

33.9  
33.10**ARTICLE 3**  
**ENERGY POLICY**

33.11 Section 1. Minnesota Statutes 2017 Supplement, section 116C.779, subdivision 1, is  
33.12 amended to read:

33.13 Subdivision 1. **Renewable development account.** (a) The renewable development  
33.14 account is established as a separate account in the special revenue fund in the state treasury.  
33.15 Appropriations and transfers to the account shall be credited to the account. Earnings, such  
33.16 as interest, dividends, and any other earnings arising from assets of the account, shall be  
33.17 credited to the account. Funds remaining in the account at the end of a fiscal year are not  
33.18 canceled to the general fund but remain in the account until expended. The account shall  
33.19 be administered by the commissioner of management and budget as provided under this  
33.20 section.

33.21 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating  
33.22 plant must transfer all funds in the renewable development account previously established  
33.23 under this subdivision and managed by the public utility to the renewable development  
33.24 account established in paragraph (a). Funds awarded to grantees in previous grant cycles  
33.25 that have not yet been expended and unencumbered funds required to be paid in calendar  
33.26 year 2017 under paragraphs ~~(f)~~ (e) and ~~(g)~~ (f), and sections 116C.7792 and 216C.41, are  
33.27 not subject to transfer under this paragraph.

33.28 (c) Except as provided in subdivision 1a, beginning January 15, ~~2018~~ 2022, and  
33.29 continuing each January 15 thereafter, the public utility that owns the Prairie Island and  
33.30 Monticello nuclear generating plant plants must transfer to the renewable development  
33.31 account \$500,000 each year for each dry cask containing spent fuel that is located at the  
33.32 Prairie Island power plant for \$16,000,000 each year the either plant is in operation, and  
33.33 \$7,500,000 each year the plant is not in operation, if ordered by the commission pursuant  
33.34 to paragraph ~~(f)~~ (h), \$7,500,000 each year the Prairie Island plant is not in operation and  
34.1 \$5,250,000 each year the Monticello plant is not in operation. The fund transfer must be  
34.2 made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility  
34.3 at Prairie Island or Monticello for any part of a year.

34.4 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
34.5 each January 15 thereafter, the public utility that owns the Monticello nuclear generating  
34.6 plant must transfer to the renewable development account \$350,000 each year for each dry  
34.7 cask containing spent fuel that is located at the Monticello nuclear power plant for each  
34.8 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered  
34.9 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear

157.6  
157.7**ARTICLE 7**  
**ENERGY**

157.8 Section 1. Minnesota Statutes 2017 Supplement, section 116C.779, subdivision 1, is  
157.9 amended to read:

157.10 Subdivision 1. **Renewable development account.** (a) The renewable development  
157.11 account is established as a separate account in the special revenue fund in the state treasury.  
157.12 Appropriations and transfers to the account shall be credited to the account. Earnings, such  
157.13 as interest, dividends, and any other earnings arising from assets of the account, shall be  
157.14 credited to the account. Funds remaining in the account at the end of a fiscal year are not  
157.15 canceled to the general fund but remain in the account until expended. The account shall  
157.16 be administered by the commissioner of management and budget as provided under this  
157.17 section.

157.18 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating  
157.19 plant must transfer all funds in the renewable development account previously established  
157.20 under this subdivision and managed by the public utility to the renewable development  
157.21 account established in paragraph (a). Funds awarded to grantees in previous grant cycles  
157.22 that have not yet been expended and unencumbered funds required to be paid in calendar  
157.23 year 2017 under paragraphs (e) and (f) ~~and (g)~~, and sections 116C.7792 and 216C.41, are  
157.24 not subject to transfer under this paragraph.

157.25 (c) ~~Except as provided in subdivision 1a,~~ Beginning January 15, 2018, and continuing  
157.26 each January 15 thereafter, the public utility that owns the Prairie Island and Monticello  
157.27 nuclear generating plant plants must transfer to the renewable development account ~~\$500,000~~  
157.28 each year for each dry cask containing spent fuel that is located at the Prairie Island power  
157.29 plant for \$20,000,000 each year the either plant is in operation, and \$7,500,000 each year  
157.30 the plant is not in operation, if ordered by the commission pursuant to paragraph ~~(f)~~ (h),  
157.31 \$7,500,000 each year the Prairie Island plant is not in operation and \$5,250,000 each year  
157.32 the Monticello plant is not in operation. The fund transfer must be made if nuclear waste is  
158.1 stored in a dry cask at the independent spent-fuel storage facility at Prairie Island or  
158.2 Monticello for any part of a year.

