewal application,
47.3 the commissioner may require the applicator to attend a recertification workshop. Depending
47.4 on the application category, the commissioner may require an applicator to complete a
47.5 recertification workshop once per year, once every two years, or once every three years. If
47.6 the commissioner requires an applicator to attend a recertification workshop and the
47.7 applicator fails to attend the workshop, the commissioner may require the applicator to pass
47.8 a reexamination. The commissioner may require an additional demonstration of applicator
47.9 qualification if the applicator has had a license suspended or revoked or has otherwise had
47.10 a history of violations of this chapter.

47.11 (b) An ~~applicant~~ applicator that meets renewal requirements by reexamination instead
47.12 of attending ~~workshops~~ a recertification workshop must pay the equivalent workshop fee
47.13 for the reexamination as determined by the commissioner.

47.14 (c) An ~~applicant~~ applicator has 12 months to renew the license after expiration without
47.15 having to meet initial testing requirements.

47.16 Sec. 26. Minnesota Statutes 2022, section 18B.35, subdivision 1, is amended to read:

47.17 Subdivision 1. **Establishment.** (a) The commissioner may establish categories of
47.18 structural pest control, commercial applicator, ~~and~~ noncommercial applicator licenses ~~for~~
47.19 ~~administering and enforcing this chapter,~~ and private applicator certification consistent
47.20 with federal requirements in Code of Federal Regulations, title 40, sections 171.101 and
47.21 171.105, including but not limited to the federal categories that are applicable to the state.
47.22 Application categories must meet or exceed the competency standards in Code of Federal
47.23 Regulations, title 40, part 171. Competency standards for application categories must be
47.24 published on the Department of Agriculture website. The categories may include pest control
47.25 operators and ornamental, agricultural, aquatic, forest, and right-of-way pesticide applicators.
47.26 Separate subclassifications of categories may be specified as to ground, aerial, or manual
47.27 methods to apply pesticides or to the use of pesticides to control insects, plant diseases,
47.28 rodents, or weeds.

47.29 (b) Each category is subject to separate testing procedures and requirements.

47.30 Sec. 27. Minnesota Statutes 2022, section 18B.36, subdivision 1, is amended to read:

47.31 Subdivision 1. **Requirement.** (a) Except for a licensed commercial or noncommercial
47.32 applicator, only a certified private applicator may use a restricted use pesticide to produce
47.33 an agricultural commodity:

- 48.1 (1) as a traditional exchange of services without financial compensation;
- 48.2 (2) on a site owned, rented, or managed by the person or the person's employees; or
- 48.3 (3) when the private applicator is one of two or fewer employees and the owner or
- 48.4 operator is a certified private applicator or is licensed as a noncommercial applicator.

48.5 (b) A person may not purchase a restricted use pesticide without presenting a license

48.6 card, certified private applicator card, or the card number.

48.7 (c) A person certified under this section is considered qualified and is not required to

48.8 verify, document, or otherwise prove a particular need prior to use, except as required by

48.9 the federal label.

48.10 (d) A person certified under this section must be 18 years of age or older.

48.11 Sec. 28. Minnesota Statutes 2022, section 18B.36, subdivision 2, is amended to read:

48.12 Subd. 2. **Certification.** (a) The commissioner shall prescribe certification requirements

48.13 and provide training that meets or exceeds United States Environmental Protection Agency

48.14 standards to certify private applicators and provide information relating to changing

48.15 technology to help ensure a continuing level of competency and ability to use pesticides

48.16 properly and safely. Private applicator certification requirements and training must meet or

48.17 exceed the competency standards in Code of Federal Regulations, title 40, part 171.

48.18 Competency standards for private applicator certification and training must be published

48.19 on the Department of Agriculture website. The training may be done through cooperation

48.20 with other government agencies and must be a minimum of three hours in duration.

48.21 (b) A person must apply to the commissioner for certification as a private applicator.

48.22 After completing the certification requirements, which must include ~~an~~ a proctored

48.23 examination as determined by the commissioner, an applicant must be certified as a private

48.24 applicator to use restricted use pesticides. The certification shall expire March 1 of the third

48.25 calendar year after the initial year of certification.

48.26 (c) The commissioner shall issue a private applicator card to a private applicator.

48.27 Sec. 29. Minnesota Statutes 2022, section 18B.37, subdivision 2, is amended to read:

48.28 Subd. 2. **Commercial and noncommercial applicators.** (a) A commercial or

48.29 noncommercial applicator; or the applicator's authorized agent; must maintain a record of

48.30 pesticides used on each site. Noncommercial applicators must keep records of restricted

48.31 use pesticides. The record must include the:

- 49.1 (1) date of the pesticide use;
- 49.2 (2) time the pesticide application was completed;
- 49.3 (3) brand name of the pesticide, the United States Environmental Protection Agency
49.4 registration number, and rate used;
- 49.5 (4) number of units treated;
- 49.6 (5) temperature, wind speed, and wind direction;
- 49.7 (6) location of the site where the pesticide was applied;
- 49.8 (7) name and address of the customer;
- 49.9 (8) name of applicator, name of company, license number of applicator, and address of
49.10 applicator company; and
- 49.11 (9) any other information required by the commissioner.
- 49.12 (b) Portions of records not relevant to a specific type of application may be omitted upon
49.13 approval from the commissioner.
- 49.14 (c) All information for this record requirement must be contained in a document for each
49.15 pesticide application, except a map may be attached to identify treated areas. An invoice
49.16 containing the required information may constitute the required record. The commissioner
49.17 shall make sample forms available to meet the requirements of this paragraph.
- 49.18 (d) The record must be completed no later than five days after the application of the
49.19 pesticide.
- 49.20 (e) A commercial applicator must give a copy of the record to the customer.
- 49.21 (f) Records must be retained by the applicator, company, or authorized agent for five
49.22 years after the date of treatment.
- 49.23 (g) A record of a commercial or noncommercial applicator must meet or exceed the
49.24 requirements in Code of Federal Regulations, title 40, part 171.

49.25 Sec. 30. Minnesota Statutes 2022, section 18B.37, subdivision 3, is amended to read:

49.26 Subd. 3. **Structural pest control applicators.** (a) A structural pest control applicator
49.27 must maintain a record of each structural pest control application conducted by that person
49.28 or by the person's employees. The record must include the:

- 49.29 (1) date of structural pest control application;
- 49.30 (2) target pest;

50.1 (3) brand name of the pesticide, United States Environmental Protection Agency
50.2 registration number, and amount used;

50.3 (4) for fumigation, the temperature and exposure time;

50.4 (5) time the pesticide application was completed;

50.5 (6) name and address of the customer;

50.6 (7) name of structural pest control applicator, name of company and address of applicator
50.7 or company, and license number of applicator; and

50.8 (8) any other information required by the commissioner.

50.9 (b) All information for this record requirement must be contained in a document for
50.10 each pesticide application. An invoice containing the required information may constitute
50.11 the record.

50.12 (c) The record must be completed no later than five days after the application of the
50.13 pesticide.

50.14 (d) Records must be retained for five years after the date of treatment.

50.15 (e) A copy of the record must be given to a person who ordered the application that is
50.16 present at the site where the structural pest control application is conducted, placed in a
50.17 conspicuous location at the site where the structural pest control application is conducted
50.18 immediately after the application of the pesticides, or delivered to the person who ordered
50.19 an application or the owner of the site. The commissioner must make sample forms available
50.20 that meet the requirements of this subdivision.

50.21 (f) A structural applicator must post in a conspicuous place inside a renter's apartment
50.22 where a pesticide application has occurred a list of postapplication precautions contained
50.23 on the label of the pesticide that was applied in the apartment and any other information
50.24 required by the commissioner.

50.25 (g) A record of a structural applicator must meet or exceed the requirements in Code of
50.26 Federal Regulations, title 40, part 171.

50.27 Sec. 31. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision
50.28 to read:

50.29 Subd. 1c. **Beneficial substance.** "Beneficial substance" means any substance or
50.30 compound other than a primary, secondary, and micro plant nutrient, and excluding

51.1 pesticides, that can be demonstrated by scientific research to be beneficial to one or more
51.2 species of plants, soil, or media.

51.3 Sec. 32. Minnesota Statutes 2022, section 18C.005, subdivision 33, is amended to read:

51.4 Subd. 33. **Soil amendment.** "Soil amendment" means a substance intended to improve
51.5 the structural, physical, chemical, biochemical, or biological characteristics of the soil or
51.6 modify organic matter at or near the soil surface, except fertilizers, agricultural liming
51.7 materials, pesticides, and other materials exempted by the commissioner's rules.

51.8 Sec. 33. Minnesota Statutes 2022, section 18C.115, subdivision 2, is amended to read:

51.9 Subd. 2. **Adoption of national standards.** Applicable national standards contained in
51.10 ~~the 1996 official publication, number 49,~~ most recently published version of the official
51.11 publication of the Association of American Plant Food Control Officials including the rules
51.12 and regulations, statements of uniform interpretation and policy, and the official fertilizer
51.13 terms and definitions, and not otherwise adopted by the commissioner, may be adopted as
51.14 fertilizer rules of this state.

51.15 Sec. 34. Minnesota Statutes 2022, section 18C.215, subdivision 1, is amended to read:

51.16 Subdivision 1. **Packaged fertilizers.** (a) A person may not sell or distribute specialty
51.17 fertilizer in bags or other containers in this state unless a label is placed on or affixed to the
51.18 bag or container stating in a clear, legible, and conspicuous form the following information:

51.19 (1) the net weight and volume, if applicable;

51.20 (2) the brand and grade, except the grade is not required if primary nutrients are not
51.21 claimed;

51.22 (3) the guaranteed analysis;

51.23 (4) the name and address of the guarantor;

51.24 (5) directions for use, except directions for use are not required for custom blend specialty
51.25 fertilizers; and

51.26 (6) a derivatives statement.

51.27 (b) A person may not sell or distribute fertilizer for agricultural purposes in bags or other
51.28 containers in this state unless a label is placed on or affixed to the bag or container stating
51.29 in a clear, legible, and conspicuous form the information listed in paragraph (a), clauses (1)
51.30 to (4), except:

- 52.1 (1) the grade is not required if primary nutrients are not claimed; and
- 52.2 (2) the grade on the label is optional if the fertilizer is used only for agricultural purposes
- 52.3 and the guaranteed analysis statement is shown in the complete form as in section 18C.211.
- 52.4 (c) The labeled information must appear:
- 52.5 (1) on the front or back side of the container;
- 52.6 (2) on the upper one-third of the side of the container;
- 52.7 (3) on the upper end of the container; or
- 52.8 (4) printed on a tag affixed to the upper end of the container.
- 52.9 (d) If a person sells a custom blend specialty fertilizer in bags or other containers, the
- 52.10 information required in paragraph (a) must either be affixed to the bag or container as
- 52.11 required in paragraph (c) or be furnished to the customer on an invoice or delivery ticket
- 52.12 in written or printed form.

52.13 Sec. 35. Minnesota Statutes 2022, section 18C.221, is amended to read:

52.14 **18C.221 FERTILIZER PLANT FOOD CONTENT.**

- 52.15 (a) Products that are deficient in plant food content are subject to this subdivision.
- 52.16 (b) An analysis must show that a fertilizer is deficient:
- 52.17 (1) in one or more of its guaranteed primary plant nutrients beyond the investigational
- 52.18 allowances and compensations as established by regulation; or
- 52.19 (2) if the overall index value of the fertilizer is shown below the level established by
- 52.20 rule.
- 52.21 (c) A deficiency in an official sample of mixed fertilizer resulting from nonuniformity
- 52.22 is not distinguishable from a deficiency due to actual plant nutrient shortage and is properly
- 52.23 subject to official action.
- 52.24 (d) For the purpose of determining the commercial index value to be applied, the
- 52.25 commissioner shall determine at least annually the values per unit of nitrogen, available
- 52.26 ~~phosphoric acid~~ phosphate, and soluble potash in fertilizers in this state.
- 52.27 (e) If a fertilizer in the possession of the consumer is found by the commissioner to be
- 52.28 short in weight, the registrant or licensee of the fertilizer must submit a penalty payment of
- 52.29 two times the value of the actual shortage to the consumer within 30 days after official
- 52.30 notice from the commissioner.

53.1 Sec. 36. Minnesota Statutes 2023 Supplement, section 18C.425, subdivision 6, is amended
53.2 to read:

53.3 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the
53.4 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall
53.5 pay the inspection fee to the commissioner.

53.6 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
53.7 not required to be so licensed shall pay the inspection fee to the commissioner, except as
53.8 exempted under section 18C.421, subdivision 1, paragraph (b).

53.9 (c) The person responsible for payment of the inspection fees for fertilizers, soil
53.10 amendments, or plant amendments sold and used in this state must pay the inspection fee
53.11 set under paragraph (e), and until June 30, ~~2024~~ 2029, an additional 40 cents per ton, of
53.12 fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a
53.13 minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner
53.14 must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer
53.15 research and education account in section 18C.80. Products sold or distributed to
53.16 manufacturers or exchanged between them are exempt from the inspection fee imposed by
53.17 this subdivision if the products are used exclusively for manufacturing purposes.

53.18 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
53.19 amendment, or soil amendment distribution amounts and inspection fees paid for a period
53.20 of three years.

53.21 (e) By commissioner's order, the commissioner must set the inspection fee at no less
53.22 than 39 cents per ton and no more than 70 cents per ton. The commissioner must hold a
53.23 public meeting before increasing the fee by more than five cents per ton.

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

53.25 Sec. 37. Minnesota Statutes 2022, section 18C.70, subdivision 1, is amended to read:

53.26 Subdivision 1. **Establishment; membership.** (a) The Minnesota Agricultural Fertilizer
53.27 Research and Education Council is established. The council is composed of ~~12~~ 15 voting
53.28 members as follows:

53.29 (1) ~~two members~~ one member of the Minnesota Crop Production Retailers;

53.30 (2) one member of the Minnesota Corn Growers Association;

53.31 (3) one member of the Minnesota Soybean Growers Association;

53.32 (4) one member of the sugar beet growers industry;

- 54.1 (5) one member of the Minnesota Association of Wheat Growers;
- 54.2 (6) one member of the potato growers industry;
- 54.3 (7) one member of the Minnesota Farm Bureau;
- 54.4 (8) one member of the Minnesota Farmers Union;
- 54.5 (9) one member from the Minnesota Irrigators Association;
- 54.6 (10) one member of the Minnesota Grain and Feed Association; ~~and~~
- 54.7 (11) one member of the Minnesota Independent Crop Consultant Association or the
- 54.8 Minnesota certified crop advisor program;
- 54.9 (12) one member representing the Minnesota Institute for Sustainable Agriculture;
- 54.10 (13) one member of the Minnesota Soil Health Coalition;
- 54.11 (14) one member who is an expert in public health; and
- 54.12 (15) one member who is an expert in water quality and has performed scientific research
- 54.13 on water issues.

54.14 (b) Council members shall serve three-year terms. After the initial council is appointed,

54.15 subsequent appointments must be staggered so that one-third of council membership is

54.16 replaced each year. Council members must be ~~nominated by their organizations and~~ appointed

54.17 by the commissioner and, except for the members specified under paragraph (a), clauses

54.18 (14) and (15), nominated by their organizations. The council may add ex officio members

54.19 at its discretion. The council must meet at least once per year, with all related expenses

54.20 reimbursed by members' sponsoring organizations or by the members themselves.

54.21 Sec. 38. Minnesota Statutes 2022, section 18C.70, subdivision 5, is amended to read:

54.22 Subd. 5. **Expiration.** This section expires June 30, ~~2025~~ 2030.

54.23 Sec. 39. Minnesota Statutes 2022, section 18C.71, subdivision 1, is amended to read:

54.24 Subdivision 1. **Eligible projects.** Eligible project activities include research, education,

54.25 and technology transfer related to the production and application of fertilizer, soil

54.26 amendments, and other plant amendments, regenerative agriculture, and the protection of

54.27 clean water. Chosen projects must contain a component of outreach that achieves a timely

54.28 dissemination of findings and their applicability to the production agricultural community

54.29 or metropolitan fertilizer users.

55.1 Sec. 40. Minnesota Statutes 2022, section 18C.71, is amended by adding a subdivision to
55.2 read:

55.3 Subd. 1a. **Priorities and guidance.** The council must develop or update research priorities
55.4 and request guidance related to:

55.5 (1) the availability of nitrogen by manure type and livestock species based on
55.6 management; and

55.7 (2) manure management and fertilizer best management practices for areas where surface
55.8 water or groundwater are vulnerable to nitrate losses, including the adjustment of practices
55.9 based on vulnerability such as coarse textured soils, soils with shallow bedrock, and karst
55.10 geology.

55.11 Sec. 41. Minnesota Statutes 2022, section 18C.71, subdivision 2, is amended to read:

55.12 Subd. 2. **Awarding grants.** Applications for program grants must be submitted in the
55.13 form prescribed by the Minnesota Agricultural Fertilizer Research and Education Council.
55.14 Applications must be submitted on or before the deadline prescribed by the council. All
55.15 applications are subject to a thorough in-state review by a peer committee established and
55.16 approved by the council. Each project meeting the basic qualifications is subject to a yes
55.17 or no vote by each council member. Projects chosen to receive funding must achieve an
55.18 affirmative vote from at least ~~eight~~ ten of the ~~12~~ 15 council members or two-thirds of voting
55.19 members present. Projects awarded program funds must submit an annual progress report
55.20 in the form prescribed by the council.

55.21 Sec. 42. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

55.22 Subd. 4. **Expiration.** This section expires June 30, ~~2025~~ 2030.

55.23 Sec. 43. Minnesota Statutes 2022, section 18C.80, subdivision 2, is amended to read:

55.24 Subd. 2. **Expiration.** This section expires June 30, ~~2025~~ 2030.

55.25 Sec. 44. Minnesota Statutes 2022, section 18D.301, subdivision 1, is amended to read:

55.26 Subdivision 1. **Enforcement required.** (a) The commissioner shall enforce this chapter
55.27 and chapters 18B, 18C, and 18F.

55.28 (b) Violations of chapter 18B, 18C, or 18F or rules adopted under chapter 18B, 18C, or
55.29 18F, or section 103H.275, subdivision 2, are a violation of this chapter.

56.1 (c) Upon the request of the commissioner, county attorneys, sheriffs, and other officers
56.2 having authority in the enforcement of the general criminal laws shall take action to the
56.3 extent of their authority necessary or proper for the enforcement of this chapter or special
56.4 orders, standards, stipulations, and agreements of the commissioner.

56.5 Sec. 45. Minnesota Statutes 2023 Supplement, section 18K.06, is amended to read:

56.6 **18K.06 RULEMAKING.**

56.7 (a) The commissioner ~~shall adopt rules governing the production, testing, processing,~~
56.8 ~~and licensing of industrial hemp. Notwithstanding the two-year limitation for exempt rules~~
56.9 ~~under section 14.388, subdivision 1, Minnesota Rules, chapter 1565, published in the State~~
56.10 ~~Register on August 16, 2021, is effective until August 16, 2025, or until permanent rules~~
56.11 ~~implementing chapter 18K are adopted, whichever occurs first~~ may adopt or amend rules
56.12 governing the production, testing, processing, and licensing of industrial hemp using the
56.13 procedure in section 14.386, paragraph (a). Section 14.386, paragraph (b), does not apply
56.14 to rules adopted or amended under this section.

56.15 (b) Rules adopted under paragraph (a) must include but not be limited to provisions
56.16 governing:

56.17 (1) the supervision and inspection of industrial hemp during its growth and harvest;

56.18 (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

56.19 (3) the use of background check results required under section 18K.04 to approve or
56.20 deny a license application; and

56.21 (4) any other provision or procedure necessary to carry out the purposes of this chapter.

56.22 (c) Rules issued under this section must be consistent with federal law regarding the
56.23 production, distribution, and sale of industrial hemp.

56.24 Sec. 46. Minnesota Statutes 2022, section 28A.10, is amended to read:

56.25 **28A.10 POSTING OF LICENSE; RULES.**

56.26 All such licenses shall be issued for a period of one year and shall be posted or displayed
56.27 in a conspicuous place at the place of business so licensed. ~~Except as provided in sections~~
56.28 ~~29.22, subdivision 4 and 31.39, all such license fees and penalties collected by the~~
56.29 ~~commissioner shall be deposited into the state treasury and credited to the general fund.~~

56.30 The commissioner may adopt such rules in conformity with law as the commissioner deems
56.31 necessary to effectively and efficiently carry out the provisions of sections 28A.01 to 28A.16.

57.1 Sec. 47. Minnesota Statutes 2022, section 28A.151, subdivision 1, is amended to read:

57.2 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
57.3 the meanings given them.

57.4 (b) "Farmers' market" means an association of three or more persons who assemble at
57.5 a defined location that is open to the public for the purpose of selling ~~directly to the consumer~~
57.6 ~~the~~ products of a farm or garden occupied and cultivated by the person selling the product.

57.7 (c) "Food product sampling" means distributing to individuals at a farmers' market or
57.8 community event, for promotional or educational purposes, small portions of a food item
57.9 that include as a main ingredient a product sold by the vendor ~~at the farmers' market or~~
57.10 ~~community event~~. For purposes of this subdivision, "small portion" means a portion that is
57.11 no more than three ounces of food or beverage.

57.12 (d) "Food product demonstration" means cooking or preparing food products to distribute
57.13 to individuals at a farmers' market or community event for promotional or educational
57.14 purposes.

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

57.16 Sec. 48. Minnesota Statutes 2022, section 28A.151, subdivision 2, is amended to read:

57.17 Subd. 2. **Food sampling and demonstration.** (a) Food used in sampling and
57.18 demonstration must be obtained from sources that comply with Minnesota Food Law.

57.19 (b) Raw animal, raw poultry, and raw fish products must not be served as samples.

57.20 (c) Food product sampling or food product demonstrations, including cooked animal,
57.21 poultry, or fish products, must be prepared on site at the event.

57.22 (d) Animal or poultry products used for food product sampling or food product
57.23 demonstrations must be from animals slaughtered under continuous inspection, either by
57.24 the USDA or through Minnesota's "Equal-to" inspection program.

57.25 (e) The licensing provisions of sections 28A.01 to 28A.16 shall not apply to persons
57.26 engaged in food product sampling or food product demonstrations.

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

58.1 Sec. 49. Minnesota Statutes 2022, section 28A.151, subdivision 3, is amended to read:

58.2 Subd. 3. **Food required to be provided at no cost.** Food provided through food product
58.3 sampling or food product demonstrations must be provided at no cost to the individual
58.4 recipient of a sample.

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

58.6 Sec. 50. Minnesota Statutes 2022, section 28A.151, subdivision 5, is amended to read:

58.7 Subd. 5. **Food safety and equipment standards.** (a) Any person conducting food
58.8 product sampling or food product demonstrations shall meet the same food safety and
58.9 equipment standards that are required of a special event food stand in Minnesota Rules,
58.10 parts 4626.1855, items B to O, Q, and R; and 4626.0330.

58.11 (b) Notwithstanding paragraph (a), a handwashing device is not required when only
58.12 prepackaged food samples are offered.

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

58.14 Sec. 51. Minnesota Statutes 2022, section 28A.151, is amended by adding a subdivision
58.15 to read:

58.16 Subd. 7. **Signage.** A food product provided through food product sampling or food
58.17 product demonstrations must be accompanied by a legible sign or placard that lists the
58.18 product's ingredients and major food allergens.

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

58.20 Sec. 52. Minnesota Statutes 2022, section 28A.21, subdivision 6, is amended to read:

58.21 Subd. 6. **Expiration.** This section expires June 30, ~~2027~~ 2037.

58.22 Sec. 53. Minnesota Statutes 2022, section 31.74, is amended to read:

58.23 **31.74 SALE OF IMITATION HONEY.**

58.24 Subdivision 1. **Honey defined.** As used in this section "honey" means the nectar and
58.25 saccharine exudation of plants, gathered, modified and stored in the comb by honey bees,
58.26 which is levorotatory, contains not more than 25 percent of water, not more than 25/100
58.27 percent of ash, and not more than eight percent sucrose.

58.28 Subd. 2. **Prohibited sale.** Notwithstanding any law or rule to the contrary, it is unlawful
58.29 for any person to sell or offer for sale any product which is in semblance of honey and which

59.1 is labeled, advertised, or otherwise represented to be honey, if it is not honey. The word
59.2 "imitation" shall not be used in the name of a product which is in semblance of honey
59.3 whether or not it contains any honey. The label for a product which is not in semblance of
59.4 honey and which contains honey may include the word "honey" in the name of the product
59.5 and the relative position of the word "honey" in the product name, and in the list of
59.6 ingredients, when required, shall be determined by its prominence as an ingredient in the
59.7 product.

59.8 Subd. 4. Food consisting of honey and another sweetener. Consistent with the federal
59.9 act, the federal regulations incorporated under section 31.101, subdivision 7, and the
59.10 prohibition against misbranding in sections 31.02 and 34A.03, the label for a food in
59.11 semblance of honey and consisting of honey and another sweetener must include but is not
59.12 limited to the following elements:

59.13 (1) a statement of identity that accurately identifies or describes the nature of the food
59.14 or its characterizing properties or ingredients; and

59.15 (2) the common or usual name of each ingredient in the ingredient statement, in
59.16 descending order of predominance by weight.

59.17 Sec. 54. Minnesota Statutes 2022, section 31.94, is amended to read:

59.18 **31.94 ORGANIC AGRICULTURE; COMMISSIONER DUTIES.**

59.19 (a) In order to promote opportunities for organic agriculture in Minnesota, the
59.20 commissioner shall:

59.21 (1) survey producers and support services and organizations to determine information
59.22 and research needs in the area of organic agriculture practices;

59.23 (2) work with the University of Minnesota and other research and education institutions
59.24 to demonstrate the on-farm applicability of organic agriculture practices to conditions in
59.25 this state;

59.26 (3) direct the programs of the department so as to work toward the promotion of organic
59.27 agriculture in this state;

59.28 (4) inform agencies about state or federal programs that support organic agriculture
59.29 practices; and

59.30 (5) work closely with producers, producer organizations, the University of Minnesota,
59.31 and other appropriate agencies and organizations to identify opportunities and needs as well

60.1 as ensure coordination and avoid duplication of state agency efforts regarding research,
60.2 teaching, marketing, and extension work relating to organic agriculture.

60.3 (b) By November 15 of each year that ends in a zero or a five, the commissioner, in
60.4 conjunction with the task force created in paragraph (c), shall report on the status of organic
60.5 agriculture in Minnesota to the legislative policy and finance committees and divisions with
60.6 jurisdiction over agriculture. The report must include available data on organic acreage and
60.7 production, available data on the sales or market performance of organic products, and
60.8 recommendations regarding programs, policies, and research efforts that will benefit
60.9 Minnesota's organic agriculture sector.

60.10 (c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the
60.11 University of Minnesota on policies and programs that will improve organic agriculture in
60.12 Minnesota, including how available resources can most effectively be used for outreach,
60.13 education, research, and technical assistance that meet the needs of the organic agriculture
60.14 sector. The task force must consist of the following residents of the state:

60.15 (1) three organic farmers;

60.16 (2) one wholesaler or distributor of organic products;

60.17 (3) one representative of organic certification agencies;

60.18 (4) two organic processors;

60.19 (5) one representative from University of Minnesota Extension;

60.20 (6) one University of Minnesota faculty member;

60.21 (7) one representative from a nonprofit organization representing producers;

60.22 (8) two public members;

60.23 (9) one representative from the United States Department of Agriculture;

60.24 (10) one retailer of organic products; and

60.25 (11) one organic consumer representative.

60.26 The commissioner, in consultation with the director of the Minnesota Agricultural Experiment
60.27 Station; the dean and director of University of Minnesota Extension and the dean of the
60.28 College of Food, Agricultural and Natural Resource Sciences, shall appoint members to
60.29 serve three-year terms.

60.30 Compensation and removal of members are governed by section 15.059, subdivision 6.
60.31 The task force must meet at least twice each year and expires on June 30, ~~2024~~ 2034.

61.1 (d) For the purposes of expanding, improving, and developing production and marketing
61.2 of the organic products of Minnesota agriculture, the commissioner may receive funds from
61.3 state and federal sources and spend them, including through grants or contracts, to assist
61.4 producers and processors to achieve certification, to conduct education or marketing
61.5 activities, to enter into research and development partnerships, or to address production or
61.6 marketing obstacles to the growth and well-being of the industry.

61.7 (e) The commissioner may facilitate the registration of state organic production and
61.8 handling operations including those exempt from organic certification according to Code
61.9 of Federal Regulations, title 7, section 205.101, and accredited certification agencies
61.10 operating within the state.

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

61.12 Sec. 55. Minnesota Statutes 2022, section 32D.30, is amended to read:

61.13 **32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.**

61.14 Subdivision 1. **Program.** The commissioner must implement a dairy development and
61.15 profitability enhancement program consisting of a dairy profitability enhancement teams
61.16 and program, dairy business planning grants, and other services to support the dairy industry.

61.17 Subd. 2. **Dairy profitability enhancement teams program.** (a) The dairy profitability
61.18 enhancement teams program must provide ~~one-on-one~~ information and technical assistance
61.19 to dairy farms of all sizes to enhance their financial success and long-term sustainability.
61.20 ~~Teams~~ The program must assist dairy producers in all dairy-producing regions of the state
61.21 ~~and.~~ Assistance to producers from the program may consist of be provided individually, as
61.22 a team, or through other methods by farm business management instructors, dairy extension
61.23 specialists, and other dairy industry partners. ~~Teams~~ The program may engage in activities
61.24 ~~including such as~~ comprehensive financial analysis, risk management education, enhanced
61.25 milk marketing tools and technologies, ~~and~~ facilitating or improving production systems,
61.26 including rotational grazing and other sustainable agriculture methods, and value-added
61.27 opportunities.

61.28 (b) The commissioner must make grants to regional or statewide organizations qualified
61.29 to manage the various components of the teams program and serve as program administrators.
61.30 Each regional or statewide organization must designate a coordinator responsible for
61.31 overseeing the program and submitting periodic reports to the commissioner regarding
61.32 aggregate changes in producer financial stability, productivity, product quality, animal
61.33 health, environmental protection, and other performance measures attributable to the program.

62.1 The organizations must submit this information in a format that maintains the confidentiality
62.2 of individual dairy producers.

62.3 Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business
62.4 planning grants of up to \$5,000 per producer or dairy processor to ~~develop comprehensive~~
62.5 ~~business plans~~ use technical assistance services for evaluating operations, transitional
62.6 changes, expansions, improvements, and other business modifications. Producers and
62.7 processors must not use dairy business planning grants for capital improvements.

62.8 Subd. 4. **Funding allocation.** Except as specified in law, the commissioner may allocate
62.9 dairy development and profitability enhancement program dollars ~~among~~ for the permissible
62.10 uses specified in this section and other needs to support the dairy industry, including efforts
62.11 to improve the quality of milk produced in the state, in the proportions that the commissioner
62.12 deems most beneficial to the state's dairy farmers.

62.13 Subd. 5. **Reporting.** No later than July 1 each year, the commissioner must submit a
62.14 detailed accomplishment report and work plan detailing future plans for, and the actual and
62.15 anticipated accomplishments from, expenditures under this section to the chairs and ranking
62.16 minority members of the legislative committees and divisions with jurisdiction over
62.17 agriculture policy and finance. If the commissioner significantly modifies a submitted work
62.18 plan during the fiscal year, the commissioner must notify the chairs and ranking minority
62.19 members.

62.20 Sec. 56. Minnesota Statutes 2022, section 41B.039, subdivision 2, is amended to read:

62.21 Subd. 2. **State participation.** The state may participate in a new real estate loan with
62.22 an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount
62.23 of the loan or ~~\$400,000~~ \$500,000, whichever is less. The interest rates and repayment terms
62.24 of the authority's participation interest may be different than the interest rates and repayment
62.25 terms of the lender's retained portion of the loan.

62.26 Sec. 57. Minnesota Statutes 2022, section 41B.04, subdivision 8, is amended to read:

62.27 Subd. 8. **State participation.** With respect to loans that are eligible for restructuring
62.28 under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall
62.29 enter into a participation agreement or other financial arrangement whereby it shall participate
62.30 in a restructured loan to the extent of 45 percent of the primary principal or ~~\$525,000~~
62.31 \$625,000, whichever is less. The authority's portion of the loan must be protected during
62.32 the authority's participation by the first mortgage held by the eligible lender to the extent
62.33 of its participation in the loan.

63.1 Sec. 58. Minnesota Statutes 2022, section 41B.042, subdivision 4, is amended to read:

63.2 Subd. 4. **Participation limit; interest.** The authority may participate in new
63.3 seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or
63.4 ~~\$400,000~~ \$500,000, whichever is less. The interest rates and repayment terms of the
63.5 authority's participation interest may be different than the interest rates and repayment terms
63.6 of the seller's retained portion of the loan.

63.7 Sec. 59. Minnesota Statutes 2022, section 41B.043, subdivision 1b, is amended to read:

63.8 Subd. 1b. **Loan participation.** The authority may participate in an agricultural
63.9 improvement loan with an eligible lender to a farmer who meets the requirements of section
63.10 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming.
63.11 Participation is limited to 45 percent of the principal amount of the loan or ~~\$400,000~~
63.12 \$500,000, whichever is less. The interest rates and repayment terms of the authority's
63.13 participation interest may be different than the interest rates and repayment terms of the
63.14 lender's retained portion of the loan.

