

CONFERENCE COMMITTEE REPORT ON S.F. No. 86

A bill for an act  
relating to energy; removing ban on increased carbon dioxide emissions by  
utilities; amending Minnesota Statutes 2010, section 216H.02, subdivision 4;  
repealing Minnesota Statutes 2010, section 216H.03.

May 20, 2011

The Honorable Michelle L. Fischbach  
President of the Senate

The Honorable Kurt Zellers  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 86 report that we have agreed upon the  
items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 86 be further amended  
as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 216H.03, subdivision 7, is amended to  
read:

Subd. 7. **Other exemptions.** The prohibitions in subdivision 3 do not apply to:

(1) a new large energy facility under consideration by the Public Utilities  
Commission pursuant to proposals or applications filed with the Public Utilities  
Commission before April 1, 2007, or to any power purchase agreement related to a facility  
described in this clause. The exclusion of pending proposals and applications from the  
prohibitions in subdivision 3 does not limit the applicability of any other law and is not an  
expression of legislative intent regarding whether any pending proposal or application  
should be approved or denied;

(2) a contract not subject to commission approval that was entered into prior to  
April 1, 2007, to purchase power from a new large energy facility that was approved by  
a comparable authority in another state prior to that date, for which municipal or public  
power district bonds have been issued, and on which construction has begun; ~~or~~

(3) a new large energy facility or a power purchase agreement between a Minnesota utility and a new large energy facility located outside Minnesota that the Public Utilities Commission has determined is essential to ensure the long-term reliability of Minnesota's electric system, to allow electric service for increased industrial demand, or to avoid placing a substantial financial burden on Minnesota ratepayers. An order of the commission granting an exemption under this clause is stayed until the June 1 following the next regular or annual session of the legislature that begins after the date of the commission's final order; or

(4) 1,500 megawatts of electric generating capacity, in aggregate, from new large energy facilities or power purchase agreements with those new large energy facilities that:

(i) are fueled by feedstock coal; and

(ii) began construction after April 1, 2007.

Projects will receive priority for exemption under this clause based on the shortest amount of time after April 1, 2007, and the date construction of a new large energy facility begins. Power purchase agreements with new large energy facilities that are exempt from the prohibitions in subdivision 3 pursuant to this clause are also exempt from the prohibitions in subdivision 3. An exemption under this clause is not valid unless certified by the Public Utilities Commission. The commission must certify a request for an exemption if it finds the request and the grant of the exemption is in compliance with this clause.

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

Delete the title and insert:

"A bill for an act  
relating to energy; modifying ban on increased carbon dioxide emissions by  
utilities; amending Minnesota Statutes 2010, section 216H.03, subdivision 7."

3.1 We request the adoption of this report and repassage of the bill.

3.2 Senate Conferees:

3.3	.....	.....
3.4	Julie A. Rosen	LeRoy A. Stumpf

3.5	.....
3.6	Doug Magnus

3.7 House Conferees:

3.8	.....	.....
3.9	Michael Beard	Tim O'Driscoll

3.10	.....
3.11	Lyle Koenen