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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 2202

03/07/2017 Authored by Howe
The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act

1.2 relating to energy; requiring electric vehicle charging tariffs; establishing a highway
1.3 user surcharge; amending Minnesota Statutes 2016, sections 216B.1614, subdivision
1.4 2, by adding subdivisions; 297A.61, subdivision 7.

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

1.6 Section 1. Minnesota Statutes 2016, section 216B.1614, subdivision 2, is amended to read:

Subd. 2. **Required tariff.** (a) By February 1, 2015 2018, each public utility selling electricity at retail must file with the commission a tariff that ~~allows a customer to~~ applies to the purchase of electricity made solely for the purpose of recharging an electric vehicle.

1.10 The tariff must:

1.11 (1) contain either a time-of-day or off-peak rate, as elected by the public utility;

1.12 (2) offer a customer the option to purchase electricity:

1.13 (i) from the utility's current mix of energy supply sources; or

1.14 (ii) entirely from renewable energy sources, subject to the conditions established under
1.15 section 216B.169, subdivision 2, paragraph (b), and subdivision 3, paragraph (a); and

1.16 (3) contain the additional highway user surcharge most recently calculated by the
1.17 commission under subdivision 4; and

1.18 (4) be made available to the residential apply to all customer class classes.

1.19 (b) The public utility may, at its discretion, offer the tariff to other customer classes.

2.1 (e) The commission shall, after notice and opportunity for public comment, approve,
2.2 modify, or reject the tariff. The commission may approve the tariff if the public utility has
2.3 demonstrated that the tariff:

2.4 (1) appropriately reflects off-peak versus peak cost differences in the rate charged;

2.5 (2) includes a mechanism to allow the recovery of costs reasonably necessary to comply
2.6 with this section, including costs to inform and educate customers about the financial, energy
2.7 conservation, and environmental benefits of electric vehicles and to publicly advertise and
2.8 promote participation in the customer-optimal tariff;

2.9 (3) provides for clear and transparent customer billing statements, including, but not
2.10 limited to, the amount of energy consumed under the tariff and the amount due to the highway
2.11 user surcharge; and

2.12 (4) incorporates the cost of metering or submetering within the rate charged to the
2.13 customer.

2.14 (d)(c) Within 60 days of commission approval of a public utility's tariff filed under this
2.15 section, the public utility shall make must establish the tariff available to customers.

2.16 (e)(d) The utility may at any time propose revisions to a tariff filed under this subdivision
2.17 based on changing costs or conditions.

2.18 Sec. 2. Minnesota Statutes 2016, section 216B.1614, is amended by adding a subdivision
2.19 to read:

2.20 Subd. 2a. **Tariff; other utilities.** By February 1, 2018, each municipal utility selling
2.21 electricity at retail and each cooperative electric association must file with the commission
2.22 a tariff that is reasonably similar to tariffs approved by the commission under subdivision
2.23 2. Subdivision 2, paragraphs (b) to (d), and subdivision 3, apply to a tariff filed under this
2.24 subdivision.

2.25 Sec. 3. Minnesota Statutes 2016, section 216B.1614, is amended by adding a subdivision
2.26 to read:

2.27 Subd. 4. **Highway user surcharge; calculation.** (a) By December 1 each odd-numbered
2.28 year, the commission, in consultation with the commissioners of public safety and
2.29 transportation, must calculate and specify a highway user surcharge to be added to tariffs
2.30 required under subdivisions 2 and 2a. The surcharge under this subdivision must be expressed
2.31 on a per kilowatt hour basis. The surcharge amount must be set so that the total annual
2.32 revenue from the surcharge equals a reasonable estimate of the annual reduction in motor

3.1 fuels taxes revenue under chapter 296A resulting from the operation of electric vehicles in
3.2 Minnesota.

3.3 (b) Each public utility and cooperative electric association must provide the commissioner
3.4 of transportation with the amounts respectively collected under the highway user surcharge
3.5 on a quarterly basis. Funds received by the commissioner of transportation under this
3.6 paragraph must be deposited in the highway user tax distribution fund.

3.7 Sec. 4. Minnesota Statutes 2016, section 297A.61, subdivision 7, is amended to read:

3.8 **Subd. 7. Sales price.** (a) "Sales price" means the measure subject to sales tax, and means
3.9 the total amount of consideration, including cash, credit, personal property, and services,
3.10 for which personal property or services are sold, leased, or rented, valued in money, whether
3.11 received in money or otherwise, without any deduction for the following:

3.12 (1) the seller's cost of the property sold;

3.13 (2) the cost of materials used, labor or service cost, interest, losses, all costs of
3.14 transportation to the seller, all taxes imposed on the seller, and any other expenses of the
3.15 seller;

3.16 (3) charges by the seller for any services necessary to complete the sale, other than
3.17 delivery and installation charges;

3.18 (4) delivery charges, except the percentage of the delivery charge allocated to delivery
3.19 of tax exempt property, when the delivery charge is allocated by using either (i) a percentage
3.20 based on the total sales price of the taxable property compared to the total sales price of all
3.21 property in the shipment, or (ii) a percentage based on the total weight of the taxable property
3.22 compared to the total weight of all property in the shipment; and

3.23 (5) installation charges.

3.24 (b) Sales price does not include:

3.25 (1) discounts, including cash, terms, or coupons, that are not reimbursed by a third party
3.26 and that are allowed by the seller and taken by a purchaser on a sale;

3.27 (2) interest, financing, and carrying charges from credit extended on the sale of personal
3.28 property or services, if the amount is separately stated on the invoice, bill of sale, or similar
3.29 document given to the purchaser; and

3.30 (3) any taxes legally imposed directly on the consumer that are separately stated on the
3.31 invoice, bill of sale, or similar document given to the purchaser, including a highway user
3.32 surcharge under section 216B.1614.

- 4.1 (c) Sales price includes consideration received by the seller from third parties if:
- 4.2 (1) the seller actually receives consideration from a party other than the purchaser and
4.3 the consideration is directly related to a price reduction or discount on the sale;
- 4.4 (2) the seller has an obligation to pass the price reduction or discount through to the
4.5 purchaser;
- 4.6 (3) the amount of the consideration attributable to the sale is fixed and determinable by
4.7 the seller at the time of the sale of the item to the purchaser; and
- 4.8 (4) one of the following criteria is met:
- 4.9 (i) the purchaser presents a coupon, certificate, or other documentation to the seller to
4.10 claim a price reduction or discount when the coupon, certificate, or documentation is
4.11 authorized, distributed, or granted by a third party with the understanding that the third party
4.12 will reimburse any seller to whom the coupon, certificate, or documentation is presented;
- 4.13 (ii) the purchaser identifies himself or herself to the seller as a member of a group or
4.14 organization entitled to a price reduction or discount. A "preferred customer" card that is
4.15 available to any customer does not constitute membership in such a group; or
- 4.16 (iii) the price reduction or discount is identified as a third-party price reduction or discount
4.17 on the invoice received by the purchaser or on a coupon, certificate, or other documentation
4.18 presented by the purchaser.