63.15 Sec. 60. Minnesota Statutes 2022, section 41B.045, subdivision 2, is amended to read:

63.16 Subd. 2. **Loan participation.** The authority may participate in a livestock expansion
63.17 and modernization loan with an eligible lender to a livestock farmer who meets the
63.18 requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively
63.19 engaged in a livestock operation. A prospective borrower must have a total net worth,
63.20 including assets and liabilities of the borrower's spouse and dependents, of less than
63.21 \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by
63.22 multiplying that amount by the cumulative inflation rate as determined by the United States
63.23 All-Items Consumer Price Index.

63.24 Participation is limited to 45 percent of the principal amount of the loan or ~~\$525,000~~
63.25 \$625,000, whichever is less. The interest rates and repayment terms of the authority's
63.26 participation interest may be different from the interest rates and repayment terms of the
63.27 lender's retained portion of the loan.

63.28 Sec. 61. Minnesota Statutes 2022, section 41B.047, subdivision 1, is amended to read:

63.29 Subdivision 1. **Establishment.** The authority shall establish and implement a disaster
63.30 recovery loan program to help farmers:

63.31 (1) clean up, repair, or replace farm structures and septic and water systems, as well as
63.32 replace seed, other crop inputs, feed, and livestock;

64.1 (2) purchase watering systems, irrigation systems, ~~and~~ other drought mitigation systems
64.2 and practices, and feed when drought is the cause of the purchase;

64.3 (3) restore farmland;

64.4 (4) replace flocks or livestock, make building improvements, or cover the loss of revenue
64.5 when the replacement, improvements, or loss of revenue is due to the confirmed presence
64.6 of a highly contagious animal disease in a commercial poultry or game flock, or a commercial
64.7 livestock operation, located in Minnesota; or

64.8 (5) cover the loss of revenue when the revenue loss is due to an infectious human disease
64.9 for which the governor has declared a peacetime emergency under section 12.31.

64.10 Sec. 62. Minnesota Statutes 2022, section 232.21, subdivision 3, is amended to read:

64.11 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of agriculture or the
64.12 commissioner's designee.

64.13 Sec. 63. Minnesota Statutes 2022, section 232.21, subdivision 7, is amended to read:

64.14 Subd. 7. **Grain.** "Grain" means any ~~cereal grain, coarse grain, or oilseed in unprocessed~~
64.15 ~~form for which a standard has been established by the United States Secretary of Agriculture,~~
64.16 ~~dry edible beans, or agricultural crops designated by the commissioner by rule~~ product
64.17 commonly referred to as grain, including wheat, corn, oats, barley, rye, rice, soybeans,
64.18 emmer, sorghum, triticale, millet, pulses, dry edible beans, sunflower seed, rapeseed, canola,
64.19 safflower, flaxseed, mustard seed, crambe, sesame seed, and other products ordinarily stored
64.20 in grain warehouses.

64.21 Sec. 64. Minnesota Statutes 2022, section 232.21, subdivision 11, is amended to read:

64.22 Subd. 11. **Producer.** "Producer" means a person who ~~owns or manages a grain producing~~
64.23 ~~or growing operation and holds or shares the responsibility for marketing that grain produced~~
64.24 grows grain on land owned or leased by the person.

64.25 Sec. 65. Minnesota Statutes 2022, section 232.21, subdivision 12, is amended to read:

64.26 Subd. 12. **Public grain warehouse operator.** "Public grain warehouse operator" means:
64.27 (1) a person licensed to operate operating a grain warehouse in which grain belonging to
64.28 persons other than the grain warehouse operator is accepted for storage or purchase, ~~or;~~ (2)
64.29 a person who offers grain storage or grain warehouse facilities to the public for hire; or (3)
64.30 a feed-processing plant that receives and stores grain, the equivalent of which, it processes

65.1 and returns to the grain's owner in amounts, at intervals, and with added ingredients that
65.2 are mutually agreeable to the grain's owner and the person operating the plant.

65.3 Sec. 66. Minnesota Statutes 2022, section 232.21, subdivision 13, is amended to read:

65.4 Subd. 13. **Scale ticket.** "Scale ticket" means a memorandum showing the weight, ~~grade~~
65.5 and kind of grain which is issued by a grain elevator or warehouse operator to a depositor
65.6 at the time the grain is delivered.

65.7 Sec. 67. **[346.021] FINDER TO GIVE NOTICE.**

65.8 A person who finds an estray and knows who owns the estray must notify the estray's
65.9 owner within seven days after finding the estray and request that the owner pay all reasonable
65.10 charges and take the estray away. A finder who does not know who owns an estray must
65.11 either:

65.12 (1) within ten days, file a notice with the town or city clerk and post a physical or online
65.13 notice of the finding of the estray. The notice must briefly describe the estray or provide a
65.14 photograph of the estray, provide the residence or contact information of the finder, and
65.15 provide the approximate location and time when the finder found the estray; or

65.16 (2) within seven days, surrender the estray to a local animal control agency or to a kennel
65.17 as defined in section 347.31, subdivision 2.

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

65.19 Sec. 68. Laws 2023, chapter 43, article 2, section 142, subdivision 9, is amended to read:

65.20 Subd. 9. **Dairy law.** Minnesota Statutes 2022, sections 17.984; 32D.03, subdivision 5;
65.21 32D.24; 32D.25, subdivision 1; 32D.26; 32D.27; and 32D.28, are repealed.

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

65.23 Sec. 69. **REVIVAL AND REENACTMENT.**

65.24 Minnesota Statutes, section 32D.25, subdivision 2, is revived and reenacted effective
65.25 retroactively from July 1, 2023.

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

65.27 Sec. 70. **REPORT REQUIRED; COOPERATIVE FINANCIAL REPORTING.**

65.28 The commissioner of agriculture shall convene a cooperative financial reporting
65.29 workgroup, which must include producers who sell to a cooperative and representatives

66.1 from cooperative management. The commissioner shall develop recommendations relating
66.2 to requirements for cooperatives to report on financial conditions and report back with
66.3 recommendations to the legislative committees with jurisdiction over agriculture by January
66.4 3, 2025. Participating stakeholders must be given an opportunity to include written testimony
66.5 to the legislative committees in the commissioner's report.

66.6 Sec. 71. **COMMERCIAL APPLICATOR LICENSE EXAMINATION LANGUAGE**
66.7 **REQUIREMENTS.**

66.8 By January 1, 2025, the commissioner of agriculture must ensure that examinations for
66.9 a commercial applicator license under Minnesota Statutes, section 18B.33, are available in
66.10 Spanish and that applicants are informed that the examinations can be taken in Spanish.
66.11 The commissioner must use money appropriated from the pesticide regulatory account
66.12 under Minnesota Statutes, section 18B.05, for this purpose.

66.13 Sec. 72. **CREDIT MARKET REPORT REQUIRED.**

66.14 The commissioner of agriculture must convene a stakeholder working group to explore
66.15 the state establishing a market for carbon credits, ecosystem services credits, or other credits
66.16 generated by farmers who implement clean water, climate-smart, and soil-healthy farming
66.17 practices. To the extent practicable, the stakeholder working group must include but is not
66.18 limited to farmers; representatives of agricultural organizations; experts in geoscience,
66.19 carbon storage, greenhouse gas modeling, and agricultural economics; industry
66.20 representatives with experience in carbon markets and supply chain sustainability; and
66.21 representatives of environmental organizations with expertise in carbon sequestration and
66.22 agriculture. No later than February 1, 2025, the commissioner must report recommendations
66.23 to the legislative committees with jurisdiction over agriculture. The commissioner must
66.24 provide participating stakeholders an opportunity to include written testimony in the
66.25 commissioner's report.

66.26 Sec. 73. **REPEALER.**

66.27 (a) Minnesota Statutes 2022, sections 3.7371, subdivision 7; and 34.07, are repealed.

66.28 (b) Minnesota Rules, parts 1506.0010; 1506.0015; 1506.0020; 1506.0025; 1506.0030;
66.29 1506.0035; and 1506.0040, are repealed.

67.1 **ARTICLE 3**

67.2 **BROADBAND**

67.3 Section 1. Minnesota Statutes 2022, section 116J.396, is amended by adding a subdivision
67.4 to read:

67.5 Subd. 4. **Transfer.** The commissioner may transfer up to \$5,000,000 of a fiscal year
67.6 appropriation between the border-to-border broadband program, low density population
67.7 broadband program, and the broadband line extension program to meet demand. The
67.8 commissioner must inform the chairs and ranking minority members of the legislative
67.9 committees with jurisdiction over broadband finance in writing when this transfer authority
67.10 is used. The written notice must include how much money was transferred and why the
67.11 transfer was made. The written notice must also be filed with the Legislative Reference
67.12 Library in compliance with Minnesota Statutes, section 3.195.

67.13 Sec. 2. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
67.14 **FUNDING; APPROPRIATION.**

67.15 (a) The commissioner of employment and economic development must prepare and
67.16 submit an application to the United States Department of Commerce requesting State Digital
67.17 Equity Capacity Grant funding made available under Public Law 117-58, the Infrastructure
67.18 Investment and Jobs Act.

67.19 (b) The amount awarded to Minnesota pursuant to the application submitted under
67.20 paragraph (a) is appropriated to the commissioner of employment and economic development
67.21 for purposes of the commissioner's Minnesota Digital Opportunity Plan.

67.22 **ARTICLE 4**

67.23 **CLIMATE AND ENERGY FINANCE**

67.24 Section 1. **APPROPRIATIONS.**

67.25 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
67.26 and for the purposes specified in this article. The appropriations are from the general fund,
67.27 or another named fund, and are available for the fiscal years indicated for each purpose.
67.28 The figures "2024" and "2025" used in this article mean that the appropriations listed under
67.29 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.
67.30 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
67.31 is fiscal years 2024 and 2025.

67.32 **APPROPRIATIONS**
67.33 **Available for the Year**

	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
68.1		
68.2		
68.3	Sec. 2. <u>DEPARTMENT OF COMMERCE</u>	
68.4	<u>Subdivision 1. Total Appropriation</u>	<u>\$ -0- \$ 1,133,000</u>
68.5	<u>The amounts that may be spent for each</u>	
68.6	<u>purpose are specified in the following</u>	
68.7	<u>subdivisions.</u>	
68.8	<u>Subd. 2. Thermal Energy Network Site</u>	
68.9	<u>Suitability Study</u>	
68.10	<u>\$500,000 the second year is for the thermal</u>	
68.11	<u>energy network site suitability study under</u>	
68.12	<u>article 6, section 51. This is a onetime</u>	
68.13	<u>appropriation and is available until December</u>	
68.14	<u>31, 2025.</u>	
68.15	<u>Subd. 3. SolarAPP+ Program</u>	
68.16	<u>\$500,000 the second year is for transfer to the</u>	
68.17	<u>SolarAPP+ program account established under</u>	
68.18	<u>Minnesota Statutes, section 216C.48, to award</u>	
68.19	<u>incentives to local units of government that</u>	
68.20	<u>deploy federally developed software to</u>	
68.21	<u>automate the review of applications and</u>	
68.22	<u>issuance of permits for residential solar</u>	
68.23	<u>projects. Incentives must be awarded only to</u>	
68.24	<u>local units of government located outside the</u>	
68.25	<u>electric service territory of the public utility</u>	
68.26	<u>subject to Minnesota Statutes, section</u>	
68.27	<u>116C.779, subdivision 1. This is a onetime</u>	
68.28	<u>transfer and is available until June 30, 2028.</u>	
68.29	<u>Subd. 4. Grid-Enhancing Technologies</u>	
68.30	<u>\$133,000 the second year is to (1) participate</u>	
68.31	<u>in a Minnesota Public Utilities Commission</u>	
68.32	<u>proceeding to review electric transmission line</u>	
68.33	<u>owners' plans to deploy grid-enhancing</u>	
68.34	<u>technologies, and (2) issue an order to</u>	

69.1 implement the plans. The base in fiscal year
 69.2 2026 is \$265,000 and the base in fiscal year
 69.3 2027 is \$265,000. The base in fiscal year 2028
 69.4 is \$0.

69.5 **Sec. 3. PUBLIC UTILITIES COMMISSION \$ -0- \$ 267,000**

69.6 (a) \$39,000 the second year is to support the
 69.7 Thermal Energy Network Deployment Work
 69.8 Group and prepare a report under article 6,
 69.9 section 49. The base in fiscal year 2026 is
 69.10 \$77,000 and the base in fiscal year 2027 is \$0.

69.11 (b) \$117,000 the second year is to review
 69.12 electric transmission line owners' plans to
 69.13 deploy grid-enhancing technologies and
 69.14 develop a commission order to implement
 69.15 approved plans under article 6, section 52. The
 69.16 base in fiscal year 2026 is \$157,000 and the
 69.17 base in fiscal year 2027 is \$157,000. The base
 69.18 in fiscal year 2028 is \$0.

69.19 (c) \$111,000 the second year is to conduct a
 69.20 proceeding to develop a cost-sharing
 69.21 mechanism enabling developers of distributed
 69.22 generation projects to pay utilities to expand
 69.23 distribution line capacity in order to
 69.24 interconnect to the grid. The base in fiscal year
 69.25 2026 is \$111,000 and the base in fiscal year
 69.26 2027 is \$77,000. The base in fiscal year 2028
 69.27 is \$0.

69.28 **Sec. 4. GRANT ADMINISTRATION REPORTING.**

69.29 (a) By July 1, 2024, the commissioner of commerce must report to the chairs and ranking
 69.30 minority members of the legislative committees having jurisdiction over energy finance
 69.31 and policy regarding the anticipated costs to administer each named grant and competitive
 69.32 grant program in Laws 2023, chapter 60, article 10, section 2, and Laws 2023, chapter 60,
 69.33 article 11, section 2.

71.1 **Subd. 2. Geothermal Energy System; Sabathani**
71.2 **Community Center**

71.3 (a) \$6,000,000 the second year is for a grant
71.4 to the Sabathani Community Center in
71.5 Minneapolis to construct a geothermal energy
71.6 system that provides space heating and cooling
71.7 to the center. This is a onetime appropriation
71.8 and is available until June 30, 2028.

71.9 (b) For the purposes of this subdivision,
71.10 "geothermal energy system" means a system
71.11 composed of: a heat pump that moves a
71.12 heat-transferring fluid through piping
71.13 embedded in the earth and absorbs the earth's
71.14 constant temperature; a heat exchanger; and
71.15 ductwork to distribute heated and cooled air
71.16 to a building.

71.17 **Subd. 3. Geothermal Planning Grants**

71.18 \$1,200,000 the second year is for transfer to
71.19 the geothermal planning grant account
71.20 established under Minnesota Statutes, section
71.21 216C.47, for planning grants to political
71.22 subdivisions to assess the feasibility and cost
71.23 of constructing geothermal energy systems.
71.24 This is a onetime appropriation and is
71.25 available until June 30, 2029.

71.26 **Subd. 4. Energy Efficiency Projects; Dakota**
71.27 **County**

71.28 (a) \$500,000 the second year is for a grant to
71.29 Dakota County for energy efficiency projects
71.30 that are located in the service area of the public
71.31 utility subject to Minnesota Statutes, section
71.32 116C.779. This is a onetime appropriation and
71.33 is available until June 30, 2027.

71.34 (b) For purposes of this subdivision, "energy
71.35 efficiency project" includes: (1) LED lighting,

72.1 as defined under Minnesota Statutes, section
72.2 216B.241, subdivision 5; (2) solar arrays; or
72.3 (3) heating, ventilating, or air conditioning
72.4 system improvements.

72.5 **Subd. 5. Anaerobic Digester Energy System**

72.6 (a) \$5,000,000 the second year is for a grant
72.7 to Recycling and Energy, in partnership with
72.8 Dem-Con HZI Bioenergy, LLC, to construct
72.9 an anaerobic energy system in Louisville
72.10 Township. This is a onetime appropriation and
72.11 is available until June 30, 2028.

72.12 (b) For the purposes of this subdivision,
72.13 "anaerobic energy system" means a facility
72.14 that uses diverted food and organic waste to
72.15 create renewable natural gas and biochar.

72.16 **Subd. 6. SolarAPP+ Program**

72.17 \$1,500,000 the second year is for transfer to
72.18 the SolarAPP+ program account established
72.19 under Minnesota Statutes, section 216C.48,
72.20 to award incentives to local units of
72.21 government that deploy federally developed
72.22 software to automate the review of
72.23 applications and issuance of permits for
72.24 residential solar projects. Incentives must be
72.25 awarded only to political subdivisions located
72.26 within the electric service territory of the
72.27 public utility that is subject to Minnesota
72.28 Statutes, section 116C.779, subdivision 1. This
72.29 is a onetime transfer.

72.30 **Subd. 7. Ultraefficient Vehicle Development**
72.31 **Grants**

72.32 \$250,000 the second year is transferred to the
72.33 ultraefficient vehicle development grant
72.34 account under article 6, section 48, to provide

- 74.1 (4) well location and construction;
- 74.2 (5) signage requirements;
- 74.3 (6) reports of system construction, performance, operation, and maintenance;
- 74.4 (7) removal of the system upon termination of use or failure;
- 74.5 (8) disclosure of the system at the time of property transfer;
- 74.6 (9) requirements to obtain approval from the commissioner prior to deviating from the
- 74.7 approval plan and conditions;
- 74.8 (10) groundwater level monitoring; and
- 74.9 (11) groundwater quality monitoring.
- 74.10 (f) The property owner or the property owner's agent must submit to the commissioner
- 74.11 a permit application on a form provided by the commissioner, or in a format approved by
- 74.12 the commissioner, that provides any information necessary to protect public health and
- 74.13 safety of groundwater.
- 74.14 (g) A permit granted under this section is not valid if a water-use permit is required for
- 74.15 the project and is not approved by the commissioner of natural resources.

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

74.17 Sec. 2. Minnesota Statutes 2022, section 103I.621, subdivision 2, is amended to read:

74.18 Subd. 2. **Water-use requirements apply.** Water-use permit requirements and penalties

74.19 under chapter ~~103F~~ 103G and related rules adopted and enforced by the commissioner of

74.20 natural resources apply to groundwater thermal exchange permit recipients. A person who

74.21 violates a provision of this section is subject to enforcement or penalties for the noncomplying

74.22 activity that are available to the commissioner and the Pollution Control Agency.

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

74.24 Sec. 3. Minnesota Statutes 2023 Supplement, section 116C.779, subdivision 1, is amended

74.25 to read:

74.26 Subdivision 1. **Renewable development account.** (a) The renewable development

74.27 account is established as a separate account in the special revenue fund in the state treasury.

74.28 Appropriations and transfers to the account shall be credited to the account. Earnings, such

74.29 as interest, dividends, and any other earnings arising from assets of the account, shall be

74.30 credited to the account. Funds remaining in the account at the end of a fiscal year are not

75.1 canceled to the general fund but remain in the account until expended. The account shall
75.2 be administered by the commissioner of management and budget as provided under this
75.3 section.

75.4 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
75.5 plant must transfer all funds in the renewable development account previously established
75.6 under this subdivision and managed by the public utility to the renewable development
75.7 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
75.8 that have not yet been expended and unencumbered funds required to be paid in calendar
75.9 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject
75.10 to transfer under this paragraph.

75.11 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
75.12 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
75.13 plant must transfer to the renewable development account \$500,000 each year for each dry
75.14 cask containing spent fuel that is located at the Prairie Island power plant for each year the
75.15 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by
75.16 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
75.17 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
75.18 part of a year. The total amount transferred annually under this paragraph must be reduced
75.19 by \$3,750,000.

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

75.28 (e) Each year, the public utility shall withhold from the funds transferred to the renewable
75.29 development account under paragraphs (c) and (d) the amount necessary to pay its obligations
75.30 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

75.31 (f) If the commission approves a new or amended power purchase agreement, the
75.32 termination of a power purchase agreement, or the purchase and closure of a facility under
75.33 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
75.34 the public utility subject to this section shall enter into a contract with the city in which the

76.1 poultry litter plant is located to provide grants to the city for the purposes of economic
76.2 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
76.3 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
76.4 by the public utility from funds withheld from the transfer to the renewable development
76.5 account, as provided in paragraphs (b) and (e).

76.6 (g) If the commission approves a new or amended power purchase agreement, or the
76.7 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
76.8 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
76.9 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
76.10 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
76.11 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
76.12 30 days after the commission approves the new or amended power purchase agreement, or
76.13 the termination of the power purchase agreement, and on each June 1 thereafter through
76.14 2021, to assist the transition required by the new, amended, or terminated power purchase
76.15 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
76.16 to the renewable development account as provided in paragraphs (b) and (e).

76.17 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
76.18 and (g) is limited to the amount deposited into the renewable development account, and its
76.19 predecessor, the renewable development account, established under this section, that was
76.20 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
76.21 10.

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

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

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

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

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

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

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

77.8 (k) For the purposes of paragraph (j), the following terms have the meanings given:

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

77.11 (2) "grid modernization" means:

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

77.13 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
77.14 and

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

77.19 (l) A renewable development account advisory group that includes, among others,
77.20 representatives of the public utility and its ratepayers, and includes at least one representative
77.21 of the Prairie Island Indian community appointed by that community's tribal council, shall
77.22 develop recommendations on account expenditures. The advisory group must design a
77.23 request for proposal and evaluate projects submitted in response to a request for proposals.
77.24 The advisory group must utilize an independent third-party expert to evaluate proposals
77.25 submitted in response to a request for proposal, including all proposals made by the public
77.26 utility. A request for proposal for research and development under paragraph (j), clause (1),
77.27 may be limited to or include a request to higher education institutions located in Minnesota
77.28 for multiple projects authorized under paragraph (j), clause (1). The request for multiple
77.29 projects may include a provision that exempts the projects from the third-party expert review
77.30 and instead provides for project evaluation and selection by a merit peer review grant system.
77.31 In the process of determining request for proposal scope and subject and in evaluating
77.32 responses to request for proposals, the advisory group must strongly consider, where
77.33 reasonable:

78.1 (1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers;
78.2 and

78.3 (2) the proposer's commitment to increasing the diversity of the proposer's workforce
78.4 and vendors.

78.5 (m) The advisory group shall submit funding recommendations to the public utility,
78.6 which has full and sole authority to determine which expenditures shall be submitted by
78.7 the advisory group to the legislature. The commission may approve proposed expenditures,
78.8 may disapprove proposed expenditures that it finds not to be in compliance with this
78.9 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,
78.10 modify proposed expenditures. The commission shall, by order, submit its funding
78.11 recommendations to the legislature as provided under paragraph (n).

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

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

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

78.20 (o) A request for proposal for renewable energy generation projects must, when feasible
78.21 and reasonable, give preference to projects that are most cost-effective for a particular energy
78.22 source.

78.23 (p) The advisory group must annually, by February 15, report to the chairs and ranking
78.24 minority members of the legislative committees with jurisdiction over energy policy on
78.25 projects funded by the account for the prior year and all previous years. The report must,
78.26 to the extent possible and reasonable, itemize the actual and projected financial benefit to
78.27 the public utility's ratepayers of each project.

78.28 ~~(q) By February 1, 2018, and each February 1 thereafter, the commissioner of~~
78.29 ~~management and budget shall submit a written report regarding the availability of funds in~~
78.30 ~~and obligations of the account to the chairs and ranking minority members of the senate~~
78.31 ~~and house committees with jurisdiction over energy policy and finance, the public utility,~~
78.32 ~~and the advisory group.~~

79.1 ~~(p)~~ (q) A project receiving funds from the account must produce a written final report
79.2 that includes sufficient detail for technical readers and a clearly written summary for
79.3 nontechnical readers. The report must include an evaluation of the project's financial,
79.4 environmental, and other benefits to the state and the public utility's ratepayers. A project
79.5 receiving funds from the account must submit a report that meets the requirements of section
79.6 216C.51, subdivisions 3 and 4, each year the project funded by the account is in progress.

79.7 ~~(s)~~ (r) Final reports, any mid-project status reports, and renewable development account
79.8 financial reports must be posted online on a public website designated by the commissioner
79.9 of commerce.

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

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

79.15 ~~(v)~~ (u) Construction projects receiving funds from this account are subject to the
79.16 requirement to pay the prevailing wage rate, as defined in section 177.42 and the requirements
79.17 and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and
79.18 177.45.

79.19 Sec. 4. Minnesota Statutes 2023 Supplement, section 116C.7792, is amended to read:

79.20 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

79.21 (a) The utility subject to section 116C.779 shall operate a program to provide solar
79.22 energy production incentives for solar energy systems of no more than a total aggregate
79.23 nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar
79.24 energy system installed before June 1, 2018, is eligible to receive a production incentive
79.25 under this section for any additional solar energy systems constructed at the same customer
79.26 location, provided that the aggregate capacity of all systems at the customer location does
79.27 not exceed 40 kilowatts.

79.28 (b) The program is funded by money withheld from transfer to the renewable development
79.29 account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must
79.30 be placed in a separate account for the purpose of the solar energy production incentive
79.31 program operated by the utility and not for any other program or purpose.

79.32 (c) Funds allocated to the solar energy production incentive program in 2019 and 2020
79.33 remain available to the solar energy production incentive program.

80.1 (d) The following amounts are allocated to the solar energy production incentive program:

80.2 (1) \$10,000,000 in 2021;

80.3 (2) \$10,000,000 in 2022;

80.4 (3) \$5,000,000 in 2023;

80.5 (4) \$11,250,000 in 2024; ~~and~~

80.6 (5) \$6,250,000 in 2025; and

80.7 (6) \$5,000,000 each year, beginning in 2026 through 2035.

80.8 (e) Notwithstanding the Department of Commerce's November 14, 2018, decision in
80.9 Docket No. E002/M-13-1015 regarding operation of the utility's solar energy production
80.10 incentive program, half of the amounts allocated each year under paragraph (d), clauses (3),
80.11 (4), and (5), must be reserved for solar energy systems whose installation meets the eligibility
80.12 standards for the low-income program established in the November 14, 2018, decision or
80.13 successor decisions of the department. All other program operations of the solar energy
80.14 production incentive program are governed by the provisions of the November 14, 2018,
80.15 decision or successor decisions of the department.

80.16 (f) Funds allocated to the solar energy production incentive program that have not been
80.17 committed to a specific project at the end of a program year remain available to the solar
80.18 energy production incentive program.

80.19 (g) Any unspent amount remaining on January 1, 2028, must be transferred to the
80.20 renewable development account.

80.21 (h) A solar energy system receiving a production incentive under this section must be
80.22 sized to less than 120 percent of the customer's on-site annual energy consumption when
80.23 combined with other distributed generation resources and subscriptions provided under
80.24 section 216B.1641 associated with the premise. The production incentive must be paid for
80.25 ten years commencing with the commissioning of the system.

80.26 (i) The utility must file a plan to operate the program with the commissioner of commerce.
80.27 The utility may not operate the program until it is approved by the commissioner. A change
80.28 to the program to include projects up to a nameplate capacity of 40 kilowatts or less does
80.29 not require the utility to file a plan with the commissioner. Any plan approved by the
80.30 commissioner of commerce must not provide an increased incentive scale over prior years
80.31 unless the commissioner demonstrates that changes in the market for solar energy facilities
80.32 require an increase.

81.1 Sec. 5. Minnesota Statutes 2022, section 216B.098, is amended by adding a subdivision
81.2 to read:

81.3 Subd. 7. **Social Security number and individual taxpayer identification number.** If
81.4 a utility requires a new customer to provide a Social Security number on an application for
81.5 utility service, the utility must accept an individual taxpayer identification number in lieu
81.6 of a Social Security number. The utility application must indicate that the utility accepts an
81.7 individual taxpayer identification number.

81.8 Sec. 6. Minnesota Statutes 2022, section 216B.16, subdivision 6c, is amended to read:

81.9 Subd. 6c. **Incentive plan for energy conservation and efficient fuel-switching**
81.10 **improvement.** (a) The commission may order public utilities to develop and submit for
81.11 commission approval incentive plans that describe the method of recovery and accounting
81.12 for utility conservation and efficient fuel-switching expenditures and savings. For public
81.13 utilities that provide electric service, the commission must develop and implement incentive
81.14 plans designed to promote energy conservation separately from the plans designed to promote
81.15 efficient fuel-switching. In developing the incentive plans the commission shall ensure the
81.16 effective involvement of interested parties.

81.17 (b) In approving incentive plans, the commission shall consider:

81.18 (1) whether the plan is likely to increase utility investment in cost-effective energy
81.19 conservation or efficient fuel switching;

81.20 (2) whether the plan is compatible with the interest of utility ratepayers and other
81.21 interested parties;

81.22 (3) whether the plan links the incentive to the utility's performance in achieving
81.23 cost-effective conservation or efficient fuel switching; ~~and~~

81.24 (4) whether the plan is in conflict with other provisions of this chapter;

81.25 (5) whether the plan conflicts with other provisions of this chapter; and

81.26 (6) the likely financial impacts of the conservation and efficient fuel-switching programs
81.27 on the utility.

81.28 (c) The commission may set rates to encourage the vigorous and effective implementation
81.29 of utility conservation and efficient fuel-switching programs. The commission may:

81.30 (1) increase or decrease any otherwise allowed rate of return on net investment based
81.31 upon the utility's skill, efforts, and success in ~~conserving~~ improving the efficient use of
81.32 energy through energy conservation or efficient fuel switching;

82.1 (2) share between ratepayers and utilities the net savings resulting from energy
82.2 conservation and efficient fuel-switching programs to the extent justified by the utility's
82.3 skill, efforts, and success in ~~conserving~~ improving the efficient use of energy; and

82.4 (3) adopt any mechanism that satisfies the criteria of this subdivision, such that
82.5 implementation of cost-effective conservation or efficient fuel switching is a preferred
82.6 resource choice for the public utility considering the impact of conservation or efficient fuel
82.7 switching on earnings of the public utility.

82.8 (d) Any incentives offered to electric utilities under this subdivision for efficient-fuel
82.9 switching projects expire December 31, 2032.

82.10 Sec. 7. Minnesota Statutes 2022, section 216B.16, subdivision 8, is amended to read:

82.11 Subd. 8. **Advertising expense.** (a) The commission shall disapprove the portion of any
82.12 rate which makes an allowance directly or indirectly for expenses incurred by a public utility
82.13 to provide a public advertisement which:

82.14 (1) is designed to influence or has the effect of influencing public attitudes toward
82.15 legislation or proposed legislation, or toward a rule, proposed rule, authorization or proposed
82.16 authorization of the Public Utilities Commission or other agency of government responsible
82.17 for regulating a public utility;

82.18 (2) is designed to justify or otherwise support or defend a rate, proposed rate, practice
82.19 or proposed practice of a public utility;

82.20 (3) is designed primarily to promote consumption of the services of the utility;

82.21 (4) is designed primarily to promote good will for the public utility or improve the
82.22 utility's public image; or

82.23 (5) is designed to promote the use of nuclear power or to promote a nuclear waste storage
82.24 facility.

82.25 (b) The commission may approve a rate which makes an allowance for expenses incurred
82.26 by a public utility to disseminate information which:

82.27 (1) is designed to encourage ~~conservation~~ efficient use of energy supplies;

82.28 (2) is designed to promote safety; or

82.29 (3) is designed to inform and educate customers as to financial services made available
82.30 to them by the public utility.

83.1 (c) The commission shall not withhold approval of a rate because it makes an allowance
83.2 for expenses incurred by the utility to disseminate information about corporate affairs to its
83.3 owners.

83.4 Sec. 8. Minnesota Statutes 2022, section 216B.2402, is amended by adding a subdivision
83.5 to read:

83.6 Subd. 3a. **Data mining facility.** "Data mining facility" means all buildings, structures,
83.7 equipment, and installations at a single site where electricity is used primarily by computers
83.8 to process transactions involving digital currency that is not issued by a central authority.

83.9 Sec. 9. Minnesota Statutes 2022, section 216B.2402, subdivision 4, is amended to read:

83.10 Subd. 4. **Efficient fuel-switching improvement.** "Efficient fuel-switching improvement"
83.11 means a project that:

83.12 (1) replaces a fuel used by a customer with electricity or natural gas delivered at retail
83.13 by a utility subject to section 216B.2403 or 216B.241;

83.14 (2) results in a net increase in the use of electricity or natural gas and a net decrease in
83.15 source energy consumption on a fuel-neutral basis;

83.16 (3) otherwise meets the criteria established for consumer-owned utilities in section
83.17 216B.2403, subdivision 8, and for public utilities under section 216B.241, subdivisions 11
83.18 and 12; and

83.19 (4) requires the installation of equipment that utilizes electricity or natural gas, resulting
83.20 in a reduction or elimination of the previous fuel used.

