

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 2405

(SENATE AUTHORS: MARTY and Dziedzic)

DATE	D-PG	OFFICIAL STATUS
03/08/2016	4915	Introduction and first reading Referred to Environment and Energy
03/14/2016	5047	Author added Dziedzic
03/21/2016	5143a	Comm report: To pass as amended and re-refer to Finance
04/21/2016		Comm report: To pass as amended Second reading

1.1

A bill for an act

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relating to energy; establishing an electric vehicle promotion program; providing

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for electric vehicle rebates and incentives; appropriating money; proposing

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coding for new law in Minnesota Statutes, chapter 216B.

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

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Section 1. **[216B.1615] ELECTRIC VEHICLE PROMOTION PROGRAM.**

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Subdivision 1. **Definitions.** (a) For the purposes of this section and section

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216B.1616, the terms defined in this subdivision have the meanings given them.

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(b) "Electric vehicle charging station" means a public or private parking space

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served by battery charging station equipment that has as its primary purpose the transfer

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of electric energy by conductive or inductive means to a battery or other energy storage

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device in an electric vehicle.

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(c) "Electric vehicle infrastructure" means structures, machinery, and equipment

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necessary and integral to support an electric vehicle, including electric vehicle charging

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stations, battery exchange stations, and distribution system upgrades.

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(d) "Electric vehicle" or "plug-in vehicle" means an electric drive motor vehicle

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that (1) draws propulsion using a traction battery having at least seven kilowatt hours of

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capacity, (2) uses an external source of energy to recharge the battery, and (3) has a gross

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vehicle weight rating of up to 14,000 pounds.

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(e) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that

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provides electric service.

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Subd. 2. **Program.** (a) By August 1, 2017, each utility serving a city of the first

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class must file with the commissioner a program to promote (1) the purchase of electric

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vehicles by their customers, and (2) the development of electric vehicle infrastructure.

(b) The program may include, but is not limited to, the following elements:

(1) educational resources for individuals, electric vehicle dealers, multifamily housing developers and property management companies, vehicle fleet managers, and other potential electric vehicle users;

(2) a plan to deploy or incentivize deployment of vehicle charging equipment, electric utility infrastructure, services, or financial support to residences and workplaces; and

(3) research and demonstration projects evaluating the value electric vehicles can provide to the grid.

Subd. 3. **Program review and implementation.** The commissioner of commerce must review the program plans submitted under this section. The commissioner must approve, modify, or reject the plan based on the plan's likely effectiveness in: (1) increasing electric vehicle sales; (2) increasing access to electric vehicle infrastructure; (3) increasing customer education regarding electric vehicles; and (4) evaluating the potential to use electric vehicles to assist in grid management. If the commissioner rejects a utility's plan, the utility must submit a new plan for commissioner review, subject to a schedule determined by the commissioner. The utility must begin implementing the plan after approval, subject to a schedule determined by the commissioner.

Subd. 4. **Cost recovery.** The commission must approve recovery of costs reasonably incurred by a utility to implement and administer the program in subdivision 2. Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the commission must also approve recovery of costs for expenses reasonably incurred by a utility to provide public advertisement as part of a promotion program.

Subd. 5. **Reporting.** Beginning one year after implementing a program approved by the commissioner, each utility implementing a plan under this section must report annually to the commissioner on (1) its activities to promote electric vehicle usage and the outcomes of those efforts, and (2) the potential to utilize plug-in vehicles to assist in grid management.

Sec. 2. **[216B.1616] ELECTRIC VEHICLE REBATES AND INCENTIVES.**

Subdivision 1. **Definition.** For the purposes of this section, "dealer" has the meaning given in section 80E.03, subdivision 3.

Subd. 2. **Eligibility.** The purchaser or leaser of an electric vehicle is eligible for a rebate if:

(1) the electric vehicle:

(i) has not been previously owned;

(ii) has not been modified from the original manufacturer's specifications; and

(iii) is purchased or leased after the effective date of this act for use by the purchaser and not for resale;

(2) the purchaser or leaser:

(i) is a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a), when the electric vehicle is purchased or leased;

(ii) is a business that has a valid address in Minnesota from which business is conducted;

(iii) is a nonprofit corporation incorporated under chapter 317A; or

(iv) is a political subdivision of this state; and

(3) the purchaser or leaser:

(i) has not received a rebate or tax credit for the purchase of an electric vehicle from Minnesota or another state; and

(ii) registers the electric vehicle in Minnesota.

Subd. 3. **Rebate amounts.** Subject to subdivision 5, paragraph (c), the commissioner is authorized to award rebates under this section in the following amounts:

(1) for a battery electric vehicle or plug-in hybrid vehicle that is eligible for a maximum rebate under the federal plug-in vehicle rebate program, up to \$2,500; and

(2) for a plug-in hybrid vehicle that is eligible for less than a maximum rebate under the federal plug-in vehicle rebate program, up to \$1,500.

Subd. 4. **Limits.** The number of rebates awarded under this section are limited to:

(1) no more than one rebate per resident household; and

(2) no more than one rebate per business entity per year.

Subd. 5. **Program administration.** (a) Applications for a rebate under this section must be filed with the commissioner on a form developed by the commissioner.

(b) The commissioner must develop a process to review applications and award rebates. Applications must be reviewed and rebates awarded by the commissioner on a first-come, first-served basis.

(c) The commissioner may reduce the rebate amounts provided under subdivision 3 or restrict program eligibility to maximize the effectiveness of rebates in promoting the purchase and use of electric vehicles.

Subd. 6. **Expiration.** This section expires June 30, 2021.

Sec. 3. **ELECTRIC VEHICLE REBATES; APPROPRIATION.**

\$..... in fiscal year 2017 is appropriated from the general fund to the commissioner of commerce for electric vehicle rebates and reasonable program administration costs under Minnesota Statutes, section 216B.1616.