158.3 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
158.4 each January 15 thereafter, the public utility that owns the Monticello nuclear generating  
158.5 plant must transfer to the renewable development account \$350,000 each year for each dry  
158.6 cask containing spent fuel that is located at the Monticello nuclear power plant for each  
158.7 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered  
158.8 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear

34.10 waste is stored in a dry cask at the independent spent fuel storage facility at Monticello for  
34.11 any part of a year.

34.12 ~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the  
34.13 renewable development account under ~~paragraphs~~ paragraph (c) and ~~(d)~~ the amount necessary  
34.14 to pay its obligations under paragraphs ~~(e), (f) and (g), (j), and (n)~~, and sections 116C.7792  
34.15 and 216C.41, for that calendar year.

34.16 ~~(f)~~ (e) If the commission approves a new or amended power purchase agreement, the  
34.17 termination of a power purchase agreement, or the purchase and closure of a facility under  
34.18 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,  
34.19 the public utility subject to this section shall enter into a contract with the city in which the  
34.20 poultry litter plant is located to provide grants to the city for the purposes of economic  
34.21 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each  
34.22 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid  
34.23 by the public utility from funds withheld from the transfer to the renewable development  
34.24 account, as provided in paragraphs (b) and ~~(e)~~ (d).

34.25 ~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the  
34.26 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
34.27 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
34.28 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
34.29 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
34.30 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
34.31 30 days after the commission approves the new or amended power purchase agreement, or  
34.32 the termination of the power purchase agreement, and on each June 1 thereafter through  
34.33 2021, to assist the transition required by the new, amended, or terminated power purchase  
34.34 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
34.35 to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

35.1 ~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs  
35.2 ~~(f)~~ (e) and ~~(g)~~ (f) is limited to the amount deposited into the renewable development account,  
35.3 and its predecessor, the renewable development account, established under this section, that  
35.4 was not required to be deposited into the account under Laws 1994, chapter 641, article 1,  
35.5 section 10.

35.6 ~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the  
35.7 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the  
35.8 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for  
35.9 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello  
35.10 facility for any year in which the commission finds, by the preponderance of the evidence,  
35.11 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored

158.9 waste is stored in a dry cask at the independent spent fuel storage facility at Monticello for  
158.10 any part of a year.

158.11 ~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the  
158.12 renewable development account under ~~paragraphs~~ paragraph (c) and ~~(d)~~ the amount necessary  
158.13 to pay its obligations under paragraphs ~~(e), (f) and (g), (k), and (n)~~, and sections 116C.7792  
158.14 and 216C.41, for that calendar year.

158.15 ~~(f)~~ (e) If the commission approves a new or amended power purchase agreement, the  
158.16 termination of a power purchase agreement, or the purchase and closure of a facility under  
158.17 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,  
158.18 the public utility subject to this section shall enter into a contract with the city in which the  
158.19 poultry litter plant is located to provide grants to the city for the purposes of economic  
158.20 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each  
158.21 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid  
158.22 by the public utility from funds withheld from the transfer to the renewable development  
158.23 account, as provided in paragraphs (b) and ~~(e)~~ (d).

158.24 ~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the  
158.25 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
158.26 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
158.27 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
158.28 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
158.29 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
158.30 30 days after the commission approves the new or amended power purchase agreement, or  
158.31 the termination of the power purchase agreement, and on each June 1 thereafter through  
158.32 2021, to assist the transition required by the new, amended, or terminated power purchase  
158.33 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
158.34 to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

159.1 ~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs  
159.2 ~~(e) and (f) and (g)~~ is limited to the amount deposited into the renewable development account,  
159.3 and its predecessor, the renewable development account, established under this section, that  
159.4 was not required to be deposited into the account under Laws 1994, chapter 641, article 1,  
159.5 section 10.

159.6 ~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the  
159.7 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the  
159.8 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for  
159.9 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello  
159.10 facility for any year in which the commission finds, by the preponderance of the evidence,  
159.11 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored

35.12 at the facility to a permanent or interim storage site out of the state. This determination shall  
35.13 be made at least every two years.

35.14 ~~(j)~~ (i) The utility shall file annually with the commission a petition for the recovery of  
35.15 all funds required to be transferred or withheld under paragraphs (c), (d), and (h), for the  
35.16 next year through a rider mechanism. The commission shall approve a reasonable cost  
35.17 recovery schedule for all such funds.

35.18 (j) On or before January 15 of each year, the utility shall file a petition with the  
35.19 commission setting forth the amounts withheld by the utility in the prior year under paragraph  
35.20 (d) and the amount actually paid in that year for obligations identified in paragraph (d). If  
35.21 the amount actually paid is less than the amount withheld, the utility shall deduct the surplus  
35.22 from the amount withheld for the current year under paragraph (d). If the amount actually  
35.23 paid is more than the amount withheld, the utility shall add the deficit to the amount withheld  
35.24 in the current year under paragraph (d). Any surplus at the end of all programs identified  
35.25 in paragraph (d) shall be returned to the customers of the utility.