83.21 An efficient fuel-switching improvement is not an energy conservation improvement or
83.22 energy efficiency even if the efficient fuel-switching improvement results in a net reduction
83.23 in electricity or natural gas use. ~~An efficient fuel-switching improvement does not include,~~
83.24 ~~and must not count toward any energy savings goal from, energy conservation improvements~~
83.25 ~~when fuel switching would result in an increase of greenhouse gas emissions into the~~
83.26 ~~atmosphere on an annual basis.~~

83.27 Sec. 10. Minnesota Statutes 2022, section 216B.2402, subdivision 10, is amended to read:

83.28 Subd. 10. **Gross annual retail energy sales.** "Gross annual retail energy sales" means
83.29 a utility's annual electric sales to all Minnesota retail customers, or natural gas throughput
83.30 to all retail customers, including natural gas transportation customers, on a utility's
83.31 distribution system in Minnesota. Gross annual retail energy sales does not include:

84.1 (1) gas sales to:

84.2 (i) a large energy facility;

84.3 (ii) a large customer facility whose natural gas utility has been exempted by the
84.4 commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to natural
84.5 gas sales made to the large customer facility; and

84.6 (iii) a commercial gas customer facility whose natural gas utility has been exempted by
84.7 the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to
84.8 natural gas sales made to the commercial gas customer facility;

84.9 (2) electric sales to:

84.10 (i) a large customer facility whose electric utility has been exempted by the commissioner
84.11 under section 216B.241, subdivision 1a, paragraph (a), with respect to electric sales made
84.12 to the large customer facility; ~~or~~ and

84.13 (ii) a data mining facility, if the facility:

84.14 (A) has provided a signed letter to the utility verifying the facility meets the definition
84.15 of a data mining facility; and

84.16 (B) imposes a peak electrical demand on a consumer-owned utility's system equal to or
84.17 greater than 40 percent of the peak electrical demand of the system, measured in the same
84.18 manner as the utility that serves the customer facility measures electric demand for billing
84.19 purposes; or

84.20 (3) the amount of electric sales prior to December 31, 2032, that are associated with a
84.21 utility's program, rate, or tariff for electric vehicle charging based on a methodology and
84.22 assumptions developed by the department in consultation with interested stakeholders no
84.23 later than December 31, 2021. After December 31, 2032, incremental sales to electric
84.24 vehicles must be included in calculating a public utility's gross annual retail sales.

84.25 Sec. 11. Minnesota Statutes 2022, section 216B.2403, subdivision 2, is amended to read:

84.26 Subd. 2. **Consumer-owned utility; energy-savings goal.** (a) Each individual
84.27 consumer-owned electric utility subject to this section has an annual energy-savings goal
84.28 equivalent to 1.5 percent of gross annual retail energy sales and each individual
84.29 consumer-owned natural gas utility subject to this section has an annual energy-savings
84.30 goal equivalent to one percent of gross annual retail energy sales, to be met with a minimum
84.31 of energy savings from energy conservation improvements equivalent to at least ~~0.95~~ 0.90
84.32 percent of the consumer-owned utility's gross annual retail energy sales. The balance of

85.1 energy savings toward the annual energy-savings goal may be achieved only by the following
85.2 consumer-owned utility activities:

85.3 (1) energy savings from additional energy conservation improvements;

85.4 (2) electric utility infrastructure projects, as defined in section 216B.1636, subdivision
85.5 1, that result in increased efficiency greater than would have occurred through normal
85.6 maintenance activity;

85.7 (3) net energy savings from efficient fuel-switching improvements that meet the criteria
85.8 under subdivision 8, which may contribute up to ~~0.55~~ 0.60 percent of the goal; or

85.9 (4) subject to department approval, demand-side natural gas or electric energy displaced
85.10 by use of waste heat recovered and used as thermal energy, including the recovered thermal
85.11 energy from a cogeneration or combined heat and power facility.

85.12 (b) The energy-savings goals specified in this section must be calculated based on
85.13 weather-normalized sales averaged over the most recent three years. A consumer-owned
85.14 utility may elect to carry forward energy savings in excess of 1.5 percent for a year to the
85.15 next three years, except that energy savings from electric utility infrastructure projects may
85.16 be carried forward for five years. A particular energy savings can only be used to meet one
85.17 year's goal.

85.18 (c) A consumer-owned utility subject to this section is not required to make energy
85.19 conservation improvements that are not cost-effective, even if the improvement is necessary
85.20 to attain the energy-savings goal. A consumer-owned utility subject to this section must
85.21 make reasonable efforts to implement energy conservation improvements that exceed the
85.22 minimum level established under this subdivision if cost-effective opportunities and funding
85.23 are available, considering other potential investments the consumer-owned utility intends
85.24 to make to benefit customers during the term of the plan filed under subdivision 3.

85.25 ~~(d) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a~~
85.26 ~~consumer-owned utility subject to this section on efficient fuel-switching improvements~~
85.27 ~~implemented to meet the annual energy savings goal under this section must not exceed~~
85.28 ~~0.55 percent per year, averaged over a three-year period, of the consumer-owned utility's~~
85.29 ~~gross annual retail energy sales.~~

85.30 Sec. 12. Minnesota Statutes 2022, section 216B.2403, subdivision 3, is amended to read:

85.31 Subd. 3. **Consumer-owned utility; energy conservation and optimization plans.** (a)
85.32 By June 1, 2022, and at least every three years thereafter, each consumer-owned utility must
85.33 file with the commissioner an energy conservation and optimization plan that describes the

86.1 programs for energy conservation, efficient fuel-switching, load management, and other
86.2 measures the consumer-owned utility intends to offer to achieve the utility's energy savings
86.3 goal.

86.4 (b) A plan's term may extend up to three years. A multiyear plan must identify the total
86.5 energy savings and energy savings resulting from energy conservation improvements that
86.6 are projected to be achieved in each year of the plan. A multiyear plan that does not, in each
86.7 year of the plan, meet both the minimum energy savings goal from energy conservation
86.8 improvements and the total energy savings goal of 1.5 percent, or lower goals adjusted by
86.9 the commissioner under paragraph (k), must:

86.10 (1) state why each goal is projected to be unmet; and

86.11 (2) demonstrate how the consumer-owned utility proposes to meet both goals on an
86.12 average basis over the duration of the plan.

86.13 (c) A plan filed under this subdivision must provide:

86.14 (1) for existing programs, an analysis of the cost-effectiveness of the consumer-owned
86.15 utility's programs offered under the plan, using a list of baseline energy- and capacity-savings
86.16 assumptions developed in consultation with the department; and

86.17 (2) for new programs, a preliminary analysis upon which the program will proceed, in
86.18 parallel with further development of assumptions and standards.

86.19 (d) The commissioner must evaluate a plan filed under this subdivision based on the
86.20 plan's likelihood to achieve the energy-savings goals established in subdivision 2. The
86.21 commissioner may make recommendations to a consumer-owned utility regarding ways to
86.22 increase the effectiveness of the consumer-owned utility's energy conservation activities
86.23 and programs under this subdivision. The commissioner may recommend that a
86.24 consumer-owned utility implement a cost-effective energy conservation or efficient
86.25 fuel-switching program, ~~including an energy conservation program~~ suggested by an outside
86.26 source such as a political subdivision, nonprofit corporation, or community organization.

86.27 (e) Beginning June 1, 2023, and every June 1 thereafter, each consumer-owned utility
86.28 must file: (1) an annual update identifying the status of the plan filed under this subdivision,
86.29 including: (i) total expenditures and investments made to date under the plan; and (ii) any
86.30 intended changes to the plan; and (2) a summary of the annual energy-savings achievements
86.31 under a plan. An annual filing made in the last year of a plan must contain a new plan that
86.32 complies with this section.

87.1 (f) When evaluating the cost-effectiveness of a consumer-owned utility's energy
87.2 conservation programs, the consumer-owned utility and the commissioner must consider
87.3 the costs and benefits to ratepayers, the utility, participants, and society. The commissioner
87.4 must also consider the rate at which the consumer-owned utility is increasing energy savings
87.5 and expenditures on energy conservation, and lifetime energy savings and cumulative energy
87.6 savings.

87.7 (g) A consumer-owned utility may annually spend and invest up to ten percent of the
87.8 total amount spent and invested on energy conservation, efficient fuel-switching, or load
87.9 management improvements on research and development projects that meet the applicable
87.10 definition of energy conservation, efficient fuel-switching, or load management improvement.

87.11 (h) A generation and transmission cooperative electric association or municipal power
87.12 agency that provides energy services to consumer-owned utilities may file a plan under this
87.13 subdivision on behalf of the consumer-owned utilities to which the association or agency
87.14 provides energy services and may make investments, offer conservation programs, and
87.15 otherwise fulfill the energy-savings goals and reporting requirements of this subdivision
87.16 for those consumer-owned utilities on an aggregate basis.

87.17 (i) A consumer-owned utility is prohibited from spending for or investing in energy
87.18 conservation improvements that directly benefit a large energy facility or a large electric
87.19 customer facility the commissioner has exempted under section 216B.241, subdivision 1a.

87.20 (j) The energy conservation and optimization plan of a consumer-owned utility may
87.21 include activities to improve energy efficiency in the public schools served by the utility.
87.22 These activities may include programs to:

87.23 (1) increase the efficiency of the school's lighting and heating and cooling systems;

87.24 (2) recommission buildings;

87.25 (3) train building operators; and

87.26 (4) provide opportunities to educate students, teachers, and staff regarding energy
87.27 efficiency measures implemented at the school.

87.28 (k) A consumer-owned utility may request that the commissioner adjust the
87.29 consumer-owned utility's minimum goal for energy savings from energy conservation
87.30 improvements under subdivision 2, paragraph (a), for the duration of the plan filed under
87.31 this subdivision. The request must be made by January 1 of the year when the
87.32 consumer-owned utility must file a plan under this subdivision. The request must be based
87.33 on:

- 88.1 (1) historical energy conservation improvement program achievements;
- 88.2 (2) customer class makeup;
- 88.3 (3) projected load growth;
- 88.4 (4) an energy conservation potential study that estimates the amount of cost-effective
- 88.5 energy conservation potential that exists in the consumer-owned utility's service territory;
- 88.6 (5) the cost-effectiveness and quality of the energy conservation programs offered by
- 88.7 the consumer-owned utility; and
- 88.8 (6) other factors the commissioner and consumer-owned utility determine warrant an
- 88.9 adjustment.

88.10 The commissioner must adjust the energy savings goal to a level the commissioner determines

88.11 is supported by the record, but must not approve a minimum energy savings goal from

88.12 energy conservation improvements that is less than an average of 0.95 percent per year over

88.13 the consecutive years of the plan's duration, including the year the minimum energy savings

88.14 goal is adjusted.

88.15 (l) A consumer-owned utility filing a conservation and optimization plan that includes

88.16 an efficient fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part

88.17 of the filing, demonstrate ~~by a comparison of greenhouse gas emissions between the fuels~~

88.18 that the requirements of subdivision 8 are met, ~~using a full fuel-cycle energy analysis.~~

88.19 Sec. 13. Minnesota Statutes 2022, section 216B.2403, subdivision 5, is amended to read:

88.20 Subd. 5. **Energy conservation programs for low-income households.** (a) A

88.21 consumer-owned utility subject to this section must provide energy conservation programs

88.22 to low-income households. The commissioner must evaluate a consumer-owned utility's

88.23 plans under this section by considering the consumer-owned utility's historic spending on

88.24 energy conservation programs directed to low-income households, the rate of customer

88.25 participation in and the energy savings resulting from those programs, and the number of

88.26 low-income persons residing in the consumer-owned utility's service territory. A municipal

88.27 utility that furnishes natural gas service must spend at least 0.2 percent of the municipal

88.28 utility's most recent three-year average gross operating revenue from residential customers

88.29 in Minnesota on energy conservation programs for low-income households. A

88.30 consumer-owned utility that furnishes electric service must spend at least 0.2 percent of the

88.31 consumer-owned utility's gross operating revenue from residential customers in Minnesota

88.32 on energy conservation programs for low-income households. The requirement under this

88.33 paragraph applies to each generation and transmission cooperative association's aggregate

89.1 gross operating revenue from the sale of electricity to residential customers in Minnesota
89.2 by all of the association's member distribution cooperatives.

89.3 (b) To meet all or part of the spending requirements of paragraph (a), a consumer-owned
89.4 utility may contribute money to the energy and conservation account established in section
89.5 216B.241, subdivision 2a. An energy conservation optimization plan must state the amount
89.6 of contributions the consumer-owned utility plans to make to the energy and conservation
89.7 account. Contributions to the account must be used for energy conservation programs serving
89.8 low-income households, including renters, located in the service area of the consumer-owned
89.9 utility making the contribution. Contributions must be remitted to the commissioner by
89.10 February 1 each year.

89.11 (c) The commissioner must establish energy conservation programs for low-income
89.12 households funded through contributions to the energy and conservation account under
89.13 paragraph (b). When establishing energy conservation programs for low-income households,
89.14 the commissioner must consult political subdivisions, utilities, and nonprofit and community
89.15 organizations, including organizations providing energy and weatherization assistance to
89.16 low-income households. The commissioner must record and report expenditures and energy
89.17 savings achieved as a result of energy conservation programs for low-income households
89.18 funded through the energy and conservation account in the report required under section
89.19 216B.241, subdivision 1c, paragraph (f). The commissioner may contract with a political
89.20 subdivision, nonprofit or community organization, public utility, municipality, or
89.21 consumer-owned utility to implement low-income programs funded through the energy and
89.22 conservation account.

89.23 (d) A consumer-owned utility may petition the commissioner to modify the required
89.24 spending under this subdivision if the consumer-owned utility and the commissioner were
89.25 unable to expend the amount required for three consecutive years.

89.26 (e) The commissioner must develop and establish guidelines for determining the eligibility
89.27 of multifamily buildings to participate in energy conservation programs provided to
89.28 low-income households. Notwithstanding the definition of low-income household in section
89.29 216B.2402, a consumer-owned utility or association may apply the most recent guidelines
89.30 published by the department for purposes of determining the eligibility of multifamily
89.31 buildings to participate in low-income programs. The commissioner must convene a
89.32 stakeholder group to review and update these guidelines by August 1, 2021, and at least
89.33 once every five years thereafter. The stakeholder group must include but is not limited to
89.34 representatives of public utilities; municipal electric or gas utilities; electric cooperative
89.35 associations; multifamily housing owners and developers; and low-income advocates.

90.1 (f) Up to 15 percent of a consumer-owned utility's spending on low-income energy
90.2 conservation programs may be spent on preweatherization measures. A consumer-owned
90.3 utility is prohibited from claiming energy savings from preweatherization measures toward
90.4 the consumer-owned utility's energy savings goal.

90.5 (g) The commissioner must, by order, establish a list of preweatherization measures
90.6 eligible for inclusion in low-income energy conservation programs no later than March 15,
90.7 2022.

90.8 (h) A Healthy AIR (Asbestos Insulation Removal) account is established as a separate
90.9 account in the special revenue fund in the state treasury. A consumer-owned utility may
90.10 elect to contribute money to the Healthy AIR account to provide preweatherization measures
90.11 for households eligible for weatherization assistance from the state weatherization assistance
90.12 program in section 216C.264. Remediation activities must be executed in conjunction with
90.13 federal weatherization assistance program services. Money contributed to the account by a
90.14 consumer-owned utility counts toward: (1) the minimum low-income spending requirement
90.15 under paragraph (a); and (2) the cap on preweatherization measures under paragraph (f).
90.16 Money in the account is annually appropriated to the commissioner of commerce to pay for
90.17 Healthy AIR-related activities.

90.18 (i) This paragraph applies to a consumer-owned utility that supplies electricity to a
90.19 low-income household whose primary heating fuel is supplied by an entity other than a
90.20 public utility. Any spending on space and water heating energy conservation improvements
90.21 and efficient fuel-switching by the consumer-owned utility on behalf of the low-income
90.22 household may be applied to the consumer owned utility's spending requirement under
90.23 paragraph (a). To the maximum extent possible, a consumer-owned utility providing services
90.24 under this paragraph must offer the services in conjunction with weatherization services
90.25 provided under section 216C.264.

90.26 Sec. 14. Minnesota Statutes 2022, section 216B.2403, subdivision 8, is amended to read:

90.27 Subd. 8. **Criteria for efficient fuel-switching improvements.** (a) A fuel-switching
90.28 improvement is deemed efficient if, applying the technical criteria established under section
90.29 216B.241, subdivision 1d, paragraph (e), the improvement, relative to the fuel being
90.30 displaced:

90.31 (1) results in a net reduction in the amount of source energy consumed for a particular
90.32 use, measured on a fuel-neutral basis, using (i) the consumer-owned utility's or the utility's
90.33 electricity supplier's annual system average efficiency, or (ii) if the utility elects, a seasonal,

91.1 monthly, or more granular level of analysis for the electric utility system over the measure's
91.2 life;

91.3 (2) results in a net reduction of statewide greenhouse gas emissions, as defined in section
91.4 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
91.5 improvement installed by an electric consumer-owned utility, the reduction in emissions
91.6 must be measured ~~based on the hourly emissions profile of the consumer-owned utility or~~
91.7 ~~the utility's electricity supplier, as reported in the most recent resource plan approved by~~
91.8 ~~the commission under section 216B.2422. If the hourly emissions profile is not available,~~
91.9 ~~the commissioner must develop a method consumer-owned utilities must use to estimate~~
91.10 ~~that value~~ using (i) the consumer-owned utility's or the utility's electricity supplier's annual
91.11 average emissions factor, or (ii) if the utility elects, a seasonal, monthly, or more granular
91.12 level of analysis for the electric utility system over the measure's life; and

91.13 (3) is cost-effective, considering the costs and benefits from the perspective of the
91.14 consumer-owned utility, participants, and society; ~~and.~~

91.15 ~~(4) is installed and operated in a manner that improves the consumer-owned utility's~~
91.16 ~~system load factor.~~

91.17 (b) For purposes of this subdivision, "source energy" means the total amount of primary
91.18 energy required to deliver energy services, adjusted for losses in generation, transmission,
91.19 and distribution, and expressed on a fuel-neutral basis.

91.20 Sec. 15. Minnesota Statutes 2022, section 216B.241, subdivision 1c, is amended to read:

91.21 Subd. 1c. **Public utility; energy-saving goals.** (a) The commissioner shall establish
91.22 energy-saving goals for energy conservation improvements and shall evaluate an energy
91.23 conservation improvement program on how well it meets the goals set.

91.24 (b) A public utility providing electric service has an annual energy-savings goal equivalent
91.25 to 1.75 percent of gross annual retail energy sales unless modified by the commissioner
91.26 under paragraph (c). A public utility providing natural gas service has an annual
91.27 energy-savings goal equivalent to one percent of gross annual retail energy sales, which
91.28 cannot be lowered by the commissioner. The savings goals must be calculated based on the
91.29 most recent three-year weather-normalized average. A public utility providing electric
91.30 service may elect to carry forward energy savings in excess of 1.75 percent for a year to
91.31 the succeeding three calendar years, except that savings from electric utility infrastructure
91.32 projects allowed under paragraph (d) may be carried forward for five years. A public utility
91.33 providing natural gas service may elect to carry forward energy savings in excess of one

92.1 percent for a year to the succeeding three calendar years. A particular energy savings can
92.2 only be used to meet one year's goal.

92.3 (c) In its energy conservation and optimization plan filing, a public utility may request
92.4 the commissioner to adjust its annual energy-savings percentage goal based on its historical
92.5 conservation investment experience, customer class makeup, load growth, a conservation
92.6 potential study, or other factors the commissioner determines warrants an adjustment.

92.7 (d) The commissioner may not approve a plan of a public utility that provides for an
92.8 annual energy-savings goal of less than one percent of gross annual retail energy sales from
92.9 energy conservation improvements.

92.10 The balance of the 1.75 percent annual energy savings goal may be achieved through
92.11 energy savings from:

92.12 (1) additional energy conservation improvements;

92.13 (2) electric utility infrastructure projects approved by the commission under section
92.14 216B.1636 that result in increased efficiency greater than would have occurred through
92.15 normal maintenance activity; or

92.16 (3) subject to department approval, demand-side natural gas or electric energy displaced
92.17 by use of waste heat recovered and used as thermal energy, including the recovered thermal
92.18 energy from a cogeneration or combined heat and power facility.

92.19 (e) A public utility is not required to make energy conservation investments to attain
92.20 the energy-savings goals of this subdivision that are not cost-effective even if the investment
92.21 is necessary to attain the energy-savings goals. For the purpose of this paragraph, in
92.22 determining cost-effectiveness, the commissioner shall consider: (1) the costs and benefits
92.23 to ratepayers, the utility, participants, and society; (2) the rate at which a public utility is
92.24 increasing both its energy savings and its expenditures on energy conservation; and (3) the
92.25 public utility's lifetime energy savings and cumulative energy savings.

92.26 (f) On an annual basis, the commissioner shall produce and make publicly available a
92.27 report on the annual energy and capacity savings and estimated carbon dioxide reductions
92.28 achieved by the programs under this section and section 216B.2403 for the two most recent
92.29 years for which data is available. The report must also include information regarding any
92.30 annual energy sales or generation capacity increases resulting from efficient fuel-switching
92.31 improvements. The commissioner shall report on program performance both in the aggregate
92.32 and for each entity filing an energy conservation improvement plan for approval or review

93.1 by the commissioner, and must estimate progress made toward the statewide energy-savings
93.2 goal under section 216B.2401.

93.3 ~~(g) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a~~
93.4 ~~public utility subject to this section on efficient fuel-switching improvements to meet energy~~
93.5 ~~savings goals under this section must not exceed 0.35 percent per year, averaged over three~~
93.6 ~~years, of the public utility's gross annual retail energy sales.~~

93.7 Sec. 16. Minnesota Statutes 2022, section 216B.241, subdivision 2, is amended to read:

93.8 **Subd. 2. Public utility; energy conservation and optimization plans.** (a) The
93.9 commissioner may require a public utility to make investments and expenditures in energy
93.10 conservation improvements, explicitly setting forth the interest rates, prices, and terms under
93.11 which the improvements must be offered to the customers.

93.12 (b) A public utility shall file an energy conservation and optimization plan by June 1,
93.13 on a schedule determined by order of the commissioner, but at least every three years. As
93.14 provided in subdivisions 11 to 13, plans may include programs for efficient fuel-switching
93.15 improvements and load management. An individual utility program may combine elements
93.16 of energy conservation, load management, or efficient fuel-switching. The plan must estimate
93.17 the lifetime energy savings and cumulative lifetime energy savings projected to be achieved
93.18 under the plan. A plan filed by a public utility by June 1 must be approved or approved as
93.19 modified by the commissioner by December 1 of that same year.

93.20 (c) The commissioner shall evaluate the plan on the basis of cost-effectiveness and the
93.21 reliability of technologies employed. The commissioner's order must provide to the extent
93.22 practicable for a free choice, by consumers participating in an energy conservation program,
93.23 of the device, method, material, or project constituting the energy conservation improvement
93.24 and for a free choice of the seller, installer, or contractor of the energy conservation
93.25 improvement, provided that the device, method, material, or project seller, installer, or
93.26 contractor is duly licensed, certified, approved, or qualified, including under the residential
93.27 conservation services program, where applicable.

93.28 (d) The commissioner may require a utility subject to subdivision 1c to make an energy
93.29 conservation improvement investment or expenditure whenever the commissioner finds
93.30 that the improvement will result in energy savings at a total cost to the utility less than the
93.31 cost to the utility to produce or purchase an equivalent amount of new supply of energy.

93.32 (e) Each public utility subject to this subdivision may spend and invest annually up to
93.33 ten percent of the total amount ~~spent and invested~~ that the public utility spends and invests

94.1 on energy conservation, efficient fuel-switching, or load management improvements under
 94.2 this section ~~by the public utility~~ on research and development projects that meet the applicable
 94.3 definition of energy conservation, efficient fuel-switching, or load management improvement.

94.4 (f) The commissioner shall consider and may require a public utility to undertake an
 94.5 energy conservation ~~program~~ or efficient fuel-switching program, subject to the requirements
 94.6 of subdivisions 11 and 12, that is suggested by an outside source, including a political
 94.7 subdivision, a nonprofit corporation, or community organization. When approving a proposal
 94.8 under this paragraph, the commissioner must consider the qualifications and experience of
 94.9 the entity proposing the program and any other criteria the commissioner deems relevant.

94.10 (g) A public utility, a political subdivision, or a nonprofit or community organization
 94.11 that has suggested an energy conservation program, the attorney general acting on behalf
 94.12 of consumers and small business interests, or a public utility customer that has suggested
 94.13 an energy conservation program and is not represented by the attorney general under section
 94.14 8.33 may petition the commission to modify or revoke a department decision under this
 94.15 section, and the commission may do so if it determines that the energy conservation program
 94.16 is not cost-effective, does not adequately address the residential conservation improvement
 94.17 needs of low-income persons, has a long-range negative effect on one or more classes of
 94.18 customers, or is otherwise not in the public interest. The commission shall reject a petition
 94.19 that, on its face, fails to make a reasonable argument that an energy conservation program
 94.20 is not in the public interest.

94.21 (h) The commissioner may order a public utility to include, with the filing of the public
 94.22 utility's annual status report, the results of an independent audit of the public utility's
 94.23 conservation improvement programs and expenditures performed by the department or an
 94.24 auditor with experience in the provision of energy conservation and energy efficiency
 94.25 services approved by the commissioner and chosen by the public utility. The audit must
 94.26 specify the energy savings or increased efficiency in the use of energy within the service
 94.27 territory of the public utility that is the result of the public utility's spending and investments.
 94.28 The audit must evaluate the cost-effectiveness of the public utility's conservation programs.

94.29 (i) The energy conservation and optimization plan of each public utility subject to this
 94.30 section must include activities to improve energy efficiency in public schools served by the
 94.31 utility. As applicable to each public utility, at a minimum the activities must include programs
 94.32 to increase the efficiency of the school's lighting and heating and cooling systems, and to
 94.33 provide for building recommissioning, building operator training, and opportunities to
 94.34 educate students, teachers, and staff regarding energy efficiency measures implemented at
 94.35 the school.

95.1 (j) The commissioner may require investments or spending greater than the amounts
95.2 proposed in a plan filed under this subdivision or section 216C.17 for a public utility whose
95.3 most recent advanced forecast required under section 216B.2422 projects a peak demand
95.4 deficit of 100 megawatts or more within five years under midrange forecast assumptions.

95.5 (k) A public utility filing a conservation and optimization plan that includes an efficient
95.6 fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part of the filing,
95.7 demonstrate ~~by a comparison of greenhouse gas emissions between the fuels that the~~
95.8 requirements of subdivisions 11 or 12 are met, as applicable, ~~using a full fuel-cycle energy~~
95.9 ~~analysis.~~

95.10 Sec. 17. Minnesota Statutes 2022, section 216B.241, subdivision 11, is amended to read:

95.11 Subd. 11. **Programs for efficient fuel-switching improvements; electric utilities.** (a)
95.12 A public utility providing electric service at retail may include in the plan required under
95.13 subdivision 2 a proposed goal for efficient fuel-switching improvements that the utility
95.14 expects to achieve under the plan and the programs to implement efficient fuel-switching
95.15 improvements or combinations of energy conservation improvements, fuel-switching
95.16 improvements, and load management. For each program, the public utility must provide a
95.17 proposed budget, an analysis of the program's cost-effectiveness, and estimated net energy
95.18 and demand savings.

95.19 (b) The department may approve proposed programs for efficient fuel-switching
95.20 improvements if the department determines the improvements meet the requirements of
95.21 paragraph (d). ~~For fuel-switching improvements that require the deployment of electric~~
95.22 ~~technologies, the department must also consider whether the fuel-switching improvement~~
95.23 ~~can be operated in a manner that facilitates the integration of variable renewable energy~~
95.24 ~~into the electric system. The net benefits from an efficient fuel-switching improvement that~~
95.25 ~~is integrated with an energy efficiency program approved under this section may be counted~~
95.26 ~~toward the net benefits of the energy efficiency program, if the department determines the~~
95.27 ~~primary purpose and effect of the program is energy efficiency.~~

95.28 (c) A public utility may file a rate schedule with the commission that provides for annual
95.29 cost recovery of reasonable and prudent costs to implement and promote efficient
95.30 fuel-switching programs. The utility, department, or other entity may propose, and the
95.31 commission may not approve, modify, or reject, a proposal for a financial incentive to
95.32 encourage efficient fuel-switching programs operated by a public utility providing electric
95.33 service approved under this subdivision. When making a decision on the financial incentive

96.1 proposal, the commission must apply the considerations established in section 216B.16,
96.2 subdivision 6c, paragraphs (b) and (c).

96.3 (d) A fuel-switching improvement is deemed efficient if, applying the technical criteria
96.4 established under section 216B.241, subdivision 1d, paragraph (e), the improvement meets
96.5 the following criteria, relative to the fuel that is being displaced:

96.6 (1) results in a net reduction in the amount of source energy consumed for a particular
96.7 use, measured on a fuel-neutral basis, using (i) the utility's annual system average efficiency,
96.8 or (ii) if the utility elects, a seasonal, monthly, or more granular level of analysis for the
96.9 electric utility system over the measure's life;

96.10 (2) results in a net reduction of statewide greenhouse gas emissions as defined in section
96.11 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
96.12 improvement installed by an electric utility, the reduction in emissions must be measured
96.13 ~~based on the hourly emission profile of the electric utility, using the hourly emissions profile~~
96.14 ~~in the most recent resource plan approved by the commission under section 216B.2422~~
96.15 using (i) the utility's annual average emissions factor, or (ii) if the utility elects, a seasonal,
96.16 monthly or more granular level of analysis, for the electric utility system over the measure's
96.17 life; and

96.18 (3) is cost-effective, considering the costs and benefits from the perspective of the utility,
96.19 participants, and society; ~~and.~~

96.20 ~~(4) is installed and operated in a manner that improves the utility's system load factor.~~

96.21 (e) For purposes of this subdivision, "source energy" means the total amount of primary
96.22 energy required to deliver energy services, adjusted for losses in generation, transmission,
96.23 and distribution, and expressed on a fuel-neutral basis.

96.24 Sec. 18. Minnesota Statutes 2022, section 216B.241, subdivision 12, is amended to read:

96.25 Subd. 12. **Programs for efficient fuel-switching improvements; natural gas**
96.26 **utilities.** (a) As part of a public utility's plan filed under subdivision 2, a public utility that
96.27 provides natural gas service to Minnesota retail customers may propose one or more programs
96.28 to install electric technologies that reduce the consumption of natural gas by the utility's
96.29 retail customers as an energy conservation improvement. The commissioner may approve
96.30 a proposed program if the commissioner, applying the technical criteria developed under
96.31 section 216B.241, subdivision 1d, paragraph (e), determines that:

96.32 (1) the electric technology to be installed meets the criteria established under section
96.33 216B.241, subdivision 11, paragraph (d), clauses (1) and (2); and

97.1 (2) the program is cost-effective, considering the costs and benefits to ratepayers, the
97.2 utility, participants, and society.

97.3 (b) If a program is approved by the commission under this subdivision, the public utility
97.4 may count the program's energy savings toward its energy savings goal under section
97.5 216B.241, subdivision 1c. Notwithstanding section 216B.2402, subdivision 4, efficient
97.6 fuel-switching achieved through programs approved under this subdivision is energy
97.7 conservation.

97.8 (c) A public utility may file rate schedules with the commission that provide annual
97.9 cost-recovery for programs approved by the department under this subdivision, including
97.10 reasonable and prudent costs to implement and promote the programs.

97.11 (d) The commission may approve, modify, or reject a proposal made by the department
97.12 or a utility for an incentive plan to encourage efficient fuel-switching programs approved
97.13 under this subdivision, applying the considerations established under section 216B.16,
97.14 subdivision 6c, paragraphs (b) and (c). The commission may approve a financial incentive
97.15 mechanism that is calculated based on the combined energy savings and net benefits that
97.16 the commission has determined have been achieved by a program approved under this
97.17 subdivision, provided the commission determines that the financial incentive mechanism
97.18 is in the ratepayers' interest.

97.19 ~~(e) A public utility is not eligible for a financial incentive for an efficient fuel-switching~~
97.20 ~~program under this subdivision in any year in which the utility achieves energy savings~~
97.21 ~~below one percent of gross annual retail energy sales, excluding savings achieved through~~
97.22 ~~fuel-switching programs.~~

97.23 Sec. 19. Minnesota Statutes 2022, section 216B.2425, subdivision 1, is amended to read:

97.24 Subdivision 1. **List.** The commission shall maintain a list of certified high-voltage
97.25 transmission line and grid enhancing technology projects.

97.26 **EFFECTIVE DATE.** This section is effective June 1, 2025.

97.27 Sec. 20. Minnesota Statutes 2022, section 216B.2425, is amended by adding a subdivision
97.28 to read:

97.29 **Subd. 1a. Definitions.** (a) For the purposes of this section, the following terms have the
97.30 meanings given.

97.31 (b) "Capacity" means the maximum amount of electricity that can flow through a
97.32 transmission line while observing industry safety standards.

98.1 (c) "Congestion" means a condition in which a lack of transmission line capacity prevents
98.2 the delivery of the lowest-cost electricity dispatched to meet load at a specific location.

98.3 (d) "Dynamic line rating" means hardware or software used to calculate the thermal
98.4 limit of existing transmission lines at a specific point in time by incorporating information
98.5 on real-time and forecasted weather conditions.

98.6 (e) "Grid enhancing technology" means hardware or software that reduces congestion
98.7 or enhances the flexibility of the transmission system by increasing the capacity of a
98.8 high-voltage transmission line or rerouting electricity from overloaded to uncongested lines,
98.9 while maintaining industry safety standards. Grid enhancing technologies include but are
98.10 not limited to dynamic line rating, advanced power flow controllers, and topology
98.11 optimization.

98.12 (f) "Power flow controller" means hardware and software used to reroute electricity
98.13 from overloaded transmission lines to underutilized transmission lines.

98.14 (g) "Thermal limit" means the temperature a transmission line reaches when heat from
98.15 the electric current flow within the transmission line causes excessive sagging of the
98.16 transmission line.

98.17 (h) "Topology optimization" means a software technology that uses mathematical models
98.18 to identify reconfigurations in the transmission grid in order to reroute electricity from
98.19 overloaded transmission lines to underutilized transmission lines.

