

**CHAPTER 303—H.F.No. 3585**

*An act relating to energy; authorizing certain governments to engage in energy-related activities, including ownership of renewable energy projects; amending Minnesota Statutes 2006, section 216B.1612, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 373.*

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

Section 1. Minnesota Statutes 2006, section 216B.1612, is amended by adding a subdivision to read:

Subd. 9. **Local government and political subdivision powers.** A Minnesota political subdivision or local government may plan, develop, purchase, acquire, construct, and own a C-BED project and may sell output from that project as provided for in this section. A Minnesota political subdivision or local government may not acquire property under this subdivision through eminent domain. A Minnesota political subdivision or local government may operate, maintain, improve, and expand the C-BED project subject to any restrictions in this section.

Sec. 2. **[373.48] FINANCING ENERGY PURCHASE CONTRACTS AND PARTICIPATION IN GENERATION AND TRANSMISSION PROJECTS.**

Subdivision 1. **Definitions.** For the purpose of this section, "project" means a facility that generates electricity from renewable energy sources listed in section 216B.1691, subdivision 1, paragraph (a), clause (1).

Subd. 2. **Energy purchase contracts; generation projects.** A county may, for itself or in cooperation with other counties, enter into agreements for the purchase of electrical energy from one or more projects, and may enter into agreements with a utility for the purchase and sale of the electrical energy so purchased. Agreements may be for a term of one year to 20 years. A county may also acquire an ownership interest in a project and may enter into agreements for the purchase and sale of electrical energy produced. A county may not sell, transmit, or distribute the electrical energy at retail or provide for end use from an off-site facility by the county or counties of the electrical energy. A county's on-site generation authorized under this subdivision is limited to a total of ten megawatts. Nothing in this section modifies the exclusive service territories or exclusive right to serve as provided in sections 216B.37 to 216B.43. The energy to be purchased by a county under agreements entered into under this section and the energy produced that is commensurate with the county's interest in projects shall not in any year exceed the total amount of energy used by the county for its own facilities in the immediately preceding year, regardless of the source from which energy was obtained.

Presented to the governor May 9, 2008

Signed by the governor May 13, 2008, 8:19 p.m.