

A bill for an act

relating to energy; extending period during which renewable energy payment incentives may be paid; directing payments to other projects from projects whose eligibility to receive payments expires; appropriating money for incentive payments; amending Minnesota Statutes 2008, sections 116C.779, subdivision 2; 216C.41, subdivision 5a.

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

Section 1. Minnesota Statutes 2008, section 116C.779, subdivision 2, is amended to read:

Subd. 2. **Renewable energy production incentive.** (a) Until January 1, ~~2018~~ 2021, ~~up to~~ \$10,900,000 annually must be allocated from available funds in the account to fund renewable energy production incentives. \$9,400,000 of this annual amount is for incentives for ~~up to 200 megawatts of~~ electricity generated by wind energy conversion systems that are eligible for the incentives under section 216C.41 or Laws 2005, chapter 40.

(b) The balance of this amount, up to \$1,500,000 annually, may be used for production incentives for on-farm biogas recovery facilities and hydroelectric facilities that are eligible for the incentive under section 216C.41 ~~or for production incentives for other renewables, to be provided in the same manner as under section 216C.41.~~

(c) Any funds allocated to incentive payments for wind energy conversion systems under paragraph (a) that are not expended for that purpose must be allocated to incentive payments under paragraph (b) if necessary to fully pay eligible claims for incentive payments to qualified on-farm biogas recovery facilities and hydroelectric facilities.

(d) If funds allocated in calendar year 2010 under paragraphs (b) and (c) are insufficient to fully pay eligible claims for incentive payments to qualified on-farm biogas

recovery facilities and hydroelectric facilities, up to \$500,000 of additional funds in the renewable development account must be allocated to make up the insufficiency.

(e) Any portion of the \$10,900,000 not expended in any calendar year for the incentive is available for other spending purposes under this section. This subdivision does not create an obligation to contribute funds to the account.

~~(b)~~ (f) The Department of Commerce shall determine eligibility of projects under section 216C.41 for the purposes of this subdivision. At least quarterly, the Department of Commerce shall notify the public utility of the name and address of each eligible project owner and the amount due to each project under section 216C.41. The public utility shall make payments within 15 working days after receipt of notification of payments due.

Sec. 2. Minnesota Statutes 2008, section 216C.41, subdivision 5a, is amended to read:

Subd. 5a. **Renewable development account.** The Department of Commerce shall authorize payment of the renewable energy production incentive to wind energy conversion systems ~~for 200 megawatts of nameplate capacity and that are eligible under~~ section 216C.41 or Laws 2005, chapter 40, to on-farm biogas recovery facilities, ~~and to~~ hydroelectric facilities. Payment of the incentive shall be made from the renewable energy development account as provided under section 116C.779, subdivision 2.