98.20 (i) "Transmission line" has the meaning given to "high-voltage transmission line" in
98.21 section 216I.02, subdivision 8.

98.22 (j) "Transmission system" means a network of high-voltage transmission lines owned
98.23 or operated by an entity subject to this section that transports electricity to Minnesota
98.24 customers.

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

98.26 Sec. 21. Minnesota Statutes 2022, section 216B.2425, subdivision 2, is amended to read:

98.27 **Subd. 2. List development; transmission and grid enhancing technology projects**
98.28 **report.** (a) By November 1 of each odd-numbered year, a transmission projects report must
98.29 be submitted to the commission by each utility, organization, or company that:

98.30 (1) is a public utility, a municipal utility, a cooperative electric association, the generation
98.31 and transmission organization that serves each utility or association, or a transmission
98.32 company; and

99.1 (2) owns or operates electric transmission lines in Minnesota, except a company or
99.2 organization that owns a transmission line that serves a single customer or interconnects a
99.3 single generating facility.

99.4 (b) The report may be submitted jointly or individually to the commission.

99.5 (c) The report must:

99.6 (1) list specific present and reasonably foreseeable future inadequacies in the transmission
99.7 system in Minnesota;

99.8 (2) identify alternative means of addressing each inadequacy listed, including grid
99.9 enhancing technologies such as dynamic line rating, power flow controllers, topology
99.10 optimization, and other hardware or software that reduce congestion or enhance the flexibility
99.11 of the transmission system;

99.12 (3) identify general economic, environmental, and social issues associated with each
99.13 alternative; and

99.14 (4) provide a summary of public input related to the list of inadequacies and the role of
99.15 local government officials and other interested persons in assisting to develop the list and
99.16 analyze alternatives.

99.17 (d) To meet the requirements of this subdivision, reporting parties may rely on available
99.18 information and analysis developed by a regional transmission organization or any subgroup
99.19 of a regional transmission organization and may develop and include additional information
99.20 as necessary.

99.21 (e) In addition to providing the information required under this subdivision, a utility
99.22 operating under a multiyear rate plan approved by the commission under section 216B.16,
99.23 subdivision 19, shall identify in its report investments that it considers necessary to modernize
99.24 the transmission and distribution system by enhancing reliability, improving security against
99.25 cyber and physical threats, and by increasing energy conservation opportunities by facilitating
99.26 communication between the utility and its customers through the use of two-way meters,
99.27 control technologies, energy storage and microgrids, technologies to enable demand response,
99.28 and other innovative technologies.

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

99.30 Sec. 22. Minnesota Statutes 2022, section 216B.2427, subdivision 1, is amended to read:

99.31 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216B.2428,
99.32 the following terms have the meanings given.

100.1 (b) "Biogas" means gas produced by the anaerobic digestion of biomass, gasification of
100.2 biomass, or other effective conversion processes.

100.3 (c) "Carbon capture" means the capture of greenhouse gas emissions that would otherwise
100.4 be released into the atmosphere.

100.5 (d) "Carbon-free resource" means an electricity generation facility whose operation does
100.6 not contribute to statewide greenhouse gas emissions, as defined in section 216H.01,
100.7 subdivision 2.

100.8 (e) "Disadvantaged community" means a community in Minnesota that is:

100.9 (1) defined as disadvantaged by the federal agency disbursing federal funds, when the
100.10 federal agency is providing funds for an innovative resource; or

100.11 (2) an environmental justice area, as defined under section 216B.1691, subdivision 1.

100.12 ~~(e)~~ (f) "District energy" means a heating or cooling system that is solar thermal powered
100.13 or that uses the constant temperature of the earth or underground aquifers as a thermal
100.14 exchange medium to heat or cool multiple buildings connected through a piping network.

100.15 ~~(f)~~ (g) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1,
100.16 paragraph (f), but does not include energy conservation investments that the commissioner
100.17 determines could reasonably be included in a utility's conservation improvement program.

100.18 ~~(g)~~ (h) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous
100.19 oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by
100.20 anthropogenic sources within Minnesota and from the generation of electricity imported
100.21 from outside the state and consumed in Minnesota, excluding carbon dioxide that is injected
100.22 into geological formations to prevent its release to the atmosphere in compliance with
100.23 applicable laws.

100.24 ~~(h)~~ (i) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen,
100.25 power-to-ammonia, carbon capture, strategic electrification, district energy, and energy
100.26 efficiency.

100.27 ~~(i)~~ (j) "Lifecycle greenhouse gas emissions" means the aggregate greenhouse gas
100.28 emissions resulting from the production, processing, transmission, and consumption of an
100.29 energy resource.

100.30 ~~(j)~~ (k) "Lifecycle greenhouse gas emissions intensity" means lifecycle greenhouse gas
100.31 emissions per unit of energy delivered to an end user.

101.1 ~~(k)~~ (l) "Nonexempt customer" means a utility customer that has not been included in a
101.2 utility's innovation plan under subdivision 3, paragraph (f).

101.3 ~~(h)~~ (m) "Power-to-ammonia" means the production of ammonia from hydrogen produced
101.4 via power-to-hydrogen using a process that has a lower lifecycle greenhouse gas intensity
101.5 than does natural gas produced from conventional geologic sources.

101.6 ~~(m)~~ (n) "Power-to-hydrogen" means the use of electricity generated by a carbon-free
101.7 resource to produce hydrogen.

101.8 ~~(n)~~ (o) "Renewable energy" has the meaning given in section 216B.2422, subdivision
101.9 1.

101.10 ~~(o)~~ (p) "Renewable natural gas" means biogas that has been processed to be
101.11 interchangeable with, and that has a lower lifecycle greenhouse gas intensity than, natural
101.12 gas produced from conventional geologic sources.

101.13 ~~(p)~~ (q) "Solar thermal" has the meaning given to qualifying solar thermal project in
101.14 section 216B.2411, subdivision 2, paragraph (d).

101.15 ~~(q)~~ (r) "Strategic electrification" means the installation of electric end-use equipment in
101.16 an existing building in which natural gas is a primary or back-up fuel source, or in a newly
101.17 constructed building in which a customer receives natural gas service for one or more
101.18 end-uses, provided that the electric end-use equipment:

101.19 (1) results in a net reduction in statewide greenhouse gas emissions, as defined in section
101.20 216H.01, subdivision 2, over the life of the equipment when compared to the most efficient
101.21 commercially available natural gas alternative; and

101.22 (2) is installed and operated in a manner that improves the load factor of the customer's
101.23 electric utility.

101.24 Strategic electrification does not include investments that the commissioner determines
101.25 could reasonably be included in the natural gas utility's conservation improvement program
101.26 under section 216B.241.

101.27 (s) "Thermal energy network" means a project that provides heating and cooling to
101.28 multiple buildings connected via underground piping containing fluids that, in concert with
101.29 heat pumps, exchange thermal energy from the earth, underground or surface waters,
101.30 wastewater, or other heat sources.

101.31 ~~(r)~~ (t) "Total incremental cost" means the calculation of the following components of a
101.32 utility's innovation plan approved by the commission under subdivision 2:

102.1 (1) the sum of:

102.2 (i) return of and on capital investments for the production, processing, pipeline
102.3 interconnection, storage, and distribution of innovative resources;

102.4 (ii) incremental operating costs associated with capital investments in infrastructure for
102.5 the production, processing, pipeline interconnection, storage, and distribution of innovative
102.6 resources;

102.7 (iii) incremental costs to procure innovative resources from third parties;

102.8 (iv) incremental costs to develop and administer programs; and

102.9 (v) incremental costs for research and development related to innovative resources;

102.10 (2) less the sum of:

102.11 (i) value received by the utility upon the resale of innovative resources or innovative
102.12 resource by-products, including any environmental credits included with the resale of
102.13 renewable gaseous fuels or value received by the utility when innovative resources are used
102.14 as vehicle fuel;

102.15 (ii) cost savings achieved through avoidance of purchases of natural gas produced from
102.16 conventional geologic sources, including but not limited to avoided commodity purchases
102.17 and avoided pipeline costs; and

102.18 (iii) other revenues received by the utility that are directly attributable to the utility's
102.19 implementation of an innovation plan.

102.20 ~~(s)~~(u) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that
102.21 provides natural gas sales or natural gas transportation services to customers in Minnesota.

102.22 Sec. 23. Minnesota Statutes 2022, section 216B.2427, is amended by adding a subdivision
102.23 to read:

102.24 Subd. 9a. **Thermal energy networks.** Innovation plans filed after July 1, 2024, under
102.25 this section by a utility with more than 800,000 customers must include spending of at least
102.26 15 percent of the utility's proposed total incremental costs over the five-year term of the
102.27 proposed innovation plan for thermal energy networks projects. If the utility has developed
102.28 or is developing thermal energy network projects outside of an approved innovation plan,
102.29 the utility may apply the budget for the projects toward the 15 percent minimum requirement
102.30 without counting the costs against the limitations on utility customer costs under subdivision
102.31 3.

103.1 Sec. 24. Minnesota Statutes 2023 Supplement, section 216C.08, is amended to read:

103.2 **216C.08 JURISDICTION.**

103.3 (a) The commissioner has sole authority and responsibility ~~for the administration of~~
103.4 ~~sections 216C.05 to 216C.30 and 216C.375 to administer this chapter.~~ Other laws
103.5 notwithstanding, the authority granted to the commissioner shall supersede under this section
103.6 supersedes the authority given any other agency whenever overlapping, duplication, or
103.7 additional administrative or legal procedures might occur in ~~the administration of sections~~
103.8 ~~216C.05 to 216C.30 and 216C.375 administering this chapter.~~ The commissioner shall
103.9 consult with other state departments or agencies in matters related to energy and shall
103.10 contract with ~~them~~ the other state departments or agencies to provide appropriate services
103.11 to effectuate the purposes of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter. Any
103.12 other department, agency, or official of this state or political subdivision thereof which
103.13 would in any way affect the administration or enforcement of ~~sections 216C.05 to 216C.30~~
103.14 ~~and 216C.375~~ this chapter shall cooperate and coordinate all activities with the commissioner
103.15 to assure orderly and efficient administration and enforcement of ~~sections 216C.05 to~~
103.16 ~~216C.30 and 216C.375~~ this chapter.

103.17 (b) The commissioner shall designate a liaison officer whose duty shall be to insure the
103.18 maximum possible consistency in procedures and to eliminate duplication between the
103.19 commissioner and the other agencies that may be involved in energy.

103.20 Sec. 25. Minnesota Statutes 2023 Supplement, section 216C.09, is amended to read:

103.21 **216C.09 COMMISSIONER DUTIES.**

103.22 (a) The commissioner shall:

103.23 (1) manage the department as the central repository within the state government for the
103.24 collection of data on energy;

103.25 (2) prepare and adopt an emergency allocation plan specifying actions to be taken in the
103.26 event of an impending serious shortage of energy, or a threat to public health, safety, or
103.27 welfare;

103.28 (3) undertake a continuing assessment of trends in the consumption of all forms of energy
103.29 and analyze the social, economic, and environmental consequences of these trends;

103.30 (4) carry out energy ~~conservation~~ measures as specified by the legislature and recommend
103.31 to the governor and the legislature additional energy policies and conservation measures as
103.32 required to meet the objectives of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter;

104.1 (5) collect and analyze data relating to present and future demands and resources for all
104.2 sources of energy;

104.3 (6) evaluate policies governing the establishment of rates and prices for energy as related
104.4 to energy conservation, and other goals and policies of ~~sections 216C.05 to 216C.30 and~~
104.5 ~~216C.375~~ this chapter, and make recommendations for changes in energy pricing policies
104.6 and rate schedules;

104.7 (7) study the impact and relationship of the state energy policies to international, national,
104.8 and regional energy policies;

104.9 (8) design and implement a state program for the conservation of energy; this program
104.10 shall include but not be limited to, general commercial, industrial, and residential, and
104.11 transportation areas; such program shall also provide for the evaluation of energy systems
104.12 as they relate to lighting, heating, refrigeration, air conditioning, building design and
104.13 operation, and appliance manufacturing and operation;

104.14 (9) inform and educate the public about the sources and uses of energy and the ways in
104.15 which persons can conserve energy;

104.16 (10) dispense funds made available for the purpose of research studies and projects of
104.17 professional and civic orientation, which are related to either energy conservation, resource
104.18 recovery, or the development of alternative energy technologies which conserve
104.19 nonrenewable energy resources while creating minimum environmental impact;

104.20 (11) charge other governmental departments and agencies involved in energy-related
104.21 activities with specific information gathering goals and require that those goals be met;

104.22 (12) design a comprehensive program for the development of indigenous energy
104.23 resources. The program shall include, but not be limited to, providing technical,
104.24 informational, educational, and financial services and materials to persons, businesses,
104.25 municipalities, and organizations involved in the development of solar, wind, hydropower,
104.26 peat, fiber fuels, biomass, and other alternative energy resources. The program shall be
104.27 evaluated by the alternative energy technical activity; and

104.28 (13) dispense loans, grants, or other financial aid from money received from litigation
104.29 or settlement of alleged violations of federal petroleum-pricing regulations made available
104.30 to the department for that purpose.

104.31 (b) Further, the commissioner may participate fully in hearings before the Public Utilities
104.32 Commission on matters pertaining to rate design, cost allocation, efficient resource utilization,
104.33 utility conservation investments, small power production, cogeneration, and other rate issues.

105.1 The commissioner shall support the policies stated in section 216C.05 and shall prepare
105.2 and defend testimony proposed to encourage energy conservation improvements as defined
105.3 in section 216B.241.

105.4 Sec. 26. Minnesota Statutes 2022, section 216C.10, is amended to read:

105.5 **216C.10 COMMISSIONER POWERS.**

105.6 (a) The commissioner may:

105.7 (1) adopt rules under chapter 14 as necessary to carry out the purposes of ~~sections~~
105.8 ~~216C.05 to 216C.30~~ this chapter;

105.9 (2) make all contracts under ~~sections 216C.05 to 216C.30~~ this chapter and do all things
105.10 necessary to cooperate with the United States government, and to qualify for, accept, and
105.11 disburse any grant intended ~~for the administration of sections 216C.05 to 216C.30~~ to
105.12 administer this chapter;

105.13 (3) provide on-site technical assistance to units of local government in order to enhance
105.14 local capabilities for dealing with energy problems;

105.15 (4) administer for the state, energy programs under federal law, regulations, or guidelines,
105.16 and coordinate the programs and activities with other state agencies, units of local
105.17 government, and educational institutions;

105.18 (5) develop a state energy investment plan with yearly energy conservation and alternative
105.19 energy development goals, investment targets, and marketing strategies;

105.20 (6) perform market analysis studies relating to conservation, alternative and renewable
105.21 energy resources, and energy recovery;

105.22 (7) assist with the preparation of proposals for innovative conservation, renewable,
105.23 alternative, or energy recovery projects;

105.24 (8) manage and disburse funds made available for the purpose of research studies or
105.25 demonstration projects related to energy conservation or other activities deemed appropriate
105.26 by the commissioner;

105.27 (9) intervene in certificate of need proceedings before the Public Utilities Commission;

105.28 (10) collect fees from recipients of loans, grants, or other financial aid from money
105.29 received from litigation or settlement of alleged violations of federal petroleum-pricing
105.30 regulations, which fees must be used to pay the department's costs in administering those
105.31 financial aids; and

106.1 (11) collect fees from proposers and operators of conservation and other energy-related
106.2 programs that are reviewed, evaluated, or approved by the department, other than proposers
106.3 that are political subdivisions or community or nonprofit organizations, to cover the
106.4 department's cost in making the reviewal, evaluation, or approval and in developing additional
106.5 programs for others to operate.

106.6 (b) Notwithstanding any other law, the commissioner is designated the state agent to
106.7 apply for, receive, and accept federal or other funds made available to the state for the
106.8 purposes of ~~sections 216C.05 to 216C.30~~ this chapter.

106.9 Sec. 27. Minnesota Statutes 2023 Supplement, section 216C.331, subdivision 1, is amended
106.10 to read:

106.11 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
106.12 the meanings given.

106.13 (b) "Aggregated customer energy use data" means customer energy use data that is
106.14 combined into one collective data point per time interval. Aggregated customer energy use
106.15 data is data with any unique identifiers or other personal information removed that a
106.16 qualifying utility collects and aggregates in at least monthly intervals for an entire building
106.17 on a covered property.

106.18 (c) "Benchmark" means to electronically input into a benchmarking tool ~~the total~~ whole
106.19 building energy use data and other descriptive information about a building that is required
106.20 by a benchmarking tool.

106.21 (d) "Benchmarking information" means data related to a building's energy use generated
106.22 by a benchmarking tool, and other information about the building's physical and operational
106.23 characteristics. Benchmarking information includes but is not limited to the building's:

106.24 (1) address;

106.25 (2) owner and, if applicable, the building manager responsible for operating the building's
106.26 physical systems;

106.27 (3) total floor area, expressed in square feet;

106.28 (4) energy use intensity;

106.29 (5) greenhouse gas emissions; and

106.30 (6) energy performance score comparing the building's energy use with that of similar
106.31 buildings.

107.1 (e) "Benchmarking tool" means the United States Environmental Protection Agency's
107.2 Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

107.3 (f) "Covered property" means any property that is served by an investor-owned utility
107.4 in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city
107.5 outside the metropolitan area with a population of over 50,000 residents, as determined by
107.6 the Minnesota State Demographic Center, served by a municipal energy utility or
107.7 investor-owned utility, and that has one or more buildings containing in sum 50,000 gross
107.8 square feet or greater. Covered property does not include:

107.9 (1) a residential property containing fewer than five dwelling units;

107.10 (2) a property that is: (i) classified as manufacturing under the North American Industrial
107.11 Classification System; (ii) an energy-intensive trade-exposed customer, as defined in section
107.12 216B.1696; (iii) an electric power generation facility; (iv) a mining facility; or (v) an
107.13 industrial building otherwise incompatible with benchmarking in the benchmarking tool,
107.14 as determined by the commissioner;

107.15 (3) an agricultural building;

107.16 (4) a multitenant building that is served by a utility that ~~cannot supply~~ is not supplying
107.17 aggregated customer usage data under subdivision 8 or is not using a customer usage data
107.18 aggregation program to supply aggregated customer usage data to the benchmarking tool;
107.19 or

107.20 (5) other property types that do not meet the purposes of this section, as determined by
107.21 the commissioner.

107.22 (g) "Customer energy use data" means data collected from utility customer meters that
107.23 reflect the quantity, quality, or timing of customers' energy use.

107.24 (h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide
107.25 heating, cooling, lighting, or water heating; or (2) power other end uses in a building.

107.26 (i) "Energy performance score" means a numerical value from one to 100 that the Energy
107.27 Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of
107.28 comparable buildings nationwide.

107.29 (j) "Energy Star Portfolio Manager" means an interactive resource management tool
107.30 developed by the United States Environmental Protection Agency that (1) enables the
107.31 periodic entry of a building's energy use data and other descriptive information about a
107.32 building, and (2) rates a building's energy efficiency against that of comparable buildings
107.33 nationwide.

108.1 (k) "Energy use intensity" means the total annual energy consumed in a building divided
108.2 by the building's total floor area.

108.3 (l) "Financial distress" means a covered property that, at the time benchmarking is
108.4 conducted:

108.5 (1) is the subject of a qualified tax lien sale or public auction due to property tax
108.6 arrearages;

108.7 (2) is controlled by a court-appointed receiver based on financial distress;

108.8 (3) is owned by a financial institution through default by the borrower;

108.9 (4) has been acquired by deed in lieu of foreclosure; or

108.10 (5) has a senior mortgage that is subject to a notice of default.

108.11 (m) "Local government" means a statutory or home rule municipality or county.

108.12 (n) "Owner" means:

108.13 (1) an individual or entity that possesses title to a covered property; or

108.14 (2) an agent authorized to act on behalf of the covered property owner.

108.15 (o) "Qualifying utility" means ~~a utility serving the covered property, including:~~

108.16 (1) an electric or gas utility, including:

108.17 (i) an investor-owned electric or gas utility serving customers in Anoka, Carver, Dakota,
108.18 Hennepin, Ramsey, Scott, or Washington County, or in any city outside the metropolitan
108.19 area with a population of over 50,000 residents, as determined by the Minnesota State
108.20 Demographic Center, and serving properties with one or more buildings containing in sum
108.21 50,000 gross square feet or greater; or

108.22 (ii) a municipally owned electric or gas utility serving customers in any city with a
108.23 population of over 50,000 residents, as determined by the Minnesota State Demographic
108.24 Center, and serving properties with one or more buildings containing in sum 50,000 gross
108.25 square feet or greater;

108.26 (2) a natural gas supplier with five or more active commercial connections, accounts,
108.27 or customers in the state and serving customers in Anoka, Carver, Dakota, Hennepin,
108.28 Ramsey, Scott, or Washington County, or in any city outside the metropolitan area with a
108.29 population of over 50,000 residents, as determined by the Minnesota State Demographic
108.30 Center, and serving properties with one or more buildings containing in sum 50,000 gross
108.31 square feet or greater; or

109.1 (3) a district steam, hot water, or chilled water provider serving customers in Anoka,
109.2 Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city outside
109.3 the metropolitan area with a population of over 50,000 residents, as determined by the
109.4 Minnesota State Demographic Center, and serving properties with one or more buildings
109.5 containing in sum 50,000 gross square feet or greater.

109.6 (p) "Tenant" means a person that occupies or holds possession of a building or part of
109.7 a building or premises pursuant to a lease agreement.

109.8 (q) "Total floor area" means the sum of gross square footage inside a building's envelope,
109.9 measured between the outside exterior walls of the building. Total floor area includes covered
109.10 parking structures.

109.11 (r) "Utility customer" means the building owner or tenant listed on the utility's records
109.12 as the customer liable for payment of the utility service or additional charges assessed on
109.13 the utility account.

109.14 (s) "Whole building energy use data" means all energy consumed in a building, whether
109.15 purchased from a third party or generated at the building site or from any other source.

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

109.17 Sec. 28. Minnesota Statutes 2022, section 216C.435, subdivision 3a, is amended to read:

109.18 Subd. 3a. ~~Cost-effective Energy improvements.~~ "Cost-effective Energy improvements"
109.19 means:

109.20 (1) any new construction, renovation, or retrofitting of qualifying commercial real
109.21 property to improve energy efficiency that: (i) is permanently affixed to the property;; and
109.22 (ii) results in a net reduction in energy consumption without altering the principal source
109.23 of energy, and has been identified or greenhouse gas emissions, as documented in an energy
109.24 audit as repaying the purchase and installation costs in 20 years or less, based on the amount
109.25 of future energy saved and estimated future energy prices or emissions avoided;

109.26 (2) any renovation or retrofitting of qualifying residential real property that is permanently
109.27 affixed to the property and is eligible to receive an incentive through a program offered by
109.28 the electric or natural gas utility that provides service under section 216B.241 to the property
109.29 or is otherwise determined to be a ~~cost-effective~~ eligible energy improvement by the
109.30 commissioner under section 216B.241, subdivision 1d, paragraph (a);

109.31 (3) permanent installation of new or upgraded electrical circuits and related equipment
109.32 to enable electrical vehicle charging; or

110.1 (4) a solar voltaic or solar thermal energy system attached to, installed within, or
110.2 proximate to a building that generates electrical or thermal energy from a renewable energy
110.3 source that has been ~~identified~~ documented in an energy audit or renewable energy system
110.4 feasibility study ~~as repaying their purchase and installation costs in 20 years or less, based~~
110.5 ~~on the amount of future energy saved and estimated future energy prices,~~ along with the
110.6 estimated amount of related renewable energy production.

110.7 Sec. 29. Minnesota Statutes 2022, section 216C.435, subdivision 3b, is amended to read:

110.8 Subd. 3b. **Commercial PACE loan contractor.** "Commercial PACE loan contractor"
110.9 means a person or entity that installs ~~cost-effective energy~~ eligible improvements financed
110.10 under a commercial PACE loan program.

110.11 Sec. 30. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
110.12 to read:

110.13 Subd. 3e. **Eligible improvement.** "Eligible improvement" means one or more energy
110.14 improvements, resiliency improvements, or water improvements made to qualifying real
110.15 property.

110.16 Sec. 31. Minnesota Statutes 2022, section 216C.435, subdivision 4, is amended to read:

110.17 Subd. 4. **Energy audit.** "Energy audit" means a formal evaluation of the energy
110.18 consumption of a building by a certified energy auditor, whose certification is approved by
110.19 the commissioner, for the purpose of identifying appropriate energy improvements that
110.20 could be made to the building and including an estimate of the ~~length of time a specific~~
110.21 ~~energy improvement will take to repay its purchase and installation costs, based on the~~
110.22 ~~amount of energy saved and estimated future energy prices~~ effective useful life, the reduction
110.23 of energy consumption, and the related avoided greenhouse gas emissions resulting from
110.24 the proposed eligible improvements.

110.25 Sec. 32. Minnesota Statutes 2023 Supplement, section 216C.435, subdivision 8, is amended
110.26 to read:

110.27 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"
110.28 means a multifamily residential dwelling, a commercial or industrial building, or farmland,
110.29 as defined in section 216C.436, subdivision 1b, that the implementing entity has determined,
110.30 after review of an energy audit, renewable energy system feasibility study, water
110.31 improvement study, resiliency improvement study, or agronomic assessment, as defined in

111.1 section 216C.436, subdivision 1b, can benefit from ~~the installation of cost-effective energy~~
111.2 installing eligible improvements or land and water improvements, as defined in section
111.3 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.

111.4 Sec. 33. Minnesota Statutes 2022, section 216C.435, subdivision 10, is amended to read:

111.5 Subd. 10. **Renewable energy system feasibility study.** "Renewable energy system
111.6 feasibility study" means a written study, conducted by a contractor trained to perform that
111.7 analysis, for the purpose of determining the feasibility of installing a renewable energy
111.8 system in a building, including an estimate of the ~~length of time a specific~~ effective useful
111.9 life, the production of renewable energy, and any related avoided greenhouse gas emissions
111.10 of the proposed renewable energy system ~~will take to repay its purchase and installation~~
111.11 ~~costs, based on the amount of energy saved and estimated future energy prices. For a~~
111.12 ~~geothermal energy improvement, the feasibility study must calculate net savings in terms~~
111.13 ~~of nongeothermal energy and costs.~~

111.14 Sec. 34. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
111.15 to read:

111.16 Subd. 11a. **Resiliency improvement.** "Resiliency improvement" means one or more
111.17 installations or modifications to eligible commercial real property that are designed to
111.18 improve a property's resiliency by improving the eligible real property's:

111.19 (1) structural integrity for seismic events;

111.20 (2) indoor air quality;

111.21 (3) durability to resist wind, fire, and flooding;

111.22 (4) ability to withstand an electric power outage;

111.23 (5) stormwater control measures, including structural and nonstructural measures to
111.24 mitigate stormwater runoff;

111.25 (6) ability to mitigate the impacts of extreme temperatures; or

111.26 (7) ability to mitigate greenhouse gas embodied emissions from the eligible real property.

112.1 Sec. 35. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
112.2 to read:

112.3 Subd. 11b. Resiliency improvement feasibility study. "Resiliency improvement
112.4 feasibility study" means a written study, conducted by a contractor trained to perform the
112.5 analysis, that:

112.6 (1) determines the feasibility of installing a resiliency improvement;

112.7 (2) documents the improved resiliency capabilities of the property; and

112.8 (3) estimates the effective useful life of the proposed resiliency improvements.

112.9 Sec. 36. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
112.10 to read:

112.11 Subd. 14. Water improvement. "Water improvement" means one or more installations
112.12 or modifications to qualifying commercial real property that are designed to improve water
112.13 efficiency or water quality by:

112.14 (1) reducing water consumption;

112.15 (2) improving the quality, potability, or safety of water for the qualifying property; or

112.16 (3) conserving or remediating water, in whole or in part, on qualifying real property.

112.17 Sec. 37. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
112.18 to read:

112.19 Subd. 15. Water improvement feasibility study. "Water improvement feasibility study"
112.20 means a written study, conducted by a contractor trained to perform the analysis, that:

112.21 (1) determines the appropriate water improvements that could be made to the building;

112.22 and

112.23 (2) estimates the effective useful life, the reduction of water consumption, and any

112.24 improvement in water quality resulting from the proposed water improvements.

112.25 Sec. 38. Minnesota Statutes 2022, section 216C.436, subdivision 1, is amended to read:

112.26 Subdivision 1. **Program purpose and authority.** An implementing entity may establish
112.27 a commercial PACE loan program to finance ~~cost-effective~~ energy, water, and resiliency
112.28 improvements to enable owners of qualifying commercial real property to pay for the
112.29 ~~cost-effective energy~~ eligible improvements to the qualifying real property with the net
112.30 proceeds and interest earnings of revenue bonds authorized in this section. An implementing

113.1 entity may limit the number of qualifying commercial real properties for which a property
113.2 owner may receive program financing.

113.3 Sec. 39. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 1b, is
113.4 amended to read:

113.5 Subd. 1b. **Definitions.** (a) For the purposes of this section, the following terms have the
113.6 meanings given.

113.7 (b) "Agronomic assessment" means a study by an independent third party that assesses
113.8 the environmental impacts of proposed land and water improvements on farmland.

113.9 (c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under
113.10 section 273.13, subdivision 23.

113.11 (d) "Land and water improvement" means:

113.12 (1) an improvement to farmland that:

113.13 (i) is permanent;

113.14 (ii) results in improved agricultural profitability or resiliency;

113.15 (iii) reduces the environmental impact of agricultural production; and

113.16 (iv) if the improvement affects drainage, complies with the most recent versions of the
113.17 applicable following conservation practice standards issued by the United States Department
113.18 of Agriculture's Natural Resources Conservation Service: Drainage Water Management
113.19 (Code 554), Saturated Buffer (Code 604), Denitrifying Bioreactor (Code 605), and
113.20 Constructed Wetland (Code 656); or

113.21 (2) water conservation and quality measures, which include permanently affixed
113.22 equipment, appliances, or improvements that reduce a property's water consumption or that
113.23 enable water to be managed more efficiently.

113.24 (e) "Resiliency" means:

113.25 (1) the ability of farmland to maintain and enhance profitability, soil health, and water
113.26 quality;

113.27 (2) the ability to mitigate greenhouse gas embodied emissions from an eligible real
113.28 property; or

113.29 (3) an increase in building resilience through flood mitigation, stormwater management,
113.30 wildfire and wind resistance, energy storage use, or microgrid use.

114.1 Sec. 40. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 2, is amended
114.2 to read:

114.3 Subd. 2. **Program requirements.** A commercial PACE loan program must:

114.4 (1) impose requirements and conditions on financing arrangements to ensure timely
114.5 repayment;

114.6 (2) require an energy audit, renewable energy system feasibility study, resiliency
114.7 improvement study, water improvement study, or agronomic or soil health assessment to
114.8 be conducted on the qualifying commercial real property and reviewed by the implementing
114.9 entity prior to approval of the financing;

114.10 (3) require the inspection or verification of all ~~installations and a performance verification~~
114.11 ~~of at least ten percent of the cost-effective energy eligible~~ improvements or land and water
114.12 improvements financed by the program;

114.13 (4) not prohibit the financing of all ~~cost-effective energy eligible~~ improvements or land
114.14 and water improvements not otherwise prohibited by this section;

114.15 (5) require that all ~~cost-effective energy eligible~~ improvements or land and water
114.16 improvements be made to a qualifying commercial real property prior to, or in conjunction
114.17 with, an applicant's repayment of financing for ~~cost-effective energy eligible~~ improvements
114.18 or land and water improvements for ~~that~~ the qualifying commercial real property;

114.19 (6) have ~~cost-effective energy eligible~~ improvements or land and water improvements
114.20 financed by the program performed by a licensed contractor as required by chapter 326B
114.21 or other law or ordinance;

114.22 (7) require disclosures in the loan document to borrowers by the implementing entity
114.23 of: (i) the risks involved in borrowing, including the risk of foreclosure if a tax delinquency
114.24 results from a default; and (ii) all the terms and conditions of the commercial PACE loan
114.25 and the installation of ~~cost-effective energy eligible~~ improvements or land and water
114.26 improvements, including the interest rate being charged on the loan;

114.27 (8) provide financing only to those who demonstrate an ability to repay;

114.28 (9) not provide financing for a qualifying commercial real property in which the owner
114.29 is not current on mortgage or real property tax payments;

114.30 (10) require a petition to the implementing entity by all owners of the qualifying
114.31 commercial real property requesting collections of repayments as a special assessment under
114.32 section 429.101;

115.1 (11) provide that payments and assessments are not accelerated due to a default and that
115.2 a tax delinquency exists only for assessments not paid when due;

115.3 (12) require that liability for special assessments related to the financing runs with the
115.4 qualifying commercial real property; and

115.5 (13) prior to financing any improvements to or imposing any assessment upon qualifying
115.6 commercial real property, require notice to and written consent from the mortgage lender
115.7 of any mortgage encumbering or otherwise secured by the qualifying commercial real
115.8 property.

115.9 Sec. 41. Minnesota Statutes 2022, section 216C.436, subdivision 4, is amended to read:

115.10 Subd. 4. **Financing terms.** Financing provided under this section must have:

115.11 (1) a cost-weighted average maturity not exceeding the useful life of the energy eligible
115.12 improvements installed, as determined by the implementing entity, but in no event may a
115.13 term exceed ~~20~~ 30 years;

115.14 (2) a principal amount not to exceed the lesser of:

115.15 (i) the greater of ~~20~~ 30 percent of the assessed value of the real property on which the
115.16 improvements are to be installed or ~~20~~ 30 percent of the real property's appraised value,
115.17 accepted or approved by the mortgage lender; or

115.18 (ii) the actual cost of installing the energy eligible improvements, including the costs of
115.19 necessary equipment, materials, and labor; ~~the costs of each related energy audit or,~~
115.20 renewable energy system feasibility study, water improvement study, or resiliency
115.21 improvement study; and the cost of verification of installation; and

115.22 (3) an interest rate sufficient to pay the financing costs of the program, including the
115.23 issuance of bonds and any financing delinquencies.

115.24 Sec. 42. Minnesota Statutes 2022, section 216C.436, subdivision 7, is amended to read:

115.25 Subd. 7. **Repayment.** An implementing entity that finances an energy eligible
115.26 improvement under this section must:

115.27 (1) secure payment with a lien against the qualifying commercial real property; and

115.28 (2) collect repayments as a special assessment as provided for in section 429.101 or by
115.29 charter, provided that special assessments may be made payable in up to ~~20~~ 30 equal annual
115.30 installments.

116.1 If the implementing entity is an authority, the local government that authorized the
116.2 authority to act as implementing entity shall impose and collect special assessments necessary
116.3 to pay debt service on bonds issued by the implementing entity under subdivision 8, and
116.4 shall transfer all collections of the assessments upon receipt to the authority.

116.5 Sec. 43. Minnesota Statutes 2022, section 216C.436, subdivision 8, is amended to read:

116.6 Subd. 8. **Bond issuance; repayment.** (a) An implementing entity may issue revenue
116.7 bonds as provided in chapter 475 for the purposes of this section and section 216C.437,
116.8 provided the revenue bond must not be payable more than ~~20~~ 30 years from the date of
116.9 issuance.

116.10 (b) The bonds must be payable as to both principal and interest solely from the revenues
116.11 from the assessments established in subdivision 7 and section 216C.437, subdivision 28.

116.12 (c) No holder of bonds issued under this subdivision may compel any exercise of the
116.13 taxing power of the implementing entity that issued the bonds to pay principal or interest
116.14 on the bonds, and if the implementing entity is an authority, no holder of the bonds may
116.15 compel any exercise of the taxing power of the local government. Bonds issued under this
116.16 subdivision are not a debt or obligation of the issuer or any local government that issued
116.17 them, nor is the payment of the bonds enforceable out of any money other than the revenue
116.18 pledged to the payment of the bonds.

116.19 Sec. 44. Minnesota Statutes 2022, section 216C.436, subdivision 10, is amended to read:

116.20 Subd. 10. **Improvements; real property or fixture.** ~~A cost-effective energy~~ An eligible
116.21 improvement financed under a PACE loan program, including all equipment purchased in
116.22 whole or in part with loan proceeds under a loan program, is deemed real property or a
116.23 fixture attached to the real property.

116.24 Sec. 45. [216C.47] GEOTHERMAL PLANNING GRANTS.

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

116.27 (b) "Eligible applicant" means a county, city, town, or the Metropolitan Council.

116.28 (c) "Geothermal energy system" means a system that heats and cools one or more
116.29 buildings by using the constant temperature of the earth as both a heat source and heat sink,
116.30 and a heat exchanger consisting of an underground closed loop system of piping containing
116.31 a liquid to absorb and relinquish heat within the earth. Geothermal energy system includes:

117.1 (1) a bored geothermal heat exchanger, as defined in section 103I.005;

117.2 (2) a groundwater thermal exchange device, as defined in section 103I.005; and

117.3 (3) a submerged closed loop heat exchanger, as defined in section 103I.005.

117.4 Subd. 2. **Establishment.** A geothermal planning grant program is established in the
117.5 department to provide financial assistance to eligible applicants to examine the technical
117.6 and economic feasibility of installing geothermal energy systems.

117.7 Subd. 3. **Account established.** (a) The geothermal planning grant account is established
117.8 as a separate account in the special revenue fund in the state treasury. The commissioner
117.9 must credit to the account appropriations and transfers to the account. Earnings, including
117.10 interest, dividends, and any other earnings arising from assets of the account, must be
117.11 credited to the account. Money remaining in the account at the end of a fiscal year does not
117.12 cancel to the general fund, but remains in the account until June 30, 2029. The commissioner
117.13 must manage the account.

117.14 (b) Money in the account is appropriated to the commissioner to (1) award geothermal
117.15 planning grants to eligible applicants, and (2) reimburse the reasonable costs incurred by
117.16 the department to administer this section.

117.17 Subd. 4. **Application process.** An applicant seeking a grant under this section must
117.18 submit an application to the commissioner on a form developed by the commissioner. The
117.19 commissioner must develop administrative procedures to govern the application and grant
117.20 award process. The commissioner may contract with a third party to conduct some or all of
117.21 the program's operations.

117.22 Subd. 5. **Grant awards.** (a) A grant awarded under this process may be used to pay the
117.23 total cost of the activities eligible for funding under subdivision 6, up to a limit of \$150,000.

117.24 (b) The commissioner must endeavor to award grants to eligible applicants in all regions
117.25 of Minnesota.

117.26 (c) Grants may be awarded under this section only to projects whose work is completed
117.27 after July 1, 2024.

117.28 Subd. 6. **Eligible grant expenditures.** Activities that may be funded with a grant awarded
117.29 under this section include:

117.30 (1) analysis of the heating and cooling demand of the building or buildings that consume
117.31 energy from the geothermal energy system;

118.1 (2) evaluation of equipment that could be combined with a geothermal energy system
118.2 to meet the building's heating and cooling requirements;

118.3 (3) analysis of the geologic conditions of the earth in which a geothermal energy system
118.4 operates, including the drilling of one or more test wells to characterize geologic materials
118.5 and to measure properties of the earth and aquifers that impact the feasibility of installing
118.6 and operating a geothermal energy system; and

118.7 (4) preparation of a financial analysis of the project.

118.8 Subd. 7. Contractor and subcontractor requirements. Contractors and subcontractors
118.9 that perform work funded with a grant awarded under this section must have experience
118.10 installing geothermal energy systems.

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

118.12 Sec. 46. [216C.48] STANDARDIZED SOLAR PLAN REVIEW SOFTWARE;
118.13 TECHNICAL ASSISTANCE; FINANCIAL INCENTIVE.

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

118.16 (b) "Energy storage system" has the meaning given in section 216B.2422, subdivision
118.17 1.

118.18 (c) "Permitting authority" means a unit of local government in Minnesota that has
118.19 authority to review and issue permits to install residential solar projects and solar plus energy
118.20 storage system projects within the unit of local government's jurisdiction.

118.21 (d) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

118.22 (e) "Residential solar project" means the installation of a photovoltaic device at a
118.23 residence located in Minnesota.

118.24 (f) "SolarAPP+" means the most recent version of the Solar Automated Permit Processing
118.25 Plus software, developed by the National Renewable Energy Laboratory and available free
118.26 to permitting authorities from the United States Department of Energy, that uses a web-based
118.27 portal to automate the solar project plan review and permit issuance processes for residential
118.28 solar projects that are compliant with applicable building and electrical codes.

118.29 (g) "Solar plus energy storage system project" means a residential solar project installed
118.30 in conjunction with an energy storage system at the same residence.

119.1 Subd. 2. **Program establishment.** A program is established in the department to provide
119.2 technical assistance and financial incentives to local units of government that issue permits
119.3 for residential solar projects and solar plus energy storage system projects in order to
119.4 incentivize a permitting authority to adopt the SolarAPP+ software to standardize, automate,
119.5 and streamline the review and permitting process.

119.6 Subd. 3. **Eligibility.** An incentive may be awarded under this section to a permitting
119.7 authority that has deployed SolarAPP+ and made SolarAPP+ available on the permitting
119.8 authority's website.

119.9 Subd. 4. **Application.** (a) A permitting authority must submit an application for a financial
119.10 incentive under this section to the commissioner on a form developed by the commissioner.

119.11 (b) An application may be submitted for a financial incentive under this section after
119.12 SolarAPP+ has become operational in the permitting authority's jurisdiction.

119.13 Subd. 5. **Review and grant award process.** The commissioner must develop
119.14 administrative procedures to govern the application review and incentive award process
119.15 under this section.

119.16 Subd. 6. **Incentive awards.** Beginning no later than March 1, 2025, the commissioner
119.17 may award a financial incentive to a permitting authority under this section only if the
119.18 commissioner has determined that the permitting authority meets verification requirements
119.19 established by the commissioner that ensure a permitting authority has made SolarAPP+
119.20 operational within the permitting authority's jurisdiction and that SolarAPP+ is available
119.21 on the permitting authority's website.

119.22 Subd. 7. **Incentive amount.** (a) An incentive awarded under this section must be no less
119.23 than \$5,000 and no greater than \$20,000.

119.24 (b) The commissioner may vary the amount of an incentive awarded under this section
119.25 by considering the following factors:

119.26 (1) the population of the permitting authority;

119.27 (2) the number of permits for solar projects issued by the permitting authority using
119.28 conventional review processes;

119.29 (3) whether the SolarAPP+ software has been adopted on a stand-alone basis or has been
119.30 integrated with other permit management software utilized by the permitting authority; and

120.1 (4) whether the permitting jurisdiction has participated in other sustainability programs,
120.2 including but not limited to GreenStep Cities and the United States Department of Energy's
120.3 SolSmart and Charging Smart programs.

120.4 Subd. 8. **Technical assistance.** The department must provide technical assistance to
120.5 eligible permitting authorities seeking to apply for an incentive under this section.

120.6 Subd. 9. **Program promotion.** The department must develop an education and outreach
120.7 program to make permitting authorities aware of the incentive offered under this section,
120.8 including by convening workshops, producing educational materials, and using other
120.9 mechanisms to promote the program, including but not limited to utilizing the efforts of the
120.10 League of Minnesota Cities, the Association of Minnesota Counties, the Community Energy
120.11 Resource Teams established under section 216C.385, and similar organizations to reach
120.12 permitting authorities.

120.13 Subd. 10. **Account established.** (a) The SolarAPP+ program account is established in
120.14 the special revenue account in the state treasury. The commissioner must credit to the account
120.15 appropriations and transfers to the account. Earnings, including interest, dividends, and any
120.16 other earnings arising from assets of the account, must be credited to the account. Money
120.17 remaining in the account at the end of a fiscal year does not cancel to the general fund but
120.18 remains in the account until June 30, 2028. The commissioner must manage the account.

120.19 (b) Money in the account is appropriated to the commissioner for the purposes of this
120.20 section and to reimburse the reasonable costs incurred by the department to administer this
120.21 section.

120.22 Sec. 47. Laws 2023, chapter 60, article 10, section 2, subdivision 2, is amended to read:

120.23 Subd. 2. **Energy Resources** 96,083,000 27,617,000

120.24 (a) \$5,861,000 the first year and \$6,038,000
120.25 the second year are to the division of energy
120.26 resources for operating expenses.

120.27 (b) \$150,000 the first year and \$150,000 the
120.28 second year are to remediate vermiculite
120.29 insulation from households that are eligible
120.30 for weatherization assistance under
120.31 Minnesota's weatherization assistance program
120.32 state plan under Minnesota Statutes, section
120.33 216C.264. Remediation must be done in

121.1 conjunction with federal weatherization
121.2 assistance program services.

121.3 (c) \$1,138,000 in the first year is transferred
121.4 from the general fund to the solar for schools
121.5 program account under Minnesota Statutes,
121.6 section 216C.375, to provide financial
121.7 assistance to schools that are state colleges
121.8 and universities to purchase and install solar
121.9 energy generating systems. This appropriation
121.10 must be expended on schools located outside
121.11 the electric service territory of the public
121.12 utility that is subject to Minnesota Statutes,
121.13 section 116C.779. Money under this paragraph
121.14 is available until June 30, 2034. Any money
121.15 remaining on June 30, 2034, cancels to the
121.16 general fund.

121.17 (d) \$189,000 each year is for activities
121.18 associated with a utility's implementation of
121.19 a natural gas innovation plan under Minnesota
121.20 Statutes, section 216B.2427.

121.21 (e) \$15,000,000 in the first year is transferred
121.22 from the general fund to the solar for schools
121.23 program account in the special revenue fund
121.24 for grants under the solar for schools program
121.25 established under Minnesota Statutes, section
121.26 216C.375. The money under this paragraph
121.27 must be expended on schools located outside
121.28 the electric service territory of the public
121.29 utility that is subject to Minnesota Statutes,
121.30 section 116C.779.

121.31 (f) \$500,000 each year is for the strengthen
121.32 Minnesota homes program under Minnesota
121.33 Statutes, section 65A.299, subdivision 4.
121.34 Money under this paragraph is transferred
121.35 from the general fund to strengthen Minnesota

122.1 homes account in the special revenue fund.
122.2 This is a onetime appropriation.
122.3 (g) \$20,000,000 the first year and \$18,737,000
122.4 the second year are for weatherization and
122.5 preweatherization work to serve additional
122.6 households and allow for services that would
122.7 otherwise be denied due to current federal
122.8 limitations related to the federal weatherization
122.9 assistance program. Money under this
122.10 paragraph is transferred from the general fund
122.11 to the preweatherization account in the special
122.12 revenue fund under Minnesota Statutes,
122.13 section 216C.264, subdivision 1c. The base
122.14 in fiscal years 2026 and later is \$3,199,000.
122.15 (h) \$15,000,000 the first year is for a grant to
122.16 an investor-owned electric utility that has at
122.17 least 50,000 retail electric customers, but no
122.18 more than 200,000 retail electric customers,
122.19 to increase the capacity and improve the
122.20 reliability of an existing high-voltage direct
122.21 current transmission line that runs between
122.22 North Dakota and Minnesota. This is a
122.23 onetime appropriation and must be used to
122.24 support the cost-share component of a federal
122.25 grant application to a program enacted in the
122.26 federal Infrastructure Investment and Jobs Act,
122.27 Public Law 117-58, and may otherwise be
122.28 used to reduce the cost of the high-voltage
122.29 direct current transmission project upgrade
122.30 and to reimburse the reasonable costs incurred
122.31 by the department to administer the grant. This
122.32 appropriation is available until June 30, 2034.
122.33 (i) \$300,000 the first year is for technical
122.34 assistance and administrative support for the
122.35 Tribal Advocacy Council on Energy under

123.1 article 12, section 71. As part of the technical
123.2 assistance and administrative support for the
123.3 program, the commissioner must hire a Tribal
123.4 liaison to support the Tribal Advocacy Council
123.5 on Energy and advise the department on the
123.6 development of a culturally responsive clean
123.7 energy grants program based on the priorities
123.8 identified by the Tribal Advocacy Council on
123.9 Energy.

123.10 (j) \$3,000,000 the first year is for a grant to
123.11 Clean Energy Economy Minnesota for the
123.12 Minnesota Energy Alley initiative to secure
123.13 the state's energy and economic development
123.14 future. The appropriation may be used to
123.15 establish and support the initiative, provide
123.16 seed funding for businesses, develop a training
123.17 and development program, support recruitment
123.18 of entrepreneurs to Minnesota, and secure
123.19 funding from federal programs and corporate
123.20 partners to establish a self-sustaining,
123.21 long-term revenue model. This appropriation
123.22 may be used to reimburse the reasonable costs
123.23 incurred by the department to administer the
123.24 grant. This is a onetime appropriation and is
123.25 available until June 30, 2027.

123.26 (k) \$5,000,000 the first year is transferred to
123.27 the electric vehicle rebate program account to
123.28 award rebates to purchase or lease eligible
123.29 electric vehicles under Minnesota Statutes,
123.30 section 216C.401. Rebates must be awarded
123.31 under this paragraph only to eligible recipients
123.32 located outside the retail electric service area
123.33 of the public utility that is subject to
123.34 Minnesota Statutes, section 116C.779. This is

124.1 a onetime appropriation and is available until
124.2 June 30, 2027.

124.3 (l) \$1,000,000 the first year is to award grants
124.4 under Minnesota Statutes, section 216C.402,
124.5 to automobile dealers seeking certification to
124.6 sell electric vehicles and to reimburse the
124.7 reasonable costs incurred by the department
124.8 to administer the grants. Grants must only be
124.9 awarded under this paragraph to eligible
124.10 dealers located outside the retail electric
124.11 service area of the public utility that is subject
124.12 to Minnesota Statutes, section 116C.779. This
124.13 is a onetime appropriation and is available
124.14 until June 30, 2027.

124.15 (m) \$3,000,000 the first year is transferred to
124.16 the residential electric panel upgrade grant
124.17 program account established under Minnesota
124.18 Statutes, section 216C.45, to award electric
124.19 panel upgrade grants and to reimburse the
124.20 reasonable costs incurred by the department
124.21 to administer the program. Grants must be
124.22 awarded under this paragraph only to owners
124.23 of single-family homes or multifamily
124.24 buildings located outside the electric service
124.25 area of the public utility subject to Minnesota
124.26 Statutes, section 116C.779. This is a onetime
124.27 appropriation and is available until June 30,
124.28 2027.

124.29 (n) \$500,000 the first year and \$500,000 the
124.30 second year are for a grant to the clean energy
124.31 resource teams partnerships under Minnesota
124.32 Statutes, section 216C.385, subdivision 2, to
124.33 provide additional capacity to perform the
124.34 duties specified under Minnesota Statutes,
124.35 section 216C.385, subdivision 3. This

125.1 appropriation may be used to reimburse the
125.2 reasonable costs incurred by the department
125.3 to administer the grant.

125.4 (o) \$1,807,000 the first year and \$301,000 the
125.5 second year are to implement energy
125.6 benchmarking under Minnesota Statutes,
125.7 section 216C.331.

125.8 Of the amount appropriated under this
125.9 paragraph, \$750,000 the first year is to award
125.10 grants to qualifying utilities that are not
125.11 investor-owned utilities to support the
125.12 development of technology for implementing
125.13 energy benchmarking under Minnesota
125.14 Statutes, section 216C.331. This is a onetime
125.15 appropriation.

125.16 Of the amount appropriated in the first year
125.17 under this paragraph, \$756,000 the first year
125.18 is for a grant to Building Owners and
125.19 Managers Association Greater Minneapolis
125.20 to establish partnerships with three technical
125.21 colleges and high school career counselors
125.22 with a goal of increasing the number of
125.23 building engineers across Minnesota. This is
125.24 a onetime appropriation and is available until
125.25 June 30, 2028. The grant recipient must
125.26 provide a detailed report describing how the
125.27 grant funds were used to the chairs and
125.28 ranking minority members of the legislative
125.29 committees having jurisdiction over higher
125.30 education by January 15 of each year until
125.31 2028. The report must describe the progress
125.32 made toward the goal of increasing the number
125.33 of building engineers and strategies used.

125.34 (p) \$500,000 the first year is for a feasibility
125.35 study to identify and process Minnesota iron

126.1 resources that could be suitable for upgrading
126.2 to long-term battery storage specifications.
126.3 The results of the feasibility study must be
126.4 submitted to the commissioner of commerce
126.5 and to the chairs and ranking minority
126.6 members of the house of representatives and
126.7 senate committees with jurisdiction over
126.8 energy policy no later than ~~February~~
126.9 November 1, 2025. This appropriation may
126.10 be used to reimburse the reasonable costs
126.11 incurred to administer the study. This is a
126.12 onetime appropriation.

126.13 (q) \$6,000,000 the first year is for electric
126.14 school bus grants under Minnesota Statutes,
126.15 section 216C.374. Money under this paragraph
126.16 is transferred from the general fund to the
126.17 electric school bus program account. This is
126.18 a onetime appropriation.

126.19 (r) \$5,300,000 the first year is for electric grid
126.20 resiliency grants under article 12, section 72.
126.21 This appropriation may be used to reimburse
126.22 the reasonable costs incurred by the
126.23 department to administer the grants. This is a
126.24 onetime appropriation and is available until
126.25 June 30, 2028.

126.26 (s) \$6,000,000 the first year is transferred to
126.27 the heat pump rebate program account
126.28 established under Minnesota Statutes, section
126.29 216C.46, to implement the heat pump rebate
126.30 program and to reimburse the reasonable costs
126.31 incurred by the department to administer the
126.32 program. Of this amount:

126.33 (1) up to \$1,400,000 the first year is to
126.34 contract with an energy coordinator under

127.1 Minnesota Statutes, section 216C.46,
127.2 subdivision 5; and
127.3 (2) up to \$1,400,000 the first year is to conduct
127.4 contractor training and support under
127.5 Minnesota Statutes, section 216C.46,
127.6 subdivision 6.
127.7 (t) \$1,000,000 the first year is to award air
127.8 ventilation pilot program grants under
127.9 Minnesota Statutes, section 123B.663, for
127.10 assessments, testing, and equipment upgrades
127.11 in schools, and for the department's costs to
127.12 administer the program. This is a onetime
127.13 appropriation.
127.14 (u) \$500,000 the first year is for a grant to the
127.15 city of Anoka for feasibility studies as
127.16 described in this paragraph and design,
127.17 engineering, and environmental analysis
127.18 related to the repair and reconstruction of the
127.19 Rum River Dam. Findings from the feasibility
127.20 studies must be incorporated into the design
127.21 and engineering funded by this appropriation.
127.22 This appropriation is onetime and is available
127.23 until June 30, 2027. This appropriation
127.24 includes money for the following studies: (1)
127.25 a study to assess the feasibility of adding a
127.26 lock or other means for boats to traverse the
127.27 dam to navigate between the lower Rum River
127.28 and upper Rum River; (2) a study to assess
127.29 the feasibility of constructing the dam in a
127.30 manner that would facilitate recreational river
127.31 surfing at the dam site; and (3) a study to
127.32 assess the feasibility of constructing the dam
127.33 in a manner to generate hydroelectric power.
127.34 (v) \$3,000,000 the first year is for grants to
127.35 install on-site energy storage systems, as

128.1 defined in Minnesota Statutes, section
128.2 216B.2422, subdivision 1, paragraph (f), with
128.3 a capacity of 50 kilowatt hours or less and that
128.4 are located outside the electric service area of
128.5 the electric utility subject to Minnesota
128.6 Statutes, section 116C.779. To receive a grant
128.7 under this paragraph, an owner of the energy
128.8 storage system must be operating a solar
128.9 energy generating system at the same site as
128.10 the energy storage system or have filed an
128.11 application with a utility to interconnect a solar
128.12 energy generating system at the same site as
128.13 the energy storage system. This appropriation
128.14 may be used to reimburse the reasonable costs
128.15 incurred by the department to administer the
128.16 grants. This is a onetime appropriation and is
128.17 available until June 30, 2027.

128.18 (w) \$164,000 the second year is for activities
128.19 associated with a public utility's filing a
128.20 transportation electrification plan under
128.21 Minnesota Statutes, section 216B.1615. The
128.22 base in fiscal year 2026 and later is \$164,000.

128.23 (x) \$77,000 each year is for activities
128.24 associated with appeals of consumer
128.25 complaints to the commission under
128.26 Minnesota Statutes, section 216B.172.

128.27 (y) \$961,000 each year is for activities
128.28 required under Minnesota Statutes, section
128.29 216B.1641 for community solar gardens. This
128.30 appropriation must be assessed directly to the
128.31 public utility subject to Minnesota Statutes,
128.32 section 116C.779.

128.33 (z) \$300,000 the first year is for the
128.34 community solar garden program study
128.35 required under article 12, section 73.

129.1 Sec. 48. ULTRAEFFICIENT VEHICLE DEVELOPMENT GRANTS.

129.2 Subdivision 1. Program establishment. (a) A grant program is established in the
129.3 Department of Commerce to provide financial assistance to developers and producers of
129.4 ultraefficient vehicles that use proprietary technology.

129.5 (b) For purposes of this section, "ultraefficient vehicle" means a fully closed compartment
129.6 vehicle that is designed to carry at least one adult passenger and that achieves:

129.7 (1) at least 75 miles per gallon while operating on gasoline;

129.8 (2) at least 75 miles per gallon equivalent while operating as a hybrid electric-gasoline;

129.9 or

129.10 (3) at least 75 miles per gallon equivalent while operating as a fully electric vehicle.

129.11 Subd. 2. Application process. Applicants seeking a grant under this section must submit
129.12 an application to the commissioner of commerce on a form developed by the commissioner.
129.13 The commissioner is responsible for receiving and reviewing grant applications and awarding
129.14 grants under this subdivision. The commissioner must develop administrative procedures
129.15 to govern the application, evaluation, and grant-award process.

129.16 Subd. 3. Grant awards. The maximum grant award for each eligible applicant awarded
129.17 a grant under this section is \$250,000. When awarding grants under this section, the
129.18 department must:

129.19 (1) give priority to ultraefficient vehicle projects that are deemed to be near production
129.20 ready; and

129.21 (2) give priority to ultraefficient vehicle projects that maximize the use of electricity to
129.22 charge and run the vehicle.

129.23 Subd. 4. Account established. An ultraefficient vehicle development grant account is
129.24 established in the special revenue fund in the state treasury. The commissioner of commerce
129.25 must credit to the account appropriations made for ultraefficient vehicle development grants.
129.26 Earnings, including interest, arising from assets in the account, must be credited to the
129.27 account. Money in the account is available until June 30, 2028. Any amount remaining in
129.28 the account after June 30, 2028, cancels to the renewable development account. The
129.29 commissioner of commerce must manage the account.

129.30 Subd. 5. Appropriation; expenditures. Money in the account established in subdivision
129.31 4 is appropriated to the commissioner of commerce and must be used only to:

129.32 (1) make grant awards under this section; and

130.1 (2) pay the reasonable costs incurred by the department to administer this section.

130.2 Subd. 6. **Report.** On January 15, 2026, and on January 15, 2029, the commissioner of
130.3 commerce must submit a report to the chairs and ranking minority members of the legislative
130.4 committees with jurisdiction over energy policy and finance on the grant awards under this
130.5 section.

130.6 Sec. 49. **THERMAL ENERGY NETWORK DEPLOYMENT WORK GROUP.**

130.7 Subdivision 1. **Direction.** The Public Utilities Commission must establish and appoint
130.8 a thermal energy network deployment work group to examine (1) the potential regulatory
130.9 opportunities for regulated natural gas utilities to deploy thermal energy networks, and (2)
130.10 potential barriers to development. The work group must examine the public benefits, costs,
130.11 and impacts of deployment of thermal energy networks, as well as examine rate design
130.12 options.

130.13 Subd. 2. **Membership.** (a) The work group consists of at least the following:

130.14 (1) representatives of the Department of Commerce;

130.15 (2) representatives of the Department of Health;

130.16 (3) representatives of the Pollution Control Agency;

130.17 (4) representatives of the Department of Natural Resources;

130.18 (5) representatives of the Office of the Attorney General;

130.19 (6) representatives from utilities;

130.20 (7) representatives from clean energy advocacy organizations;

130.21 (8) representatives from labor organizations;

130.22 (9) geothermal technology providers;

130.23 (10) representatives from consumer protection organizations;

130.24 (11) representatives from cities; and

130.25 (12) representatives from low-income communities.

130.26 (b) The executive secretary of the Public Utilities Commission may invite others to
130.27 participate in one or more meetings of the work group.

130.28 (c) When appointing members to the work group, the Public Utilities Commission must
130.29 endeavor to ensure that all geographic regions of Minnesota are represented.

131.1 Subd. 3. **Duties.** The work group must prepare a report containing findings and
131.2 recommendations regarding how to deploy thermal energy networks within a regulated
131.3 context and in a manner that protects the public interest and considers reliability, affordability,
131.4 environmental impacts, and socioeconomic impacts.

131.5 Subd. 4. **Report to legislature.** The work group must submit a report detailing the work
131.6 group's findings and recommendations to the chairs and ranking minority members of the
131.7 legislative committees and divisions with jurisdiction over energy policy and finance by
131.8 December 31, 2025. The work group terminates the day after the report under this subdivision
131.9 is submitted.

131.10 Subd. 5. **Notice and comment period.** The executive secretary of the Public Utilities
131.11 Commission must file the completed report in Public Utilities Commission Docket No.
131.12 G-999/CI-21-565 and provide notice to all docket participants and other interested persons
131.13 that comments on the findings and recommendations may be filed in the docket.

131.14 Subd. 6. **Definition.** For the purposes of this section, "thermal energy network" means
131.15 a project that provides heating and cooling to multiple buildings connected via underground
131.16 pipng containing fluids that, in concert with heat pumps, exchange thermal energy from
131.17 the earth, underground or surface waters, wastewater, or other heat sources.

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

131.19 Sec. 50. **STUDY; CARBON DIOXIDE PIPELINES.**

131.20 (a) The commission must contract with an independent third party to conduct a study
131.21 that: (1) assesses the human health and environmental impacts that result from constructing,
131.22 operating, and maintaining carbon dioxide pipelines; and (2) makes recommendations
131.23 regarding regulation of the activities listed in clause (1). The executive secretary of the
131.24 commission may consult with the executive director of the environmental quality board
131.25 when selecting the contractor to conduct the study.

131.26 (b) The study must include, at a minimum, the following elements:

131.27 (1) identification of geographic areas in Minnesota that, due to the geographic area's
131.28 geology or the presence of environmentally sensitive resources, are unsuitable sites to
131.29 construct and operate carbon dioxide pipelines;

131.30 (2) the amount of energy and water required to operate the equipment used to capture
131.31 the carbon dioxide that is transported in a carbon dioxide pipeline;

132.1 (3) the potential human and environmental impacts of a carbon dioxide pipeline leak or
132.2 rupture, especially to long-term human health, surface water bodies and wetlands, animals
132.3 and animal habitat, croplands, and other sensitive resources;

132.4 (4) measures that can be taken to mitigate the impact of a carbon dioxide pipeline leak
132.5 or rupture, including setbacks, protection for wildlife and wildlife habitat, and enhanced
132.6 local emergency response strategies and resources;

132.7 (5) the long-term impacts of pipeline construction on wetlands, soils, crops, and other
132.8 vegetation;

132.9 (6) the lifecycle greenhouse gas emissions resulting from carbon dioxide pipelines,
132.10 including the ultimate disposition of the carbon dioxide, whether the carbon dioxide is
132.11 sequestered, used to manufacture other products, or used to extract incremental oil or gas
132.12 supplies from underground reservoirs. The greenhouse gas emissions resulting from the
132.13 process to extract incremental oil or gas supplies from underground reservoirs and the
132.14 subsequent combustion of the incremental energy sources must also be estimated. The
132.15 analysis should also indicate the degree to which any emission reductions are verifiable;
132.16 and

132.17 (7) recommended provisions for a state regulatory process to site, operate, maintain, and
132.18 abandon carbon dioxide pipelines that are transparent, provide opportunity for public
132.19 engagement, and provide pipeline operators with clear signals and efficient procedures
132.20 regarding permitting issues.

132.21 (c) No later than November 1, 2026, a written copy of the report must be submitted to
132.22 the chairs and ranking minority members of the legislative committees with primary
132.23 jurisdiction over energy policy and environmental policy and to the Public Utilities
132.24 Commission. The commission must consider the report's findings and recommendations
132.25 when issuing siting permits for carbon dioxide pipelines.

132.26 Sec. 51. **THERMAL ENERGY NETWORK SITE SUITABILITY STUDY.**

132.27 (a) The Department of Commerce must conduct or contract for a study to determine the
132.28 suitability of sites to deploy thermal energy networks statewide.

132.29 (b) The study must:

132.30 (1) identify areas more and less suitable for deployment of thermal energy networks
132.31 statewide; and

133.1 (2) identify potential barriers to the deployment of thermal energy networks and potential
133.2 ways to address the barriers.

133.3 (c) In determining site suitability, the study must consider:

133.4 (1) geologic or hydrologic access to thermal storage;

133.5 (2) the existing built environment, including but not limited to age, density, building
133.6 uses, existing heating and cooling systems, and existing electrical services;

133.7 (3) the condition of existing natural gas infrastructure;

133.8 (4) road and street conditions, including planned replacement or maintenance;

133.9 (5) local land use regulations;

133.10 (6) area permitting requirements; and

133.11 (7) whether the area is an environmental justice area, as defined in section 116.065,
133.12 subdivision 1, paragraph (e).

133.13 (d) No later than January 15, 2026, the Department of Commerce must submit a written
133.14 report documenting the study's findings to the chairs and ranking minority members of the
133.15 senate and house of representatives committees with jurisdiction over energy policy and
133.16 finance.

133.17 (e) For the purposes of this section, "thermal energy network" means a project that
133.18 provides heating and cooling to multiple buildings connected via underground piping
133.19 containing fluids that, in concert with heat pumps, exchange thermal energy from the earth,
133.20 underground or surface waters, wastewater, or other heat sources.

133.21 **Sec. 52. GRID ENHANCING TECHNOLOGIES REPORT; PUBLIC UTILITIES**
133.22 **COMMISSION ORDER.**

133.23 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
133.24 the meanings given.

133.25 (b) "Capacity" means the maximum amount of electricity that can flow through a
133.26 transmission line while observing industry safety standards.

133.27 (c) "Congestion" means a condition in which a lack of transmission line capacity prevents
133.28 the delivery of the lowest-cost electricity dispatched to meet load at a specific location.

133.29 (d) "Dynamic line rating" means hardware or software used to calculate the thermal
133.30 limit of existing transmission lines at a specific point in time by incorporating information
133.31 on real-time and forecasted weather conditions.

134.1 (e) "Grid enhancing technology" means hardware or software that reduces congestion
134.2 or enhances the flexibility of the transmission system by increasing the capacity of a
134.3 high-voltage transmission line or rerouting electricity from overloaded to uncongested lines,
134.4 while maintaining industry safety standards. Grid enhancing technologies include but are
134.5 not limited to dynamic line rating, advanced power flow controllers, and topology
134.6 optimization.

134.7 (f) "Line rating methodology" means a methodology used to calculate the maximum
134.8 amount of electricity that can be carried by a transmission line without exceeding thermal
134.9 limits designed to ensure safety.

134.10 (g) "Power flow controller" means hardware and software used to reroute electricity
134.11 from overloaded transmission lines to underutilized transmission lines.

134.12 (h) "Thermal limit" means the temperature a transmission line reaches when heat from
134.13 the electric current flow within the transmission line causes excessive sagging of the
134.14 transmission line.

134.15 (i) "Topology optimization" means a software technology that uses mathematical models
134.16 to identify reconfigurations in the transmission grid in order to reroute electricity from
134.17 overloaded transmission lines to underutilized transmission lines.

134.18 (j) "Transmission line" has the meaning given to "high-voltage transmission line" in
134.19 section 216E.01. subdivision 4.

134.20 (k) "Transmission system" means a network of high-voltage transmission lines owned
134.21 or operated by an entity subject to this section that transports electricity to Minnesota
134.22 customers.

134.23 Subd. 2. **Report; content.** An entity that owns more than 750 miles of transmission
134.24 lines in Minnesota, as reported in the state transmission report submitted to the Public
134.25 Utilities Commission under Minnesota Statutes, section 216B.2425, by November 1, 2025,
134.26 must include in that report information that:

134.27 (1) identifies, during each of the last three years, locations that experienced 168 hours
134.28 or more of congestion, or the ten locations at which the most costly congestion occurred,
134.29 whichever measure produces the greater number of locations;

134.30 (2) estimates the frequency of congestion at each location and the increased cost to
134.31 ratepayers resulting from the substitution of higher-priced electricity;

134.32 (3) identifies locations on each transmission system that are likely to experience high
134.33 levels of congestion during the next five years;

135.1 (4) evaluates the technical feasibility and estimates the cost of installing one or more
135.2 grid enhancing technologies to address each instance of grid congestion identified in clause
135.3 (1), and projects the grid enhancing technology's efficacy in reducing congestion;

135.4 (5) analyzes the cost-effectiveness of installing grid enhancing technologies to address
135.5 each instance of congestion identified in clause (1) by using the information developed in
135.6 clause (2) to calculate the payback period of each installation, using a methodology developed
135.7 by the commission;

135.8 (6) proposes an implementation plan, including a schedule and cost estimate, to install
135.9 grid enhancing technologies at each congestion point identified in clause (1) at which the
135.10 payback period is less than or equal to a value determined by the commission, in order to
135.11 maximize transmission system capacity; and

135.12 (7) explains the transmission owner's current line rating methodology.

135.13 Subd. 3. **Commission review; order.** (a) The commission must review the
135.14 implementation plans proposed by each reporting entity as required in subdivision 2, clause
135.15 (6), and must:

135.16 (1) review, and may approve, reject, or modify, the plan; and

135.17 (2) issue an order requiring implementation of an approved plan.

135.18 (b) Within 90 days of the date the commission issues an order under this subdivision
135.19 each public utility must file with the commission a plan containing a workplan, cost estimate,
135.20 and schedule to implement the elements of the plan approved by the commission that are
135.21 located within the public utility's electric service area. For each entity required to report
135.22 under this section that is not a public utility, the commission's order is advisory.

135.23 Subd. 4. **Cost recovery.** Notwithstanding any other provision of this chapter, the
135.24 commission may approve cost recovery under Minnesota Statutes, section 216B.16, including
135.25 an appropriate rate of return, of any prudent and reasonable investments made or expenses
135.26 incurred by a public utility to administer and implement a grid enhancing technologies plan
135.27 approved by the commission under this section.

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

135.29 Sec. 53. **INTERCONNECTION DOCKET; PUBLIC UTILITIES COMMISSION.**

135.30 (a) No later than September 1, 2024, the commission must initiate a proceeding to
135.31 establish by order generic standards for the sharing of utility costs necessary to upgrade a
135.32 utility's distribution system by increasing hosting capacity or applying other necessary

136.1 distribution system upgrades at a congested or constrained location in order to allow for the
136.2 interconnection of distributed generation facilities at the congested or constrained location
136.3 and to advance the achievement of the state's renewable and carbon-free energy goals in
136.4 Minnesota Statutes, section 216B.1691 and greenhouse gas emissions reduction goals in
136.5 Minnesota Statutes, section 216H.02. The tariff standards must reflect an interconnection
136.6 process designed to, at a minimum:

136.7 (1) accelerate the expansion of hosting capacity at multiple points on a utility's distribution
136.8 system by ensuring that the cost of upgrades is shared fairly among owners of distributed
136.9 generation projects seeking interconnection on a pro rata basis according to the amount of
136.10 the expanded capacity utilized by each interconnected distributed generation facility;

136.11 (2) reduce the capital burden on owners of trigger projects seeking interconnection;

136.12 (3) establish a minimum level of upgrade costs an expansion of hosting capacity must
136.13 reach in order to be eligible to participate in the cost-share process and below which a trigger
136.14 project must bear the full cost of the upgrade;

136.15 (4) establish a distributed generation facility's pro rata cost-share amount as the utility's
136.16 total cost of the upgrade divided by the incremental capacity resulting from the upgrade,
136.17 and multiplying the result by the capacity of the distributed generation facility seeking
136.18 interconnection;

136.19 (5) establish a minimum proportion of the total upgrade cost that a utility must receive
136.20 from one or more distributed generation facilities before initiating constructing an upgrade;

136.21 (6) allow trigger projects and any other distributed generation facilities to pay a utility
136.22 more than the trigger project's or distributed generation facility's pro rata cost-share amount
136.23 only if needed to meet the minimum threshold established in clause (5) and to receive refunds
136.24 for amounts paid beyond the trigger project's or distributed generation facility's pro rata
136.25 share of expansion costs from distributed generation projects that subsequently interconnect
136.26 at the applicable location, after which pro rata payments are paid to the utility for distribution
136.27 to ratepayers;

136.28 (7) prohibit owners of distributed generation facilities from using any unsubscribed
136.29 capacity at an interconnection that has undergone an upgrade without the distributed
136.30 generation owners paying the distributed generation owner's pro rata cost of the upgrade;
136.31 and

137.1 (8) establish an annual limit or a formula for determining an annual limit for the total
137.2 cost of upgrades that are not allocated to owners of participating generation facilities and
137.3 may be recovered from ratepayers under section 216B.16, subdivision 7b, clause (6).

137.4 (b) For the purposes of this section, the following terms have the meanings given:

137.5 (1) "distributed generation project" means an energy generating system with a capacity
137.6 no greater than ten megawatts;

137.7 (2) "hosting capacity" means the maximum capacity of a utility distribution system to
137.8 transport electricity at a specific location without compromising the safety or reliability of
137.9 the distribution system;

137.10 (3) "trigger project" means the initial distributed generation project whose application
137.11 for interconnection of a distributed generation project alerts a utility that an upgrade is
137.12 needed in order to accommodate the trigger project and any future interconnections at the
137.13 applicable location;

137.14 (4) "upgrade" means a modification of a utility's distribution system at a specific location
137.15 that is necessary to allow the interconnection of distributed generation projects by increasing
137.16 hosting capacity at the applicable location, including but not limited to installing or modifying
137.17 equipment at a substation or along a distribution line. Upgrade does not mean an expansion
137.18 of hosting capacity dedicated solely to the interconnection of a single distributed generation
137.19 project; and

137.20 (5) "utility" means a public utility, as defined in Minnesota Statutes, section 216B.02,
137.21 subdivision 4, that provides electric service.

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

137.23 Sec. 54. **POSITION ESTABLISHED; PUBLIC UTILITIES COMMISSION.**

137.24 Subdivision 1. **Position; duties.** (a) The Public Utilities Commission's Consumer Affairs
137.25 Office must establish a new full-time equivalent interconnection ombudsperson position to
137.26 assist applicants seeking to interconnect distributed generation projects to utility distribution
137.27 systems under the generic statewide standards developed by the commission under section
137.28 53. The Public Utilities Commission must (1) appoint a person to the position who possesses
137.29 mediation skills and technical expertise related to interconnection and interconnection
137.30 procedures, and (2) authorize the person to request and review all interconnection data from
137.31 utilities and applicants that are necessary to fulfill the duties of the position described in
137.32 this subdivision.

138.1 (b) The duties of the interconnection ombudsperson include but are not limited to:

138.2 (1) tracking interconnection disputes between applicants and utilities;

138.3 (2) facilitating the efficient and fair resolution of disputes between customers seeking
138.4 to interconnect and utilities;

138.5 (3) reviewing utility interconnection policies to assess opportunities to reduce
138.6 interconnection disputes, while considering the equitable distribution of distributed generation
138.7 facilities;

138.8 (4) convening stakeholder groups as necessary to facilitate effective communication
138.9 among interconnection stakeholders; and

138.10 (5) preparing reports that detail the number, type, resolution timelines, and outcome of
138.11 interconnection disputes.

138.12 (c) A utility must provide information requested under this section that the interconnection
138.13 ombudsperson determines is necessary to effectively carry out the duties of the position.

138.14 Subd. 2. **Definition.** For the purposes of this section, "utility" means a public utility, as
138.15 defined in Minnesota Statutes, section 216B.02, subdivision 4, that provides electric service.

138.16 Subd. 3. **Position; funding.** (a) A utility must assess and collect a surcharge of \$50 on
138.17 each application interconnection filed by an owner of a distributed generation facility located
138.18 in Minnesota. A utility must remit the full surcharge to the Public Utilities Commission
138.19 monthly, in a manner determined by the Public Utilities Commission, for each interconnection
138.20 application filed with the utility during the previous month.

138.21 (b) The interconnection ombudsperson account is established in the special revenue
138.22 account in the state treasury. The Public Utilities Commission must manage the account.
138.23 The Public Utilities Commission must deposit in the account all revenues received from
138.24 utilities from the surcharge on interconnection applications established under this section.
138.25 Money is appropriated from the account to the Public Utilities Commission for the sole
138.26 purpose of funding the ombudsperson position established in subdivision 1.

138.27 (c) The Public Utilities Commission must review the amount of revenues collected from
138.28 the surcharge each year and may adjust the level of the surcharge as necessary to ensure (1)
138.29 sufficient money is available to support the position, and (2) the reserve in the account does
138.30 not reach more than ten percent of the amount necessary to fully fund the position.

138.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and
138.32 applies to applications for interconnections filed with a utility on or after that date.

ARTICLE 7

MINNESOTA ENERGY INFRASTRUCTURE PERMITTING ACT

Section 1. [216I.01] CITATION.

This chapter may be cited as the "Minnesota Energy Infrastructure Permitting Act."

Sec. 2. [216I.02] DEFINITIONS.

Subdivision 1. **Applicability.** For purposes of this chapter, the terms defined in this section have the meanings given, unless context clearly indicates or provides otherwise.

Subd. 2. **Associated facility.** "Associated facility" means a building, equipment, communication instrumentation, or other physical structure that is necessary to operate a large energy infrastructure facility. Associated facility includes transmission lines designed for and capable of operating at 100 kilovolts or less that interconnect the large energy infrastructure facility with the existing high-voltage transmission system.

Subd. 3. **Commission.** "Commission" means the Public Utilities Commission. Commission also means the executive secretary of the Public Utilities Commission for purposes of the following:

(1) applicability determinations under section 216I.04;

(2) completeness determinations under section 216I.05;

(3) public meetings under section 216I.05, subdivision 9;

(4) draft environmental impact statements under section 216I.06, subdivision 1, paragraph (c); and

(5) public hearings under section 216I.06, subdivision 2, or 216I.07, subdivision 4.

Subd. 4. **Construction.** "Construction" means any clearing of land, excavation, or other action that adversely affects the site's or route's natural environment. Construction does not include changes needed to temporarily use sites or routes for nonutility purposes, or uses in securing survey or geological data, including necessary borings to ascertain foundation conditions.

Subd. 5. **Cultivated agricultural land.** "Cultivated agricultural land" has the meaning given in section 216G.01, subdivision 4.

Subd. 6. **Energy storage system.** "Energy storage system" means equipment and associated facilities designed with a nameplate capacity of 10,000 kilowatts or more that is

140.1 capable of storing generated electricity for a period of time and delivering the electricity
140.2 for use after storage.

140.3 Subd. 7. **Executive secretary.** "Executive secretary" means the executive secretary of
140.4 the Public Utilities Commission under section 216A.04 or Public Utilities Commission staff
140.5 designated by the executive secretary.

140.6 Subd. 8. **High-voltage transmission line.** "High-voltage transmission line" means a
140.7 conductor of electric energy and associated facilities that is (1) designed for and capable of
140.8 operation at a nominal voltage of 100 kilovolts or more, and (2) is greater than 1,500 feet
140.9 in length.

140.10 Subd. 9. **Large electric power generating plant.** "Large electric power generating
140.11 plant" means electric power generating equipment and associated facilities designed for or
140.12 capable of operation at a capacity of 50,000 kilowatts or more.

140.13 Subd. 10. **Large energy infrastructure facility.** "Large energy infrastructure facility"
140.14 means a high-voltage transmission line, a large electric power generating plant, an energy
140.15 storage system, a large wind energy conversion system, and any associated facility.

140.16 Subd. 11. **Large wind energy conversion system.** "Large wind energy conversion
140.17 system" means any combination of wind energy conversion systems with a combined
140.18 nameplate capacity of 5,000 kilowatts or more, and may include transmission lines designed
140.19 for and capable of operating at 100 kilovolts or less that interconnect a large wind energy
140.20 conversion system with a high-voltage transmission line.

140.21 Subd. 12. **Permittee.** "Permittee" means a person to whom a site or route permit is
140.22 issued.

140.23 Subd. 13. **Person.** "Person" means an individual, partnership, joint venture, private or
140.24 public corporation, association, firm, public service company, cooperative, political
140.25 subdivision, municipal corporation, government agency, public utility district, or any other
140.26 entity, public or private, however organized.

140.27 Subd. 14. **Power purchase agreement.** "Power purchase agreement" means a legally
140.28 enforceable agreement between two or more persons where one or more of the signatories
140.29 agrees to provide electrical power and one or more of the signatories agrees to purchase the
140.30 power.

140.31 Subd. 15. **Route.** "Route" means the location of a high-voltage transmission line between
140.32 two end points. The route may have a variable width of up to 1.25 miles.

141.1 Subd. 16. **Site.** "Site" means the location of a large electric power generating plant, solar
141.2 energy generating system, energy storage system, or large wind energy conversion system.

141.3 Subd. 17. **Small wind energy conversion system.** "Small wind energy conversion
141.4 system" means any combination of wind energy conversion systems with a combined
141.5 nameplate capacity of less than 5,000 kilowatts.

141.6 Subd. 18. **Solar energy generating system.** "Solar energy generating system" means a
141.7 set of devices whose primary purpose is to produce electricity by means of any combination
141.8 of collecting, transferring, or converting solar-generated energy with a combined nameplate
141.9 capacity of 50,000 kilowatts alternating current or more.

141.10 Subd. 19. **Utility.** "Utility" means any entity engaged or intending to engage in generating,
141.11 transmitting, or distributing electric energy in Minnesota. Utility includes but is not limited
141.12 to a private investor-owned utility, cooperatively owned utility, and public or municipally
141.13 owned utility.

141.14 Subd. 20. **Wind energy conversion system.** "Wind energy conversion system" means
141.15 a device, including but not limited to a wind charger, windmill, or wind turbine and associated
141.16 facilities, that converts wind energy to electrical energy.

141.17 **Sec. 3. [216L.03] SITING AUTHORITY.**

141.18 Subdivision 1. **Policy.** The legislature hereby declares it is the policy of the state to
141.19 locate large electric power facilities in an orderly manner that is compatible with
141.20 environmental preservation and the efficient use of resources. In accordance with the policy,
141.21 the commission must choose locations that minimize adverse human and environmental
141.22 impact while ensuring (1) continuing electric power system reliability and integrity, and
141.23 (2) that electric energy needs are met and fulfilled in an orderly and timely fashion.

141.24 Subd. 2. **Jurisdiction.** (a) The commission has the authority to provide for site and route
141.25 selection for large energy infrastructure facilities. The commission must issue permits for
141.26 large energy infrastructure facilities in a timely fashion and in a manner consistent with the
141.27 overall determination of need for the project under section 216B.2425 or 216B.243, if
141.28 applicable.

141.29 (b) The scope of an environmental review conducted under this chapter must not include:
141.30 (1) questions of need, including size, type, and timing; (2) alternative system configurations;
141.31 or (3) voltage.

141.32 Subd. 3. **Interstate routes.** If a route is proposed in two or more states, the commission
141.33 must attempt to reach an agreement with affected states on the entry and exit points before

142.1 designating a route. The commission, in discharge of the commission's duties under this
142.2 chapter, may make joint investigations, hold joint hearings within or outside of the state,
142.3 and issue joint or concurrent orders in conjunction or concurrence with any official or agency
142.4 of any state or of the United States. The commission may, pursuant to any consent of
142.5 Congress, negotiate and enter into any agreements or compacts with agencies of other states
142.6 for cooperative efforts to certify the construction, operation, and maintenance of large
142.7 electric power facilities in a manner consistent with this chapter's requirements and to enforce
142.8 the respective state laws regarding large electric power facilities.

142.9 Subd. 4. **Biennial report.** By December 15, 2025, and every odd-numbered year
142.10 thereafter, the commission must submit a written report to the chairs and ranking minority
142.11 members of the senate and house of representatives committees with jurisdiction over energy
142.12 and utilities. The report must:

142.13 (1) provide an update on the progress made to permit, approve, and construct the electric
142.14 utility infrastructure necessary to meet the requirements of section 216B.1691 within the
142.15 milestones provided under section 216B.1691;

142.16 (2) describe efforts made by the commission to engage stakeholders in environmental
142.17 justice areas, as defined in section 216B.1691, subdivision 1, paragraph (c), in permitting,
142.18 approving, and constructing electric utility infrastructure under this section, section
142.19 216B.1691, or section 216B.243; and

142.20 (3) provide information regarding any cumulative impact analysis ordered by the
142.21 commissioner of the Pollution Control Agency under section 116.065 pertaining to any
142.22 electric utility infrastructure permitted, approved, or constructed under this section, section
142.23 216B.1691, or section 216B.243.

142.24 Sec. 4. **[216I.04] APPLICABILITY DETERMINATION.**

142.25 Subdivision 1. **Generally.** This section may be used to determine: (1) whether a proposal
142.26 meets the definition of large energy infrastructure facility and is subject to the commission's
142.27 siting or routing jurisdiction under this chapter; or (2) which review process is applicable
142.28 at the time of the initial application.

142.29 Subd. 2. **Solar, wind, or energy storage facilities.** For solar energy generating systems,
142.30 large wind energy conversion systems, or energy storage systems, the alternating current
142.31 nameplate capacity of one solar energy generating system, wind energy conversion system,
142.32 or energy storage system must be combined with the alternating current nameplate capacity

143.1 of any other solar energy generating system, wind energy conversion system, or energy
143.2 storage system that:

143.3 (1) is constructed within the same 12-month period; and

143.4 (2) exhibits characteristics of being a single development, including but not limited to
143.5 ownership structure, an umbrella sales arrangement, shared interconnection, revenue-sharing
143.6 arrangements, and common debt or equity financing.

143.7 Subd. 3. **Transmission lines.** For transmission lines, the petitioner must describe the
143.8 applicability question and provide sufficient facts to support the determination.

143.9 Subd. 4. **Forms; assistance; written determination.** (a) The commission must provide
143.10 forms and assistance to help applicants make a request for an applicability determination.

143.11 (b) Upon written request from an applicant, the commission or the commission's designee
143.12 must provide a written determination regarding applicability under this section. The
143.13 commission or the commission's designee must provide the written determination within
143.14 30 days of the date the request was received or 30 days of the date information that the
143.15 commission requested from the applicant is received, whichever is later. This written
143.16 determination constitutes a final decision of the commission.

143.17 **Sec. 5. [216L.05] DESIGNATING SITES AND ROUTES.**

143.18 Subdivision 1. **Site permit.** (a) A person is prohibited from constructing a large electric
143.19 generating plant, a solar energy generating system, an energy storage system, or a large
143.20 wind energy conversion system without a site permit issued by the commission. A person
143.21 may construct a large electric generating plant, an energy storage system, a solar energy
143.22 generating system, or a large wind energy conversion system only on a site approved by
143.23 the commission. A person is prohibited from increasing the generating capacity or output
143.24 of an electric power plant from under 50 megawatts to more than 50 megawatts without a
143.25 site permit issued by the commission.

143.26 (b) The commission must incorporate into one proceeding the route selection for a
143.27 high-voltage transmission line that is directly associated with and necessary to interconnect
143.28 the large electric generating plant, energy storage system, solar energy generating system,
143.29 or large wind energy conversion system to the transmission system if the applications are
143.30 submitted jointly under this chapter.

143.31 (c) A site permit does not authorize construction of a large electric power generating
143.32 plant until the permittee has obtained a power purchase agreement or some other enforceable
143.33 mechanism to sell the power generated by the project. If the permittee does not have a power

144.1 purchase agreement or other enforceable mechanism at the time the permit is issued, the
144.2 commission must provide in the permit that the permittee must advise the commission when
144.3 the permittee obtains a commitment to purchase the power. The commission may establish
144.4 as a condition in the permit a date by which the permittee must obtain a power purchase
144.5 agreement or other enforceable mechanism. If the permittee does not obtain a power purchase
144.6 agreement or other enforceable mechanism by the date required by the permit condition,
144.7 the site permit is null and void.

144.8 Subd. 2. **Route permit.** A person is prohibited from constructing a high-voltage
144.9 transmission line without a route permit issued by the commission. A person may construct
144.10 a high-voltage transmission line only along a route approved by the commission.

144.11 Subd. 3. **Application.** (a) A person that seeks to construct a large energy infrastructure
144.12 facility must apply to the commission for a site or route permit, as applicable. The applicant
144.13 must propose a single route for a high-voltage transmission line.

144.14 (b) The application must contain:

144.15 (1) a statement of proposed ownership of the facility at the time of filing the application
144.16 and after commercial operation;

144.17 (2) the name of any person or organization initially named as permittee or permittees
144.18 and the name of any other person to whom the permit may be transferred if transfer of the
144.19 permit is contemplated;

144.20 (3) a description of the proposed large energy infrastructure facility and all associated
144.21 facilities, including size, type, and timing of the facility;

144.22 (4) the environmental information required under subdivision 4;

144.23 (5) the names of each owner described under subdivision 8;

144.24 (6) United States Geological Survey topographical maps, or other maps acceptable to
144.25 the commission, that show the entire proposed large energy infrastructure facility;

144.26 (7) a document that identifies existing utility and public rights-of-way along or near the
144.27 large energy infrastructure facility;

144.28 (8) the engineering and operational design at each of the proposed sites for the proposed
144.29 large energy infrastructure facility, and identify transportation, pipeline, and electrical
144.30 transmission systems that are required to construct, maintain, and operate the facility;

144.31 (9) a cost analysis of the proposed large energy infrastructure facility, including the costs
144.32 to construct, operate, and maintain the facility;

145.1 (10) a description of possible design options to accommodate the large energy
145.2 infrastructure facility's future expansion;

145.3 (11) the procedures and practices proposed to acquire, construct, maintain, and restore
145.4 the large energy infrastructure facility's right-of-way or site;

145.5 (12) a list and brief description of federal, state, and local permits that may be required
145.6 for the proposed large energy infrastructure facility;

145.7 (13) a discussion regarding whether a certificate of need application is required and, if
145.8 a certificate of need application is required, whether the certificate of need application has
145.9 been submitted;

145.10 (14) a discussion regarding any other sites or routes that were considered and rejected
145.11 by the applicant;

145.12 (15) any information the commission requires pursuant to an administrative rule; and

145.13 (16) a discussion regarding coordination with Minnesota Tribal governments, as defined
145.14 under section 10.65, subdivision 2, by the applicant, including but not limited to the notice
145.15 required under subdivision 5 of this section.

145.16 Subd. 4. **Environmental information.** (a) An applicant for a site or route permit must
145.17 include in the application environmental information for each proposed site or route. The
145.18 environmental information submitted must include:

145.19 (1) a description of each site or route's environmental setting;

145.20 (2) a description of the effects the facility's construction and operation has on human
145.21 settlement, including but not limited to public health and safety, displacement, noise,
145.22 aesthetics, socioeconomic impacts, environmental justice impacts, cultural values, recreation,
145.23 and public services;

145.24 (3) a description of the facility's effects on land-based economies, including but not
145.25 limited to agriculture, forestry, tourism, and mining;

145.26 (4) a description of the facility's effects on archaeological and historic resources;

145.27 (5) a description of the facility's effects on the natural environment, including effects
145.28 on air and water quality resources, flora, and fauna;

145.29 (6) a description of the greenhouse gas emissions associated with constructing and
145.30 operating the facility;

145.31 (7) a description of the facility's climate change resilience;

146.1 (8) a description of the facility's effects on rare and unique natural resources;

146.2 (9) a list that identifies human and natural environmental effects that are unavoidable if
146.3 the facility is approved at a specific site or route; and

146.4 (10) a description of (i) measures that might be implemented to mitigate the potential
146.5 human and environmental impacts identified in clauses (1) to (7), and (ii) the estimated
146.6 costs of the potential mitigative measures.

146.7 (b) An applicant that applies using the standard process under section 216I.06 may
146.8 include the environmental information required under paragraph (a) in the applicant's
146.9 environmental assessment.

146.10 Subd. 5. **Preapplication coordination.** At least 30 days before filing an application
146.11 with the commission, an applicant must provide notice to: (1) each local unit of government
146.12 within which a site or route may be proposed; (2) Minnesota Tribal governments, as defined
146.13 under section 10.65, subdivision 2; and (3) the state technical resource agencies. The notice
146.14 must describe the proposed project and provide the entities receiving the notice an opportunity
146.15 for preapplication coordination or feedback.

146.16 Subd. 6. **Preapplication review.** (a) Before submitting an application under this chapter,
146.17 an applicant must provide a draft application to commission staff for review. A draft
146.18 application must not be filed electronically.

146.19 (b) Commission staff's draft application review must focus on the application's
146.20 completeness and clarifications that may assist the commission's review of the application.
146.21 Upon completion of the preapplication review under this subdivision, commission staff
146.22 must provide the applicant a summary of the completeness review. The applicant may
146.23 include the completeness review summary with the applicant's application under subdivision
146.24 3.

146.25 Subd. 7. **Complete applications.** (a) The commission or the commission's designee
146.26 must determine whether an application is complete and advise the applicant of any
146.27 deficiencies within ten working days of the date an application is received.

146.28 (b) An application is not incomplete if: (1) information that is not included in the
146.29 application may be obtained from the applicant prior to the initial public meeting; and (2)
146.30 the information that is not included in the application is not essential to provide adequate
146.31 notice.

146.32 Subd. 8. **Application notice.** (a) Upon finding an application is complete, the commission
146.33 must:

147.1 (1) publish notice of the application in a legal newspaper of general circulation in each
147.2 county in which the site or route is proposed;

147.3 (2) provide notice of the application to any regional development commission, Minnesota
147.4 Tribal government as defined under section 10.65, subdivision 2, county, incorporated
147.5 municipality, and town in which any part of the site or route is proposed;

147.6 (3) provide notice of the application and description of the proposed project to each
147.7 owner whose property is within or adjacent to the proposed site or route for the large energy
147.8 infrastructure facility; and

147.9 (4) provide notice to persons who have requested to be placed on a list maintained by
147.10 the commission to receive notice of proposed large energy infrastructure facilities.

147.11 (b) The commission must identify a standard format and content for application notice.
147.12 At a minimum, the notice must include: (1) a description of the proposed project, including
147.13 a map displaying the general area of the proposed site or route; (2) a description detailing
147.14 how a person may receive more information and future notices regarding the application;
147.15 and (3) a location where a copy of the application may be reviewed.

147.16 (c) The notice must also provide information regarding the date and location of the public
147.17 meeting where the public may learn more about the proposed project and the commission's
147.18 review process.

147.19 (d) For the purposes of providing mailed notice under this subdivision, an owner is the
147.20 person indicated in the records of the county auditor or, in a county where tax statements
147.21 are mailed by the county treasurer, in the records of the county treasurer. If necessary, other
147.22 appropriate records may be used for purposes of providing mailed notice. The failure to
147.23 provide mailed notice to a property owner or defects in the notice do not invalidate the
147.24 proceedings, provided a bona fide attempt to comply with this subdivision has been made.

147.25 Subd. 9. **Public meeting.** (a) The commission must hold at least one public meeting in
147.26 a location near the proposed large energy infrastructure facility project's location to explain
147.27 the permitting process, present major issues, accept public comments on the scope of the
147.28 environmental impact statement prepared under section 216I.06 or the addendum prepared
147.29 under section 216I.07, and respond to questions raised by the public.

147.30 (b) At the public meeting and in written comments accepted for at least ten days following
147.31 the date of the public meeting, the commission must accept comments on (1) potential
147.32 impacts and alternative sites or routes to be considered in the environmental impact statement

148.1 prepared under section 216I.06 or the addendum prepared under section 216I.07, and (2)
148.2 permit conditions.

148.3 Subd. 10. **Draft permit; additional considerations.** Upon close of the public comment
148.4 period following the public meeting in subdivision 9, the commission must:

148.5 (1) prepare a draft site or route permit for the large energy infrastructure facility. The
148.6 draft permit must identify the person or persons who are the permittee, describe the proposed
148.7 project, and include proposed permit conditions. A draft site permit does not authorize a
148.8 person to construct a large energy infrastructure facility. The commission may change the
148.9 draft site permit in any respect before final issuance or may deny the permit; and

148.10 (2) identify the scope of the environmental impact statement prepared under section
148.11 216I.06 or the addendum prepared under section 216I.07. A member of the commission is
148.12 prohibited from giving direction to commission environmental review staff on the scope of
148.13 an environmental assessment, environmental addendum, or environmental impact statement,
148.14 except in a publicly noticed meeting or through a publicly available commission notice or
148.15 order.

148.16 Subd. 11. **Designating sites and routes; considerations.** (a) The commission's site and
148.17 route permit determinations must (1) be guided by the state's goals to conserve resources;
148.18 (2) minimize environmental impacts, and minimize human settlement and other land use
148.19 conflicts; (3) consider impacts to environmental justice areas, as defined in section
148.20 216B.1691, subdivision 1, paragraph (e), including cumulative impacts, as defined in section
148.21 116.065, to environmental justice areas; and (4) ensure the state's energy security through
148.22 efficient, cost-effective energy supply and infrastructure.

148.23 (b) When determining whether to issue a site permit for a large energy infrastructure
148.24 facility, the commission must include but is not limited to:

148.25 (1) evaluating research and investigations relating to: (i) large energy infrastructure
148.26 facilities' effects on land, water, and air resources; and (ii) the effects water and air discharges
148.27 and electric and magnetic fields resulting from large energy infrastructure facilities have
148.28 on public health and welfare, vegetation, animals, materials, and aesthetic values, including
148.29 baseline studies, predictive modeling, and evaluating new or improved methods to minimize
148.30 adverse impacts of water and air discharges and other matters pertaining to large energy
148.31 infrastructure facilities' effects on the water and air environment;

148.32 (2) conducting environmental evaluation of sites and routes that are proposed for future
148.33 development and expansion, and the relationship of proposed sites and routes for future
148.34 development and expansion to Minnesota's land, water, air, and human resources;

149.1 (3) evaluating the effects of measures designed to minimize adverse environmental
149.2 effects;

149.3 (4) evaluating the potential for beneficial uses of waste energy from proposed large
149.4 electric power generating plants;

149.5 (5) analyzing the direct and indirect economic impact of proposed sites and routes,
149.6 including but not limited to productive agricultural land lost or impaired;

149.7 (6) evaluating adverse direct and indirect environmental effects that are unavoidable
149.8 should the proposed site and route be accepted;

149.9 (7) evaluating alternatives to the applicant's proposed site or route, if applicable;

149.10 (8) when appropriate, evaluating potential routes that would use or parallel existing
149.11 railroad and highway rights-of-way;

149.12 (9) evaluating governmental survey lines and other natural division lines of agricultural
149.13 land to minimize interference with agricultural operations;

149.14 (10) evaluating the future needs for large energy infrastructure facilities in the same
149.15 general area as any proposed site or route;

149.16 (11) evaluating irreversible and irretrievable commitments of resources if the proposed
149.17 site or route is approved;

149.18 (12) when appropriate, considering the potential impacts raised by other state and federal
149.19 agencies and local entities;

149.20 (13) evaluating the benefits of the proposed facility with respect to (i) the protection and
149.21 enhancement of environmental quality, and (ii) the reliability of state and regional energy
149.22 supplies;

149.23 (14) evaluating the proposed facility's impact on socioeconomic factors; and

149.24 (15) evaluating the proposed facility's employment and economic impacts in the facility
149.25 site's vicinity and throughout Minnesota, including the quantity, quality, and compensation
149.26 level of construction and permanent jobs. The commission must consider a facility's local
149.27 employment and economic impacts, and may reject or place conditions on a site or route
149.28 permit based on the local employment and economic impacts.

149.29 (c) If the commission's rules are substantially similar to existing federal agency
149.30 regulations the utility is subject to, the commission must apply the federal regulations.

150.1 (d) The commission is prohibited from designating a site or route that violates state
150.2 agency rules.

150.3 (e) When applicable, the commission must make a specific finding that the commission
150.4 considered locating a route for a high-voltage transmission line on an existing high-voltage
150.5 transmission route and using parallel existing highway right-of-way. To the extent an existing
150.6 high-voltage transmission route or parallel existing right-of-way is not used for the route,
150.7 the commission must state the reasons.

150.8 Subd. 12. **Final decision.** (a) The commission must issue a site or route permit that is
150.9 demonstrated to be in the public interest pursuant to this chapter. The commission may
150.10 require any reasonable conditions in the site or route permit that are necessary to protect
150.11 the public interest. The commission maintains continuing jurisdiction over the route and
150.12 site permits and any conditions contained in the route and site permits.

150.13 (b) The commission is prohibited from issuing a site permit in violation of the site
150.14 selection standards and criteria established under this section and in rules the commission
150.15 adopts. When the commission designates a site, the commission must issue a site permit to
150.16 the applicant with any appropriate conditions. The commission must publish a notice of the
150.17 commission's decision in the Environmental Quality Board Monitor within 30 days of the
150.18 date the commission issues the site permit.

150.19 (c) The commission is prohibited from issuing a route permit in violation of the route
150.20 selection standards and criteria established under this section and in rules the commission
150.21 adopts. When the commission designates a route, the commission must issue a permit for
150.22 the construction of a high-voltage transmission line that specifies the design, routing,
150.23 right-of-way preparation, and facility construction the commission deems necessary,
150.24 including any other appropriate conditions. The commission may order the construction of
150.25 high-voltage transmission line facilities that are capable of expanding transmission capacity
150.26 through multiple circuiting or design modifications. The commission must publish a notice
150.27 of the commission's decision in the Environmental Quality Board Monitor within 30 days
150.28 of the date the commission issues the route permit.

150.29 (d) The commission must require as a condition of permit issuance, including the issuance
150.30 of a modified permit for a repowering project, as defined in section 216B.243, subdivision
150.31 8, paragraph (b), that the recipient of a site or route permit to construct an energy
150.32 infrastructure facility, including all of the permit recipient's construction contractors and
150.33 subcontractors on the project: (1) must pay no less than the prevailing wage rate, as defined

151.1 in section 177.42; and (2) is subject to the requirements and enforcement provisions under
151.2 sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

151.3 (e) Immediately following the commission's vote granting an applicant a site or route
151.4 permit, and prior to issuance of a written commission order embodying the decision, the
151.5 applicant may submit to commission staff for review preconstruction compliance filings
151.6 specifying details of the applicant's proposed site or route operations.

151.7 Subd. 13. **Commission; technical expertise and other assistance.** (a) The commission
151.8 must consult with other state agencies and obtain technical expertise and other assistance
151.9 for activities and proceedings under this chapter.

151.10 (b) Notwithstanding the requirements of section 216B.33, employees of the commission
151.11 may take any action related to the requirements of this chapter immediately following a
151.12 hearing and vote by the commission, prior to issuing a written order, finding, authorization,
151.13 or certification.

151.14 Sec. 6. **[216I.06] APPLICATIONS; MAJOR REVIEW.**

151.15 Subdivision 1. **Environmental review.** (a) The commission must prepare an
151.16 environmental impact statement on each proposed large energy infrastructure facility for
151.17 which a complete application has been submitted. An environmental impact statement means
151.18 a detailed written statement that describes a large energy infrastructure facility and satisfies
151.19 the requirements of section 116D.04. For the purposes of environmental review, the
151.20 commission is prohibited from considering whether or not the project is needed. No other
151.21 state environmental review documents are required. The commission must study and evaluate
151.22 any site or route identified by the commission under section 216I.05, subdivision 10, clause
151.23 (2).

151.24 (b) For a cogeneration facility, as defined in section 216H.01, subdivision 1a, that is a
151.25 large electric power generating plant and is not proposed by a utility, the commission must
151.26 make a finding in the environmental impact statement whether the project is likely to result
151.27 in a net reduction of carbon dioxide emissions, considering both the utility providing electric
151.28 service to the proposed cogeneration facility and any reduction in carbon dioxide emissions
151.29 resulting from increased efficiency from thermal energy production on the part of the
151.30 customer that operates or owns the proposed cogeneration facility.

151.31 (c) The commission must publish a draft environmental impact statement and a scoping
151.32 document for the environmental impact statement under section 216I.05, subdivision 10.

152.1 The public may provide comments on the draft environmental impact statement at the public
152.2 hearing and comment period under subdivision 2.

152.3 (d) The commission must publish a final environmental impact statement responding to
152.4 the timely substantive comments on the draft environmental impact statement consistent
152.5 with the scope approved by the commission under section 216I.05, subdivision 10, clause
152.6 (2). The final environmental impact statement must discuss at appropriate points in the final
152.7 environmental impact statement any reasonable opposing views relating to scoping issues
152.8 that were not adequately discussed in the draft environmental impact statement and must
152.9 indicate a response to the reasonable opposing views. When making the commission's final
152.10 decision, the commission must consider the final environmental impact statement and the
152.11 entirety of the record related to human and environmental impacts.

152.12 (e) The commission must determine the adequacy of the final environmental impact
152.13 statement. The commission must not decide the adequacy for at least ten days after the
152.14 availability of the final environmental impact statement is announced in the EQB Monitor.
152.15 The final environmental impact statement is adequate if the final environmental impact
152.16 statement:

152.17 (1) addresses the issues and alternatives raised in scoping;

152.18 (2) provides responses to the timely substantive comments received during the draft
152.19 environmental impact statement review process; and

152.20 (3) was prepared in compliance with the procedures in sections 216I.05 and 216I.06.

152.21 If the commission finds that the environmental impact statement is not adequate, the
152.22 commission must direct staff to respond to the deficiencies and resubmit the revised
152.23 environmental impact statement to the commission as soon as possible.

152.24 Subd. 2. **Public hearing.** (a) No sooner than 15 days after the date the draft environmental
152.25 impact statement is published, the commission must hold a public hearing on an application
152.26 for a large energy infrastructure facility site or route permit. A hearing held to designate a
152.27 site or route must be conducted by an administrative law judge from the Office of
152.28 Administrative Hearings.

152.29 (b) The commission may designate a portion of the hearing to be conducted as a contested
152.30 case proceeding under chapter 14.

152.31 (c) The commission must provide notice of the hearing at least ten days before but no
152.32 earlier than 45 days before the date the hearing commences. The commission must provide
152.33 notice by (1) publishing in a legal newspaper of general circulation in the county in which

153.1 the public hearing is to be held, (2) mailing to chief executives of the regional development
153.2 commissions, counties, organized towns, townships, and incorporated municipalities in
153.3 which a site or route is proposed, and (3) Tribal governments as defined by section 10.65,
153.4 subdivision 2.

153.5 (d) Any person may appear at the hearings and offer testimony and exhibits without the
153.6 necessity of intervening as a formal party to the proceedings. The administrative law judge
153.7 may allow any person to ask questions of other witnesses.

153.8 (e) The administrative law judge must hold a portion of the hearing in the area where
153.9 the large energy infrastructure facility's location is proposed.

153.10 (f) The commission and administrative law judge must accept written comments for at
153.11 least 20 days after the public hearing's date.

153.12 Subd. 3. **Administrative law judge report.** The administrative law judge must issue a
153.13 report and recommendations after completion of post-hearing briefing or the date the public
153.14 comment period under subdivision 2 closes, whichever is later.

153.15 Subd. 4. **Timing.** The commission must make a final decision on an application within
153.16 60 days of the date the administrative law judge's report is received. A final decision on the
153.17 site or route permit request must be made within one year of the date the commission
153.18 determines an application is complete. The commission may extend the time limit under
153.19 this subdivision for up to three months for just cause or upon agreement with the applicant.

153.20 Sec. 7. **[216L.07] APPLICATIONS; STANDARD REVIEW.**

153.21 Subdivision 1. **Standard review.** An applicant who seeks a site or route permit for which
153.22 the applicant's proposal is one of the projects identified in this section may follow the
153.23 procedures under this section in lieu of the procedures under section 216L.06. The applicant
153.24 must notify the commission at the time the application is submitted which procedure the
153.25 applicant has elected to follow.

153.26 Subd. 2. **Applicable projects.** The requirements and procedures under this section apply
153.27 to projects for which the applicant's proposal is:

153.28 (1) large electric power generating plants with a capacity of less than 80 megawatts;

153.29 (2) large electric power generating plants that are fueled by natural gas;

153.30 (3) high-voltage transmission lines with a capacity between 100 and 300 kilovolts;

153.31 (4) high-voltage transmission lines with a capacity in excess of 300 kilovolts and less
153.32 than 30 miles in length in Minnesota;

154.1 (5) high-voltage transmission lines with a capacity in excess of 300 kilovolts, if at least
154.2 80 percent of the distance of the line in Minnesota, as proposed by the applicant, is located
154.3 along existing high-voltage transmission line right-of-way;

154.4 (6) solar energy systems;

154.5 (7) energy storage systems; and

154.6 (8) large wind energy conversion systems.

154.7 Subd. 3. **Environmental review.** (a) For the projects identified in subdivision 2 and
154.8 following the procedures under this section, the applicant must prepare and submit an
154.9 environmental assessment with the application. A draft of the environmental assessment
154.10 must also be provided to commission staff as part of the preapplication review under section
154.11 216I.05, subdivision 6. The environmental assessment must (1) contain information regarding
154.12 the proposed project's human and environmental impacts, and (2) address mitigating measures
154.13 for identified impacts. The environmental assessment is the only state environmental review
154.14 document that must be prepared for the proposed project.

154.15 (b) If after the public meeting the commission identifies other sites or routes or potential
154.16 impacts for review, the commission must prepare an addendum to the environmental
154.17 assessment that evaluates (1) the human and environmental impacts of the alternative site
154.18 or route, and (2) any additional mitigating measures related to the identified impacts
154.19 consistent with the scoping decision made pursuant to section 216I.06, subdivision 10,
154.20 clause (2). The public may provide comments on the environmental assessment and any
154.21 addendum to the environmental assessment at the public hearing and comment period under
154.22 subdivision 4. When making the commission's final decision, the commission must consider
154.23 the environmental assessment, the environmental assessment addendum, if any, and the
154.24 entirety of the record related to human and environmental impacts.

154.25 Subd. 4. **Public hearing.** (a) After the commission issues any environmental assessment
154.26 addendum and a draft permit under section 216I.05, subdivision 10, the commission must
154.27 hold a public hearing in the area where the facility's location is proposed.

154.28 (b) The commission must provide notice of the public hearing in the same manner as
154.29 required under section 216I.06, subdivision 2.

154.30 (c) The commission must conduct the public hearing under procedures established by
154.31 the commission and may request that an administrative law judge from the Office of
154.32 Administrative Hearings conduct the hearing and prepare a report.

155.1 (d) The applicant must be present at the hearing to present evidence and to answer
155.2 questions. The commission must provide opportunity at the public hearing for any person
155.3 to present comments and to ask questions of the applicant and commission staff. The
155.4 commission must also provide interested persons an opportunity to submit written comments
155.5 into the record after the public hearing.

155.6 Subd. 5. **Timing.** (a) The commission must make a final decision on an application
155.7 within 60 days of the date the public comment period following completion of the public
155.8 hearing closes, or the date the report is filed, whichever is later. A final decision on the
155.9 request for a site or route permit under this section must be made within six months of the
155.10 date the commission determines the application is complete. The commission may extend
155.11 the time limit under this subdivision for up to three months for just cause or upon agreement
155.12 with the applicant.

155.13 (b) Immediately following the commission's vote granting an applicant a site or route
155.14 permit, and prior to issuance of a written commission order embodying the decision, the
155.15 applicant may submit to commission staff for review preconstruction compliance filings
155.16 specifying details of the applicant's proposed site or route operations.

155.17 **Sec. 8. [216L.08] APPLICATIONS; LOCAL REVIEW.**

155.18 Subdivision 1. **Local review authorized.** (a) Notwithstanding sections 216L.06 and
155.19 216L.07, an applicant who seeks a site or route permit for one of the projects identified in
155.20 subdivision 2 may apply to the local units of government that have jurisdiction over the site
155.21 or route for approval to build the project. If local approval is granted, a site or route permit
155.22 is not required from the commission. If the applicant files an application with the commission,
155.23 the applicant waives the applicant's right to seek local approval for the project.

155.24 (b) A local unit of government with jurisdiction over a project identified in this section
155.25 to whom an applicant has applied for approval to build the project may request that the
155.26 commission assume jurisdiction and make a decision on a site or route permit pursuant to
155.27 the applicable provisions under this chapter. A local unit of government must file the request
155.28 with the commission within 60 days of the date an applicant files an application for the
155.29 project with any one local unit of government. If one of the local units of government with
155.30 jurisdiction over the project requests that the commission assume jurisdiction, jurisdiction
155.31 over the project transfers to the commission. If the local units of government maintain
155.32 jurisdiction over the project, the commission must select the appropriate local unit of
155.33 government to be the responsible governmental unit to conduct the project's environmental
155.34 review.

156.1 Subd. 2. **Applicable projects.** An applicant may seek approval under this section from
156.2 a local unit of government to construct:

156.3 (1) large electric power generating plants and solar energy generating systems with a
156.4 capacity of less than 80 megawatts;

156.5 (2) large electric power generating plants of any size that burn natural gas and are intended
156.6 to be a peaking plant;

156.7 (3) high-voltage transmission lines with a capacity between 100 and 200 kilovolts;

156.8 (4) substations with a voltage designed for and capable of operation at a nominal voltage
156.9 of 100 kilovolts or more;

156.10 (5) a high-voltage transmission line service extension to a single customer between 200
156.11 and 300 kilovolts and less than ten miles in length;

156.12 (6) a high-voltage transmission line rerouting to serve the demand of a single customer,
156.13 if at least 80 percent of the rerouted line is located on property owned or controlled by the
156.14 customer or the owner of the transmission line;

156.15 (7) energy storage systems; and

156.16 (8) large wind energy conversion systems with a capacity less than 25 megawatts.

156.17 Subd. 3. **Notice of application.** An applicant must notify the commission that the
156.18 applicant has elected to seek local approval of the proposed project within ten days of the
156.19 date the applicant submits an application to a local unit of government to approve an eligible
156.20 project.

156.21 Subd. 4. **Environmental review.** (a) A local unit of government that maintains
156.22 jurisdiction over a qualifying project must prepare or request that the applicant prepare an
156.23 environmental assessment on the project. The local unit of government must afford the
156.24 public an opportunity to participate in developing the scope of the environmental assessment
156.25 before the environmental assessment is prepared.

156.26 (b) Upon completing the environmental assessment, the local unit of government must
156.27 publish notice in the EQB Monitor that indicates (1) the environmental assessment is
156.28 available for review, (2) how a copy of the document may be reviewed, (3) that the public
156.29 may comment on the document, and (4) the procedure for submitting comments to the local
156.30 unit of government. Upon completion of the environmental assessment, the local unit of
156.31 government must provide a copy of the environmental assessment to the commission.

157.1 (c) The local unit of government is prohibited from making a final decision on the permit
157.2 until at least ten days after the date the notice appears in the EQB Monitor. If more than
157.3 one local unit of government has jurisdiction over a project and the local units of government
157.4 cannot agree which local unit of government prepares the environmental assessment, any
157.5 local unit of government or the applicant may request that the commission select the
157.6 appropriate local unit of government to be the responsible governmental unit to conduct an
157.7 environmental review of the project.

157.8 Sec. 9. **[216I.09] PERMIT AMENDMENTS.**

157.9 Subdivision 1. **Applicability.** This section applies to a request by the owner of the large
157.10 energy infrastructure facility to modify any provision or condition of a site or route permit
157.11 issued by the commission, including the following:

157.12 (1) upgrades or rebuilds an existing electric line and associated facilities to a voltage
157.13 capable of operating between 100 kilovolts and 300 kilovolts that does not result in significant
157.14 changes in the human and environmental impact of the facility; or

157.15 (2) repowers or refurbishes a large electric power generating plant, a large wind energy
157.16 conversion system, a solar energy generating system, or an energy storage system that
157.17 increases the efficiency of the system, provided the project does not increase the developed
157.18 area within the permitted site or increase the nameplate capacity of the facility's most recent
157.19 interconnection agreement. For a large electric power generating plant, an increase in
157.20 efficiency is a reduction in the amount of British thermal units required to produce a kilowatt
157.21 hour of electricity at the facility.

157.22 Subd. 2. **Application.** A person that seeks authorization to amend a large energy
157.23 infrastructure facility must apply to the commission. The application must be in writing and
157.24 must (1) describe the alteration to be made or the amendment sought, and (2) explain why
157.25 the request meets the eligibility criteria under subdivision 1. The application must describe
157.26 any changes to the environmental impacts evaluated by the commission as part of the initial
157.27 permit approval. If there are significant changes to the environmental impacts evaluated by
157.28 the commission as part of the initial permit approval, environmental review must be
157.29 conducted pursuant to the applicable requirements of Minnesota Rules, chapter 4410 and
157.30 parts 7849.1000 to 7849.2100.

157.31 Subd. 3. **Notice.** The commission must mail notice that the application was received to
157.32 the persons on the general list and to the persons on the project contact list, if a project list
157.33 exists.

158.1 Subd. 4. **Public comment.** The commission must provide at least a ten-day period for
158.2 interested persons to submit comments on the application or to request that the matter be
158.3 brought to the commission for consideration. The applicant may respond to submitted
158.4 comments within seven days of the date the comment period closes.

158.5 Subd. 5. **Timing.** Within 30 days of the date the applicant responds to submitted
158.6 comments under subdivision 4, the commission must decide whether to authorize the permit
158.7 amendment, bring the matter to the commission for consideration, or determine that the
158.8 application requires a permitting decision under another section in this chapter.

158.9 Subd. 6. **Decision.** The commission may authorize an amendment but impose reasonable
158.10 conditions on the approval. The commission must notify the applicant in writing of the
158.11 commission's decision and send a copy of the decision to any person who requested
158.12 notification or filed comments on the application.

158.13 Subd. 7. **Local review.** For a large electric power generating plant or high-voltage
158.14 transmission line that was not issued a permit by the commission, the owner or operator of
158.15 the nonpermitted facility may seek approval of a project listed under subdivision 1 from
158.16 the local unit of government if the facility qualifies for standard review under section 216I.07
158.17 or local review under section 216I.08.

158.18 Sec. 10. **[216I.10] EXEMPT PROJECTS.**

158.19 Subdivision 1. **Permit not required.** A permit issued by the commission is not required
158.20 to construct:

158.21 (1) a small wind energy conversion system;

158.22 (2) a power plant or solar energy generating system with a capacity of less than 50
158.23 megawatts;

158.24 (3) an energy storage system with a capacity of less than ten megawatts;

158.25 (4) a transmission line that (i) has a capacity of 100 kilovolts or more, and (ii) is less
158.26 than 1,500 feet in length; and

158.27 (5) a transmission line that has a capacity of less than 100 kilovolts.

158.28 Subd. 2. **Other approval.** A person that proposes a facility listed in subdivision 1 must
158.29 (1) obtain any approval required by local, state, or federal units of government with
158.30 jurisdiction over the project, and (2) comply with the environmental review requirements
158.31 under chapter 116D and Minnesota Rules, chapter 4410.

159.1 Sec. 11. [216L.11] PERMITTING REQUIREMENTS; EXCEPTIONS FOR CERTAIN
159.2 FACILITIES.

159.3 Subdivision 1. Permit not required. The following projects do not constitute the
159.4 construction of a large energy infrastructure facility and may be constructed without a permit
159.5 issued by the commission:

159.6 (1) maintaining or repairing an existing large energy infrastructure facility within an
159.7 existing site or right-of-way;

159.8 (2) adding equipment at an existing substation that does not (i) require more than a
159.9 one-acre expansion of the land needed for the substation, and (ii) involve an increase in the
159.10 voltage or changes in the location of existing transmission lines, except that up to the first
159.11 five transmission line structures outside the substation may be moved to accommodate the
159.12 equipment additions, provided the structures are not moved more than 500 feet from the
159.13 existing right-of-way;

159.14 (3) reconductoring or reconstructing a high-voltage transmission line that does not result
159.15 in a change to voltage or a change in right-of-way;

159.16 (4) relocating a high-voltage transmission line that is required by a local or state agency
159.17 as part of road, street, or highway construction;

159.18 (5) converting the fuel source of a large electric power generating plant to natural gas,
159.19 provided the plant is not expanded beyond the developed portion of the plant site; and

159.20 (6) starting up an existing large electric power generating plant that has been closed for
159.21 any period of time at no more than the large electric power generating plant's previous
159.22 capacity rating and in a manner that does not involve changing the fuel or expanding the
159.23 developed portion of the plant site.

159.24 Subd. 2. Amendment. If a modification or other change to an existing large energy
159.25 infrastructure facility does not qualify for an exception under subdivision 1, the modification
159.26 or change may qualify as an amendment under section 216L.09.

159.27 Subd. 3. Notice. A person that proposes to implement changes to a large energy
159.28 infrastructure facility under subdivision 1, clauses (2) to (5), must notify the commission
159.29 in writing at least 30 days before commencing construction of the modification or change.

159.30 Sec. 12. [216L.13] PERMIT TRANSFER.

159.31 Subdivision 1. Application. A permittee holding a large energy infrastructure facility
159.32 site or route permit may request that the commission transfer the permittee's permit. The

160.1 permittee must provide the name of the existing permittee, the name and description of the
160.2 entity to which the permit is to be transferred, the reasons for the transfer, a description of
160.3 the facilities affected, and the proposed effective date of the transfer. The person to whom
160.4 the permit is to be transferred must provide the commission with information the commission
160.5 requires to determine whether the new permittee is able to comply with the permit's
160.6 conditions. The commission must mail notice of receipt of the application to the persons
160.7 on the general list at least seven days in advance of the date the commission considers the
160.8 matter. The commission must provide the same notice to persons on the project contact list
160.9 if a project contact list exists.

160.10 Subd. 2. **Approval of transfer.** The commission must approve the transfer if the
160.11 commission determines that the new permittee complies with the conditions of the permit.
160.12 The commission, in approving the transfer of a permit, may impose reasonable additional
160.13 conditions in the permit as part of the approval. The commission may decide to hold a public
160.14 meeting to provide the public with an opportunity to comment on the request for the transfer
160.15 prior to making a decision.

160.16 Sec. 13. **[216L.14] PERMIT REVOCATION OR SUSPENSION.**

160.17 Subdivision 1. **Initiation of action to revoke or suspend.** The commission may initiate
160.18 action to consider revoking or suspending a permit on the commission's own motion or
160.19 upon the request of any person who has made a prima facie showing by affidavit and
160.20 documentation that a violation of this act or the permit has occurred.

160.21 Subd. 2. **Hearing.** If the commission initiates action to consider revoking or suspending
160.22 a permit, the commission must provide the permittee with an opportunity for a contested
160.23 case hearing conducted by an administrative law judge from the Office of Administrative
160.24 Hearings.

160.25 Subd. 3. **Finding of violation.** If the commission finds that a violation of this act or the
160.26 permit has occurred, the commission may revoke or suspend the permit, require the permittee
160.27 to undertake corrective or ameliorative measures as a condition to avoid revocation or
160.28 suspension, or require corrective measures and suspend the permit. When determining the
160.29 appropriate sanction, the commission must consider whether:

160.30 (1) the violation results in any significant additional adverse environmental effects;

160.31 (2) the results of the violation can be corrected or ameliorated; and

160.32 (3) suspending or revoking a permit impairs the permittee's electrical power system
160.33 reliability.

161.1 **Sec. 14. REVISOR INSTRUCTION.**

161.2 The revisor shall renumber each section of Minnesota Statutes in Column A with the
 161.3 number in Column B.

161.4	<u>Column A</u>	<u>Column B</u>
161.5	<u>216E.06</u>	<u>216I.12</u>
161.6	<u>216E.07</u>	<u>216I.15</u>
161.7	<u>216E.08, subdivision 2</u>	<u>216I.16, subdivision 1</u>
161.8	<u>216E.08, subdivision 3</u>	<u>216I.16, subdivision 2</u>
161.9	<u>216E.09</u>	<u>216I.17</u>
161.10	<u>216E.10</u>	<u>216I.18</u>
161.11	<u>216F.084</u>	<u>216I.19</u>
161.12	<u>216E.11</u>	<u>216I.20</u>
161.13	<u>216E.12</u>	<u>216I.21</u>
161.14	<u>216E.03, subdivision 8</u>	<u>216I.22</u>
161.15	<u>216E.13</u>	<u>216I.23</u>
161.16	<u>216E.14</u>	<u>216I.24</u>
161.17	<u>216E.15</u>	<u>216I.25</u>
161.18	<u>216E.16</u>	<u>216I.26</u>
161.19	<u>216E.17</u>	<u>216I.27</u>
161.20	<u>216E.18, subdivision 2a</u>	<u>216I.28, subdivision 1</u>
161.21	<u>216E.18, subdivision 3</u>	<u>216I.28, subdivision 2</u>

161.22 **Sec. 15. REPEALER.**

161.23 Subdivision 1. **Minnesota Statutes, chapter 216E, repeals.** (a) Minnesota Statutes
 161.24 2022, sections 216E.001; 216E.01, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, and 10; 216E.02;
 161.25 216E.021; 216E.03, subdivisions 2, 3a, 3b, 4, and 9; 216E.04, subdivisions 1, 3, 4, 5, 6, 7,
 161.26 8, and 9; 216E.05, subdivisions 1 and 3; 216E.08, subdivisions 1 and 4; and 216E.18,
 161.27 subdivisions 1 and 2, are repealed.

161.28 (b) Minnesota Statutes 2023 Supplement, sections 216E.01, subdivisions 3a, 6, and 9a;
 161.29 216E.03, subdivisions 1, 3, 5, 6, 7, 10, and 11; 216E.04, subdivision 2; and 216E.05,
 161.30 subdivision 2, are repealed.

161.31 Subd. 2. **Minnesota Statutes, chapter 216F, repeals.** (a) Minnesota Statutes 2022,
 161.32 sections 216F.01; 216F.011; 216F.012; 216F.015; 216F.02; 216F.03; 216F.05; 216F.06;
 161.33 216F.07; 216F.08; and 216F.081, are repealed.

161.34 (b) Minnesota Statutes 2023 Supplement, section 216F.04, is repealed.

162.1 Subd. 3. Minnesota Rules, chapter 7854, repeals. Minnesota Rules, parts 7854.0100;
162.2 7854.0200; 7854.0300; 7854.0400; 7854.0500; 7854.0600; 7854.0700; 7854.0800;
162.3 7854.0900; 7854.1000; 7854.1100; 7854.1200; 7854.1300; 7854.1400; and 7854.1500, are
162.4 repealed.

162.5 Subd. 4. Minnesota Rules, chapter 7850, repeals. Minnesota Rules, parts 7850.1000;
162.6 7850.1100; 7850.1200; 7850.1300; 7850.1400; 7850.1500; 7850.1600; 7850.1700;
162.7 7850.1800; 7850.1900; 7850.2000; 7850.2100; 7850.2200; 7850.2300; 7850.2400;
162.8 7850.2500; 7850.2600; 7850.2700; 7850.2800; 7850.2900; 7850.3000; 7850.3100;
162.9 7850.3200; 7850.3300; 7850.3400; 7850.3500; 7850.3600; 7850.3700; 7850.3800;
162.10 7850.3900; 7850.4100; 7850.4200; 7850.4500; 7850.4600; 7850.4700; 7850.4800;
162.11 7850.4900; 7850.5000; 7850.5100; 7850.5200; 7850.5300; 7850.5400; 7850.5500; and
162.12 7850.5600, are repealed.

162.13 **Sec. 16. EFFECTIVE DATE.**

162.14 This article is effective July 1, 2025.

162.15 **ARTICLE 8**
162.16 **CERTIFICATES OF NEED**

162.17 Section 1. Minnesota Statutes 2022, section 216B.2421, subdivision 2, is amended to read:

162.18 Subd. 2. **Large energy facility.** "Large energy facility" means:

162.19 (1) any electric power generating plant or combination of plants at a single site with a
162.20 combined capacity of 50,000 kilowatts or more and transmission lines directly associated
162.21 with the plant that are necessary to interconnect the plant to the transmission system;

162.22 (2) any high-voltage transmission line with a capacity of ~~200~~ 300 kilovolts or more and
162.23 greater than ~~1,500 feet~~ one mile in length in Minnesota;

162.24 (3) any high-voltage transmission line with a capacity of 100 kilovolts or more with
162.25 more than ten miles of its length in Minnesota ~~or that crosses a state line;~~

162.26 (4) any pipeline greater than six inches in diameter and having more than 50 miles of
162.27 its length in Minnesota used for the transportation of coal, crude petroleum or petroleum
162.28 fuels or oil, or their derivatives;

162.29 (5) any pipeline for transporting natural or synthetic gas at pressures in excess of 200
162.30 pounds per square inch with more than 50 miles of its length in Minnesota;

163.1 (6) any facility designed for or capable of storing on a single site more than 100,000
163.2 gallons of liquefied natural gas or synthetic gas;

163.3 (7) any underground gas storage facility requiring a permit pursuant to section 103I.681;

163.4 (8) any nuclear fuel processing or nuclear waste storage or disposal facility; and

163.5 (9) any facility intended to convert any material into any other combustible fuel and
163.6 having the capacity to process in excess of 75 tons of the material per hour.

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

163.8 Sec. 2. Minnesota Statutes 2022, section 216B.243, subdivision 3, is amended to read:

163.9 Subd. 3. **Showing required for construction.** No proposed large energy facility shall
163.10 be certified for construction unless the applicant can show that demand for electricity cannot
163.11 be met more cost effectively through energy conservation and load-management measures
163.12 and unless the applicant has otherwise justified its need. In assessing need, the commission
163.13 shall evaluate:

163.14 (1) the accuracy of the long-range energy demand forecasts on which the necessity for
163.15 the facility is based;

163.16 (2) the effect of existing or possible energy conservation programs under sections 216C.05
163.17 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

163.18 (3) the relationship of the proposed facility to overall state energy needs, as described
163.19 in the most recent state energy policy and conservation report prepared under section
163.20 216C.18, or, in the case of a high-voltage transmission line, the relationship of the proposed
163.21 line to regional energy needs, as presented in the transmission plan submitted under section
163.22 216B.2425;

163.23 (4) promotional activities that may have given rise to the demand for this facility;

163.24 (5) benefits of this facility, including its uses to protect or enhance environmental quality,
163.25 and to increase reliability of energy supply in Minnesota and the region;

163.26 (6) possible alternatives for satisfying the energy demand or transmission needs including
163.27 but not limited to potential for increased efficiency and upgrading of existing energy
163.28 generation and transmission facilities, load-management programs, and distributed generation,
163.29 except that the commission must not require evaluation of alternative end points for a
163.30 high-voltage transmission line qualifying as a large energy facility unless the alternative
163.31 end points are (i) consistent with end points identified in a federally registered planning
163.32 authority transmission plan, or (ii) otherwise agreed to for further evaluation by the applicant;

164.1 (7) the policies, rules, and regulations of other state and federal agencies and local
164.2 governments;

164.3 (8) any feasible combination of energy conservation improvements, required under
164.4 section 216B.241, that can (i) replace part or all of the energy to be provided by the proposed
164.5 facility, and (ii) compete with it economically;

164.6 (9) with respect to a high-voltage transmission line, the benefits of enhanced regional
164.7 reliability, access, or deliverability to the extent these factors improve the robustness of the
164.8 transmission system or lower costs for electric consumers in Minnesota;

164.9 (10) whether the applicant or applicants are in compliance with applicable provisions
164.10 of sections 216B.1691 and 216B.2425, subdivision 7, and have filed or will file by a date
164.11 certain an application for certificate of need under this section or for certification as a priority
164.12 electric transmission project under section 216B.2425 for any transmission facilities or
164.13 upgrades identified under section 216B.2425, subdivision 7;

164.14 (11) whether the applicant has made the demonstrations required under subdivision 3a;
164.15 and

164.16 (12) if the applicant is proposing a nonrenewable generating plant, the applicant's
164.17 assessment of the risk of environmental costs and regulation on that proposed facility over
164.18 the expected useful life of the plant, including a proposed means of allocating costs associated
164.19 with that risk.

164.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
164.21 applies to all pending applications.

164.22 Sec. 3. Minnesota Statutes 2022, section 216B.243, subdivision 3a, is amended to read:

164.23 Subd. 3a. **Use of renewable resource.** The commission may not issue a certificate of
164.24 need under this section for a large energy facility that generates electric power ~~by means~~
164.25 ~~of a nonrenewable energy source, or that transmits electric power generated by means of a~~
164.26 nonrenewable energy source, unless the applicant for the certificate has demonstrated to
164.27 the commission's satisfaction that it has explored the possibility of generating power by
164.28 means of renewable energy sources and has demonstrated that the alternative selected is
164.29 less expensive (including environmental costs) than power generated by a renewable
164.30 energy source. For purposes of this subdivision, "renewable energy source" includes hydro,
164.31 wind, solar, and geothermal energy and the use of trees or other vegetation as fuel.

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

165.1 Sec. 4. Minnesota Statutes 2022, section 216B.243, subdivision 4, is amended to read:

165.2 Subd. 4. **Application for certificate; hearing.** Any person proposing to construct a
165.3 large energy facility shall apply for a certificate of need and for a site or route permit under
165.4 chapter ~~216E~~ 216I prior to construction of the facility. The application shall be on forms
165.5 and in a manner established by the commission. In reviewing each application the commission
165.6 shall hold at least one public hearing pursuant to chapter 14. The public hearing shall be
165.7 held at a location and hour reasonably calculated to be convenient for the public. An objective
165.8 of the public hearing shall be to obtain public opinion on the necessity of granting a certificate
165.9 of need and, if a joint hearing is held, a site or route permit. The commission shall designate
165.10 a commission employee whose duty shall be to facilitate citizen participation in the hearing
165.11 process. Unless the commission determines that a joint hearing on siting and need under
165.12 this subdivision and ~~section 216E.03, subdivision 6~~ chapter 216I, is not feasible or more
165.13 efficient, or otherwise not in the public interest, a joint hearing under ~~those subdivisions~~
165.14 shall this subdivision and chapter 216I must be held.

165.15 **EFFECTIVE DATE.** This section is effective July 1, 2025.

165.16 Sec. 5. Minnesota Statutes 2023 Supplement, section 216B.243, subdivision 8, is amended
165.17 to read:

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

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

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

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

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

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

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

166.6 (7) a large wind energy conversion system, as defined in section ~~216F.01, subdivision~~
166.7 ~~2~~ 216I.02, subdivision 12, or a solar energy generating system, as defined in section ~~216E.01,~~
166.8 ~~subdivision 9a~~ 216I.02, subdivision 18, for which a site permit application is submitted by
166.9 an independent power producer under chapter ~~216E or 216F~~ 216I; or

166.10 (8) a large wind energy conversion system, as defined in section ~~216F.01, subdivision~~
166.11 ~~2~~ 216I.02, subdivision 12, or a solar energy generating system ~~that is a large energy facility,~~
166.12 as defined in section ~~216B.2421, subdivision 2~~ 216I.02, subdivision 18, engaging in a
166.13 repowering project that:

166.14 (i) will not result in the system exceeding the nameplate capacity under its most recent
166.15 interconnection agreement; or

166.16 (ii) will result in the system exceeding the nameplate capacity under its most recent
166.17 interconnection agreement, provided that the Midcontinent Independent System Operator
166.18 has provided a signed generator interconnection agreement that reflects the expected net
166.19 power increase;

166.20 (9) energy storage systems, as defined in section 216I.02, subdivision 7;

166.21 (10) transmission lines that directly interconnect large wind energy conversion systems,
166.22 solar energy generating systems, or energy storage systems to the transmission system; or

166.23 (11) relocation of an existing high voltage transmission line to new right-of-way, provided
166.24 that any new structures that are installed are not designed for and capable of operation at
166.25 higher voltage.

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

166.27 (1) modifying a large wind energy conversion system or a solar energy generating system
166.28 that is a large energy facility to increase its efficiency without increasing its nameplate
166.29 capacity;

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

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

167.1 **EFFECTIVE DATE.** (a) The amendment to paragraph (a), clause (7), is effective July
167.2 1, 2025.

167.3 (b) The amendments to paragraph (a), clauses (9), (10), and (11), are effective the day
167.4 following final enactment, except that the reference to Minnesota Statutes, section 216I.02,
167.5 subdivision 7, in paragraph (a), clause (9), is effective July 1, 2025. Prior to July 1, 2025,
167.6 the definition of "energy storage system" in Minnesota Statutes, section 216E.01, subdivision
167.7 3a, applies.

167.8 Sec. 6. Minnesota Statutes 2022, section 216B.243, subdivision 9, is amended to read:

167.9 Subd. 9. **Renewable energy standard and carbon-free energy standard facilities.** This
167.10 section does not apply to a wind energy conversion system or a solar electric generation
167.11 facility that is intended to be used to meet the obligations of section 216B.1691, subdivision
167.12 2a or 2g; provided that, after notice and comment, the commission determines that the
167.13 facility is a reasonable and prudent approach to meeting a utility's obligations under that
167.14 section. When making this determination, the commission must consider:

167.15 (1) the size of the facility relative to a utility's total need for renewable resources;

167.16 (2) alternative approaches for supplying the renewable energy to be supplied by the
167.17 proposed facility;

167.18 (3) the facility's ability to promote economic development, as required under section
167.19 216B.1691, subdivision 9;

167.20 (4) the facility's ability to maintain electric system reliability;

167.21 (5) impacts on ratepayers; and

167.22 (6) other criteria as the commission may determine are relevant.

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

167.24 Sec. 7. Minnesota Statutes 2022, section 216B.246, subdivision 3, is amended to read:

167.25 Subd. 3. **Commission procedure.** (a) If an electric transmission line has been approved
167.26 for construction in a federally registered planning authority transmission plan, the incumbent
167.27 electric transmission owner, or owners if there is more than one owner, shall give notice to
167.28 the commission, in writing, within ~~90~~ 60 days of approval, regarding its intent to construct,
167.29 own, and maintain the electric transmission line. If an incumbent electric transmission owner
167.30 gives notice of intent to build the electric transmission line then, unless exempt from the
167.31 requirements of section 216B.243, within ~~18~~ 12 months from the date of the notice described

168.1 in this paragraph ~~or such longer time approved by the commission~~, the incumbent electric
168.2 transmission owner shall file an application for a certificate of need under section 216B.243
168.3 or certification under section 216B.2425.

168.4 (b) If the incumbent electric transmission owner indicates that it does not intend to build
168.5 the transmission line, such notice shall fully explain the basis for that decision. If the
168.6 incumbent electric transmission owner, or owners, gives notice of intent not to build the
168.7 electric transmission line, then the commission may determine whether the incumbent
168.8 electric transmission owner or other entity will build the electric transmission line, taking
168.9 into consideration issues such as cost, efficiency, reliability, and other factors identified in
168.10 this chapter.

168.11 **EFFECTIVE DATE.** This section is effective the day following final enactment and
168.12 applies to any electric transmission line that has been approved for construction in a federally
168.13 registered planning authority transmission plan on or after that date.

168.14 **ARTICLE 9**

168.15 **CONFORMING CHANGES**

168.16 Section 1. Minnesota Statutes 2023 Supplement, section 10.65, subdivision 2, is amended
168.17 to read:

168.18 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings
168.19 given:

168.20 (1) "agency" means the Department of Administration; Department of Agriculture;
168.21 Department of Children, Youth, and Families; Department of Commerce; Department of
168.22 Corrections; Department of Education; Department of Employment and Economic
168.23 Development; Department of Health; Office of Higher Education; Housing Finance Agency;
168.24 Department of Human Rights; Department of Human Services; Department of Information
168.25 Technology Services; Department of Iron Range Resources and Rehabilitation; Department
168.26 of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services;
168.27 Department of Military Affairs; Metropolitan Council; Department of Natural Resources;
168.28 Pollution Control Agency; Department of Public Safety; Department of Revenue; Department
168.29 of Transportation; Department of Veterans Affairs; Gambling Control Board; Racing
168.30 Commission; the Minnesota Lottery; the Animal Health Board; the Public Utilities
168.31 Commission; and the Board of Water and Soil Resources;

168.32 (2) "consultation" means the direct and interactive involvement of the Minnesota Tribal
168.33 governments in the development of policy on matters that have Tribal implications.

169.1 Consultation is the proactive, affirmative process of identifying and seeking input from
169.2 appropriate Tribal governments and considering their interest as a necessary and integral
169.3 part of the decision-making process. This definition adds to statutorily mandated notification
169.4 procedures. During a consultation, the burden is on the agency to show that it has made a
169.5 good faith effort to elicit feedback. Consultation is a formal engagement between agency
169.6 officials and the governing body or bodies of an individual Minnesota Tribal government
169.7 that the agency or an individual Tribal government may initiate. Formal meetings or
169.8 communication between top agency officials and the governing body of a Minnesota Tribal
169.9 government is a necessary element of consultation;

169.10 (3) "matters that have Tribal implications" means rules, legislative proposals, policy
169.11 statements, or other actions that have substantial direct effects on one or more Minnesota
169.12 Tribal governments, or on the distribution of power and responsibilities between the state
169.13 and Minnesota Tribal governments;

169.14 (4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located
169.15 in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech
169.16 Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian
169.17 Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community;
169.18 and Upper Sioux Community; and

169.19 (5) "timely and meaningful" means done or occurring at a favorable or useful time that
169.20 allows the result of consultation to be included in the agency's decision-making process for
169.21 a matter that has Tribal implications.

169.22 **EFFECTIVE DATE.** This section is effective August 1, 2024.

169.23 Sec. 2. Minnesota Statutes 2022, section 116C.83, subdivision 6, is amended to read:

169.24 Subd. 6. **Environmental review and protection.** (a) The siting, construction, and
169.25 operation of an independent spent-fuel storage installation located on the site of a Minnesota
169.26 generation facility for dry cask storage of spent nuclear fuel generated solely by that facility
169.27 is subject to all environmental review and protection provisions of this chapter and chapters
169.28 115, 115B, 116, 116B, 116D, and 216B, and rules associated with those chapters, except
169.29 those statutes and rules that apply specifically to a radioactive waste management facility
169.30 as defined in section 116C.71, subdivision 7.

169.31 (b) An environmental impact statement is required under chapter 116D for a proposal
169.32 to construct and operate a new or expanded independent spent-fuel storage installation. The
169.33 ~~commissioner of the Department of Commerce shall be~~ Public Utilities Commission is the

170.1 responsible governmental unit for the environmental impact statement. Prior to finding the
170.2 statement adequate, the ~~commissioner~~ commission must find that the applicant has
170.3 demonstrated that the facility is designed to provide a reasonable expectation that the
170.4 operation of the facility will not result in groundwater contamination in excess of the
170.5 standards established in section 116C.76, subdivision 1, clauses (1) to (3).

170.6 Sec. 3. Minnesota Statutes 2022, section 216A.037, subdivision 1, is amended to read:

170.7 Subdivision 1. **Ex parte communications prohibitions; rules.** (a) The commission
170.8 shall adopt rules under chapter 14 prescribing permissible and impermissible ex parte
170.9 communications. The ex parte rules may prohibit only ex parte communications, directly
170.10 or indirectly, between a commissioner and a participant or party under the commission's
170.11 rules of practice and procedure relating to:

170.12 (1) a material issue during a pending contested case proceeding;

170.13 (2) a material issue in a rulemaking proceeding after the beginning of commission
170.14 deliberations;

170.15 (3) a material issue in a disputed formal petition; and

170.16 (4) any other communication impermissible by law.

170.17 (b) The commission may apply ex parte prohibitions, prospectively and after notice to
170.18 affected parties, to other commission proceedings as the commission deems necessary.

170.19 (c) A contested case is pending from the time the commission refers the matter to the
170.20 Office of Administrative Hearings until the commission has issued its final order, and the
170.21 time to petition for reconsideration has expired or the commission has issued an order finally
170.22 disposing an application for reconsideration, whichever is later.

170.23 (d) Commission staff and consultants that perform environmental review and other
170.24 activities identified in chapters 216G and 216I are not parties, participants, or decision
170.25 making personnel, as defined under Minnesota Rules, part 7845.7000.

170.26 Sec. 4. Minnesota Statutes 2022, section 216A.07, subdivision 3, is amended to read:

170.27 Subd. 3. **Intervention in commission proceeding.** (a) The commissioner may intervene
170.28 as a party in all proceedings before the commission. When intervening in gas or electric
170.29 hearings, the commissioner shall prepare and defend testimony designed to:

170.30 (1) encourage energy conservation improvements as defined in section 216B.241;

171.1 (2) ensure that the greenhouse gas reduction goals are attained on a schedule that keeps
171.2 pace with the reduction timetable in section 216H.02, subdivision 1;

171.3 (3) ensure that the renewable energy standards, solar energy goal, and carbon-free
171.4 standards are achieved according to the schedules under section 216B.1691, subdivisions
171.5 2a, 2f, and 2g, respectively; and

171.6 (4) ensure compliance with state environmental policy, as stated in section 116D.02.

171.7 (b) The attorney general shall act as counsel in the proceedings.

171.8 Sec. 5. Minnesota Statutes 2023 Supplement, section 216E.06, is amended to read:

171.9 **216E.06 EMERGENCY PERMIT PERMITS.**

171.10 Subdivision 1. Utility emergency action. ~~(a)~~ Any utility whose ~~electric power~~ system
171.11 requires the immediate construction of a large ~~electric power~~ energy infrastructure facility
171.12 due to a major unforeseen event may apply to the commission for an emergency permit.
171.13 The application ~~shall~~ must provide notice in writing of the major unforeseen event and the
171.14 need for immediate construction. The permit must be issued in a timely manner, no later
171.15 than 195 days after the commission's acceptance of the application and upon a finding by
171.16 the commission that (1) a demonstrable emergency exists, (2) the emergency requires
171.17 immediate construction, and (3) adherence to the procedures and time schedules specified
171.18 ~~in section 216E.03 would jeopardize~~ under this chapter jeopardizes the utility's electric
171.19 power system or ~~would jeopardize~~ jeopardizes the utility's ability to meet the electric needs
171.20 of ~~its~~ the utility's customers in an orderly and timely manner.

171.21 Subd. 2. Utility emergency procedures. ~~(b)~~ A public hearing to determine if an
171.22 emergency exists must be held within 90 days of the application. The commission, after
171.23 notice and hearing, ~~shall~~ must adopt rules specifying the criteria for emergency certification.

171.24 Sec. 6. Minnesota Statutes 2023 Supplement, section 216E.07, is amended to read:

171.25 **216E.07 ANNUAL HEARING.**

171.26 The commission ~~shall~~ must hold an annual public hearing at a time and place prescribed
171.27 by rule in order to afford interested persons an opportunity to be heard regarding any matters
171.28 relating to the siting and routing of large ~~electric power~~ energy infrastructure facilities. At
171.29 the meeting, the commission ~~shall~~ must advise the public of the permits issued by the
171.30 commission in the past year. The commission ~~shall~~ must provide at least ten days but no
171.31 more than 45 days' notice of the annual meeting by mailing or serving electronically, as

172.1 provided in section 216.17, a notice to those persons who have requested notice and by
172.2 publication in the EQB Monitor and the commission's weekly calendar.

172.3 Sec. 7. Minnesota Statutes 2022, section 216E.08, subdivision 2, is amended to read:

172.4 Subd. 2. **Other Public participation.** The commission ~~shall~~ must adopt broad spectrum
172.5 citizen participation as a principal of operation. The form of public participation ~~shall~~ must
172.6 not be limited to public meetings and hearings ~~and advisory task forces~~ and ~~shall~~ must be
172.7 consistent with the commission's rules and guidelines ~~as provided for in~~ under section
172.8 ~~216E.16~~ 216I.24.

172.9 Sec. 8. Minnesota Statutes 2023 Supplement, section 216E.10, subdivision 1, is amended
172.10 to read:

172.11 Subdivision 1. **Site or route permit prevails over local provisions.** To assure the
172.12 paramount and controlling effect of the provisions herein over other state agencies, regional,
172.13 county, and local governments, and special purpose government districts, the issuance of a
172.14 site permit or route permit and subsequent purchase and use of ~~such~~ the site or route locations
172.15 for large ~~electric power~~ energy infrastructure facility purposes ~~shall be~~ is the sole site or
172.16 route approval required to be obtained by the ~~utility~~ permittee. ~~Such~~ The permit ~~shall~~
172.17 ~~supersede~~ supersedes and ~~preempt~~ preempts all zoning, building, or land use rules,
172.18 regulations, or ordinances promulgated by regional, county, local and special purpose
172.19 government.

172.20 Sec. 9. Minnesota Statutes 2023 Supplement, section 216E.10, subdivision 2, is amended
172.21 to read:

172.22 Subd. 2. **Other state permits.** Notwithstanding anything herein to the contrary, ~~utilities~~
172.23 ~~shall~~ a permittee must obtain state permits that may be required to construct and operate
172.24 large ~~electric power~~ energy infrastructure facilities. A state agency in processing a ~~utility's~~
172.25 ~~permittee's~~ facility permit application ~~shall be~~ is bound to the decisions of the commission;
172.26 with respect to (1) the site or route designation, and ~~with respect to~~ (2) other matters for
172.27 which authority has been granted to the commission by this chapter.

172.28 Sec. 10. Minnesota Statutes 2023 Supplement, section 216E.10, subdivision 3, is amended
172.29 to read:

172.30 Subd. 3. **State agency participation.** (a) ~~A state agencies~~ agency authorized to issue
172.31 ~~permits required for construction or operation of~~ to construct or operate a large electric

173.1 ~~power facilities shall~~ energy infrastructure facility must participate during routing and siting
173.2 at public hearings and all other activities of the commission on specific site or route
173.3 designations and design considerations of the commission, and ~~shall~~ must clearly state
173.4 whether the site or route being considered for designation or permit and other design matters
173.5 under consideration for approval ~~will be in compliance~~ complies with state agency standards,
173.6 rules, or policies.

173.7 (b) An applicant for a permit under this section or under chapter 216G ~~shall~~ must notify
173.8 the commissioner of agriculture if the proposed project ~~will impact~~ impacts cultivated
173.9 agricultural land, ~~as that term is defined in section 216G.01, subdivision 4.~~ The commissioner
173.10 may participate and advise the commission as to whether to grant a permit for the project
173.11 and the best options for mitigating adverse impacts to agricultural lands if the permit is
173.12 granted. The Department of Agriculture ~~shall be~~ is the lead agency on the development of
173.13 any agricultural mitigation plan required for the project.

173.14 (c) The Minnesota State Historic Preservation Office must participate in the commission's
173.15 siting and routing activities described in this section. The commission's consideration and
173.16 resolution of Minnesota State Historic Preservation Office's comments satisfies the
173.17 requirements of section 138.665, when applicable.

173.18 Sec. 11. Minnesota Statutes 2022, section 216E.11, is amended to read:

173.19 **216E.11 IMPROVEMENT OF SITES AND ROUTES.**

173.20 ~~Utilities that have acquired~~ A permittee that acquires a site or route in accordance with
173.21 this chapter may proceed to construct or improve the site or route for the intended purposes
173.22 at any time, subject to section ~~216E.10, subdivision 2~~ 216I.16, subdivision 2, provided that
173.23 if the construction and improvement has not commenced within four years after a permit
173.24 for the site or route has been issued, ~~then~~ the utility permittee must certify to the commission
173.25 that the site or route continues to meet the conditions upon which the site or route permit
173.26 was issued.

173.27 Sec. 12. Minnesota Statutes 2022, section 216E.13, is amended to read:

173.28 **216E.13 FAILURE TO ACT.**

173.29 If the commission fails to act within the times specified ~~in section 216E.03~~ under this
173.30 chapter, the applicant or any affected person may seek an order of the district court requiring
173.31 the commission to designate or refuse to designate a site or route.

174.1 Sec. 13. Minnesota Statutes 2022, section 216E.14, is amended to read:

174.2 **216E.14 REVOCATION OR SUSPENSION.**

174.3 A site or route permit may be revoked or suspended by the commission after adequate
174.4 notice of the alleged grounds for revocation or suspension and a full and fair hearing in
174.5 which the affected ~~utility~~ permittee has an opportunity to confront any witness and respond
174.6 to any evidence against ~~it~~ the permittee and to present rebuttal or mitigating evidence upon
174.7 a finding by the commission of:

174.8 (1) any false statement knowingly made in the application or in accompanying statements
174.9 or studies required of the applicant, if a true statement would have warranted a change in
174.10 the commission's findings;

174.11 (2) failure to comply with material conditions of the site certificate or construction
174.12 permit, or failure to maintain health and safety standards; or

174.13 (3) any material violation of the provisions of this chapter, any rule promulgated pursuant
174.14 thereto, or any order of the commission.

174.15 Sec. 14. Minnesota Statutes 2022, section 216E.15, is amended to read:

174.16 **216E.15 JUDICIAL REVIEW.**

174.17 Any applicant, party or person aggrieved by the issuance of a site or route permit, minor
174.18 alteration, amendment, or emergency permit from the commission or a certification of
174.19 continuing suitability filed by a ~~utility~~ permittee with the commission or by a final order in
174.20 accordance with any rules promulgated by the commission, may appeal to the court of
174.21 appeals in accordance with chapter 14. The appeal ~~shall~~ must be filed within 30 days after
174.22 ~~the publication in the State Register of~~ date the notice of the ~~issuance of the permit by the~~
174.23 ~~commission or~~ commission's permit issuance is published in the EQB Monitor, certification
174.24 is filed with the commission, or the ~~filing of~~ any final order is filed by the commission.

174.25 Sec. 15. Minnesota Statutes 2022, section 216E.16, is amended to read:

174.26 **216E.16 RULES.**

174.27 Subdivision 1. Commission rules. The commission, in order to give effect to the purposes
174.28 of this chapter, may adopt rules consistent with this chapter, including promulgation of site
174.29 and route designation criteria, the description of the information to be furnished by the
174.30 utilities, establishment of minimum guidelines for public participation in the development,
174.31 revision, and enforcement of any rule, plan, or program established by the commission,
174.32 procedures for the revocation or suspension of a site or route permit, and the procedure and

175.1 timeliness for proposing alternative routes and sites. ~~No~~ A rule adopted by the commission
175.2 ~~shall~~ must not grant priority to state-owned wildlife management areas over agricultural
175.3 lands in the designation of route avoidance areas. ~~The provisions of Chapter 14 shall apply~~
175.4 applies to the appeal of rules adopted by the commission to the same extent as it applies to
175.5 review of rules adopted by any other agency of state government.

175.6 Subd. 2. Office of Administrative Hearings rules. The chief administrative law judge
175.7 ~~shall~~ must adopt procedural rules for public hearings relating to the site and route permit
175.8 process. The rules ~~shall~~ must attempt to maximize citizen participation in these processes
175.9 consistent with the time limits for commission decision established ~~in sections 216E.03,~~
175.10 ~~subdivision 10, and 216E.04, subdivision 7~~ under this chapter.

175.11 Sec. 16. Minnesota Statutes 2022, section 216E.18, subdivision 2a, is amended to read:

175.12 Subd. 2a. **Route Application fee; appropriation.** ~~Every~~ An applicant for a ~~transmission~~
175.13 ~~line site or~~ route permit ~~shall~~ must pay to the ~~commissioner of commerce~~ commission a fee
175.14 to cover the necessary and reasonable costs incurred by the commission ~~in acting~~ to act on
175.15 the permit application and ~~carrying~~ carry out the requirements of this chapter. The
175.16 commission may adopt rules providing for ~~the~~ fee payment ~~of the fee.~~ Section 16A.1283
175.17 does not apply to ~~the~~ establishment of ~~this~~ the fee under this subdivision. All money received
175.18 ~~pursuant to~~ under this subdivision ~~shall~~ must be deposited in a special account. Money in
175.19 the account is appropriated to the ~~commissioner of commerce~~ commission to pay expenses
175.20 incurred ~~in processing~~ to process applications for site and route permits in accordance with
175.21 this chapter and, in the event ~~the~~ expenses are less than the fee paid, to refund the excess
175.22 fee paid to the applicant.

175.23 Sec. 17. **[216G.025] ROUTING PERMIT; ENVIRONMENTAL REVIEW; CARBON**
175.24 **DIOXIDE PIPELINES.**

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

175.27 (b) "Carbon dioxide pipeline" means a pipeline located in Minnesota that transports
175.28 carbon dioxide in a liquid, gaseous, or supercritical state.

175.29 (c) "Commission" means the Public Utilities Commission.

175.30 (d) "Supercritical" means a physical state in which a substance is more dense than a gas
175.31 but less dense than a liquid.

176.1 Subd. 2. **Routing permit required.** (a) A person is prohibited from constructing or
176.2 operating a carbon dioxide pipeline without a route permit issued by the commission under
176.3 this chapter.

176.4 (b) A person seeking to construct or operate a carbon dioxide pipeline is prohibited from
176.5 applying to the commission for a conditional exclusion or partial exemption from pipeline
176.6 route selection procedures under Minnesota Rules, chapter 7852.

176.7 Subd. 3. **Carbon dioxide pipeline; environmental review.** Notwithstanding any other
176.8 law or rule, an environmental impact statement must be prepared under Minnesota Rules,
176.9 chapter 4410, prior to issuing a route permit under this section for a carbon dioxide pipeline.
176.10 The commission is the governmental unit responsible for preparing an environmental impact
176.11 statement under this subdivision.

176.12 Sec. 18. **TRANSFER OF DUTIES; ENVIRONMENTAL ANALYSIS OF LARGE**
176.13 **ENERGY INFRASTRUCTURE FACILITIES.**

176.14 (a) The responsibility for administering the environmental analysis of large energy
176.15 infrastructure facilities, as described in this act, is transferred from the Department of
176.16 Commerce to the Public Utilities Commission on July 1, 2025.

176.17 (b) Minnesota Statutes, section 15.039, applies to the transfer of duties required under
176.18 this section. Assessments are considered appropriations under Minnesota Statutes, section
176.19 15.039, subdivision 6, for the purposes of the transfer under this section.

176.20 Sec. 19. **ADMINISTRATIVE RULEMAKING.**

176.21 (a) The Public Utilities Commission must adopt rules, using the expedited process under
176.22 Minnesota Statutes, section 14.389, that amend Minnesota Rules, chapters 7849 and 7850,
176.23 to conform with the changes made in this act.

176.24 (b) The Environmental Quality Board must adopt rules, using the expedited process
176.25 under Minnesota Statutes, section 14.389, that amend Minnesota Rules, chapter 4410, to
176.26 conform with the changes made in this act.

176.27 (c) The Public Utilities Commission must amend Minnesota Rules, chapter 7850, to
176.28 authorize applicants for site and route permits to begin submitting preconstruction compliance
176.29 filings to commission staff for review immediately following the commission's vote to grant
176.30 the applicant a site or route permit, but prior to issuing a written commission order.

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

177.1 Sec. 20. APPROPRIATION; PUBLIC UTILITIES COMMISSION.

177.2 \$5,000 in fiscal year 2025 is appropriated from the general fund to the Public Utilities
177.3 Commission for the administrative costs of rulemaking in this article. This is a onetime
177.4 appropriation and is available until June 30, 2026.

177.5 Sec. 21. APPROPRIATION; DEPARTMENT OF COMMERCE.

177.6 \$1,200,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
177.7 of commerce to facilitate timely actions in nonenvironmental review, routing and siting
177.8 proceedings, and to intervene as a party in Public Utilities Commission permitting
177.9 proceedings. The base in fiscal year 2026 and later is \$2,400,000.

177.10 Sec. 22. EFFECTIVE DATE.

177.11 Sections 3 and 5 to 16 are effective July 1, 2025."

177.12 Delete the title and insert:

177.13 "A bill for an act

177.14 relating to state government; amending agriculture policy provisions; establishing
177.15 and modifying agriculture programs; providing broadband appropriation transfer
177.16 authority; requiring an application for federal broadband aid; establishing a
177.17 supplemental budget for energy, transmission, and renewable energy purposes;
177.18 adding and modifying provisions governing geothermal energy, solar energy, and
177.19 other energy policy; establishing the Minnesota Energy Infrastructure Permitting
177.20 Act; authorizing administrative rulemaking; making technical changes; requiring
177.21 reports; appropriating money; amending Minnesota Statutes 2022, sections 3.7371,
177.22 subdivisions 2, 3, by adding subdivisions; 17.116, subdivision 2; 17.133,
177.23 subdivision 1; 18B.01, by adding a subdivision; 18B.26, subdivision 6; 18B.28,
177.24 by adding a subdivision; 18B.305, subdivision 2; 18B.32, subdivisions 1, 3, 4, 5;
177.25 18B.33, subdivisions 1, 5, 6; 18B.34, subdivisions 1, 4; 18B.35, subdivision 1;
177.26 18B.36, subdivisions 1, 2; 18B.37, subdivisions 2, 3; 18C.005, subdivision 33, by
177.27 adding a subdivision; 18C.115, subdivision 2; 18C.215, subdivision 1; 18C.221;
177.28 18C.70, subdivisions 1, 5; 18C.71, subdivisions 1, 2, 4, by adding a subdivision;
177.29 18C.80, subdivision 2; 18D.301, subdivision 1; 28A.10; 28A.151, subdivisions 1,
177.30 2, 3, 5, by adding a subdivision; 28A.21, subdivision 6; 31.74; 31.94; 32D.30;
177.31 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043,
177.32 subdivision 1b; 41B.045, subdivision 2; 41B.047, subdivision 1; 103I.621,
177.33 subdivisions 1, 2; 116C.83, subdivision 6; 116J.396, by adding a subdivision;
177.34 216A.037, subdivision 1; 216A.07, subdivision 3; 216B.098, by adding a
177.35 subdivision; 216B.16, subdivisions 6c, 8; 216B.2402, subdivisions 4, 10, by adding
177.36 a subdivision; 216B.2403, subdivisions 2, 3, 5, 8; 216B.241, subdivisions 1c, 2,
177.37 11, 12; 216B.2421, subdivision 2; 216B.2425, subdivisions 1, 2, by adding a
177.38 subdivision; 216B.2427, subdivision 1, by adding a subdivision; 216B.243,
177.39 subdivisions 3, 3a, 4, 9; 216B.246, subdivision 3; 216C.10; 216C.435, subdivisions
177.40 3a, 3b, 4, 10, by adding subdivisions; 216C.436, subdivisions 1, 4, 7, 8, 10;
177.41 216E.08, subdivision 2; 216E.11; 216E.13; 216E.14; 216E.15; 216E.16; 216E.18,
177.42 subdivision 2a; 232.21, subdivisions 3, 7, 11, 12, 13; Minnesota Statutes 2023
177.43 Supplement, sections 10.65, subdivision 2; 17.055, subdivision 3; 17.133,
177.44 subdivision 3; 17.134, subdivision 3, by adding a subdivision; 17.710; 18C.425,
177.45 subdivision 6; 18K.06; 116C.779, subdivision 1; 116C.7792; 216B.243, subdivision

178.1 8; 216C.08; 216C.09; 216C.331, subdivision 1; 216C.435, subdivision 8; 216C.436,
178.2 subdivisions 1b, 2; 216E.06; 216E.07; 216E.10, subdivisions 1, 2, 3; Laws 2023,
178.3 chapter 43, article 1, sections 2; 4; article 2, section 142, subdivision 9; Laws 2023,
178.4 chapter 60, article 10, section 2, subdivision 2; proposing coding for new law in
178.5 Minnesota Statutes, chapters 216C; 216G; 346; proposing coding for new law as
178.6 Minnesota Statutes, chapter 216I; repealing Minnesota Statutes 2022, sections
178.7 3.7371, subdivision 7; 34.07; 216E.001; 216E.01, subdivisions 1, 2, 3, 4, 5, 7, 8,
178.8 9, 10; 216E.02; 216E.021; 216E.03, subdivisions 2, 3a, 3b, 4, 9; 216E.04,
178.9 subdivisions 1, 3, 4, 5, 6, 7, 8, 9; 216E.05, subdivisions 1, 3; 216E.08, subdivisions
178.10 1, 4; 216E.18, subdivisions 1, 2; 216F.01; 216F.011; 216F.012; 216F.015; 216F.02;
178.11 216F.03; 216F.05; 216F.06; 216F.07; 216F.08; 216F.081; Minnesota Statutes
178.12 2023 Supplement, sections 216E.01, subdivisions 3a, 6, 9a; 216E.03, subdivisions
178.13 1, 3, 5, 6, 7, 10, 11; 216E.04, subdivision 2; 216E.05, subdivision 2; 216F.04;
178.14 Minnesota Rules, parts 1506.0010; 1506.0015; 1506.0020; 1506.0025; 1506.0030;
178.15 1506.0035; 1506.0040; 7850.1000; 7850.1100; 7850.1200; 7850.1300; 7850.1400;
178.16 7850.1500; 7850.1600; 7850.1700; 7850.1800; 7850.1900; 7850.2000; 7850.2100;
178.17 7850.2200; 7850.2300; 7850.2400; 7850.2500; 7850.2600; 7850.2700; 7850.2800;
178.18 7850.2900; 7850.3000; 7850.3100; 7850.3200; 7850.3300; 7850.3400; 7850.3500;
178.19 7850.3600; 7850.3700; 7850.3800; 7850.3900; 7850.4100; 7850.4200; 7850.4500;
178.20 7850.4600; 7850.4700; 7850.4800; 7850.4900; 7850.5000; 7850.5100; 7850.5200;
178.21 7850.5300; 7850.5400; 7850.5500; 7850.5600; 7854.0100; 7854.0200; 7854.0300;
178.22 7854.0400; 7854.0500; 7854.0600; 7854.0700; 7854.0800; 7854.0900; 7854.1000;
178.23 7854.1100; 7854.1200; 7854.1300; 7854.1400; 7854.1500."

179.1 We request the adoption of this report and repassage of the bill.

179.2 Senate Conferees:

179.3

179.4 Nick Frenz Matt Klein

179.5

179.6 Aric Putnam Tou Xiong

179.7

179.8 Gary Dahms

179.9 House Conferees:

179.10

179.11 Patty Acomb Zack Stephenson

179.12

179.13 Samantha Vang Kristi Pursell

179.14

179.15 Larry Kraft