35.26 (k) Funds in the account may be expended only for any of the following purposes:

35.27 (1) to stimulate research and development of renewable electric energy technologies;

35.28 (2) to encourage grid modernization, including, but not limited to, projects that implement  
35.29 electricity storage, load control, and smart meter technology; and

35.30 (3) to stimulate other innovative energy projects that reduce demand and increase system  
35.31 efficiency and flexibility.

36.1 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service  
36.2 from the utility that owns a nuclear-powered electric generating plant in this state or the  
36.3 Prairie Island Indian community or its members.

36.4 The utility that owns a nuclear generating plant is eligible to apply for grants under this  
36.5 subdivision.

36.6 ~~(k)~~ (l) For the purposes of paragraph ~~(j)~~ (k), the following terms have the meanings  
36.7 given:

36.8 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph  
36.9 (c), clauses (1), (2), (4), and (5); and

36.10 (2) "grid modernization" means:

159.12 at the facility to a permanent or interim storage site out of the state. This determination shall  
159.13 be made at least every two years.

159.14 (i) The public utility shall file annually with the commission a petition to recover all  
159.15 funds required to be transferred or withheld under paragraphs (c) to (f) for the next year  
159.16 through a rider mechanism. The commission shall approve a reasonable cost recovery  
159.17 schedule for all such funds.

159.18 (j) On or before January 15 of each year, the public utility shall file a petition with the  
159.19 commission setting forth the amounts withheld by the public utility the prior year under  
159.20 paragraph (d) and the amount actually paid the prior year for obligations identified in  
159.21 paragraph (d). If the amount actually paid is less than the amount withheld, the public utility  
159.22 shall deduct the surplus from the amount withheld for the current year under paragraph (d).  
159.23 If the amount actually paid is more than the amount withheld, the public utility shall add  
159.24 the deficiency amount to the amount withheld for the current year under paragraph (d). Any  
159.25 surplus remaining in the account after all programs identified in paragraph (d) are terminated  
159.26 must be returned to the customers of the public utility.

159.27 ~~(j)~~ (k) Funds in the account may be expended only for any of the following purposes:

159.28 (1) to stimulate research and development of renewable electric energy technologies;

159.29 (2) to encourage grid modernization, including, but not limited to, projects that implement  
159.30 electricity storage, load control, and smart meter technology; and

159.31 (3) to stimulate other innovative energy projects that reduce demand and increase system  
159.32 efficiency and flexibility.

160.1 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service  
160.2 from the utility that owns a nuclear-powered electric generating plant in this state or the  
160.3 Prairie Island Indian community or its members.

160.4 The utility that owns a nuclear generating plant is eligible to apply for grants under this  
160.5 subdivision.

160.6 ~~(k)~~ (l) For the purposes of paragraph ~~(j)~~ (k), the following terms have the meanings  
160.7 given:

160.8 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph  
160.9 (c), clauses (1), (2), (4), and (5); and

160.10 (2) "grid modernization" means:

36.11 (i) enhancing the reliability of the electrical grid;

36.12 (ii) improving the security of the electrical grid against cyberthreats and physical threats;

36.13 and

36.14 (iii) increasing energy conservation opportunities by facilitating communication between

36.15 the utility and its customers through the use of two-way meters, control technologies, energy

36.16 storage and microgrids, technologies to enable demand response, and other innovative

36.17 technologies.

36.18 ~~(j)~~ (m) A renewable development account advisory group that includes, among others,

36.19 representatives of the public utility and its ratepayers, and includes at least one representative

36.20 of the Prairie Island Indian community appointed by that community's tribal council, shall

36.21 develop recommendations on account expenditures. Members of the advisory group shall

36.22 be chosen by the public utility unless another method of selection is provided under this

36.23 section. The advisory group must design a request for proposal and evaluate projects

36.24 submitted in response to a request for proposals. The advisory group must utilize an

36.25 independent third-party expert to evaluate proposals submitted in response to a request for

36.26 proposal, including all proposals made by the public utility. A request for proposal for

36.27 research and development under paragraph ~~(j)~~ (k), clause (1), may be limited to or include

36.28 a request to higher education institutions located in Minnesota for multiple projects authorized

36.29 under paragraph ~~(j)~~ (k), clause (1). The request for multiple projects may include a provision

36.30 that exempts the projects from the third-party expert review and instead provides for project

36.31 evaluation and selection by a merit peer review grant system. In the process of determining

36.32 request for proposal scope and subject and in evaluating responses to request for proposals,

37.1 the advisory group must strongly consider, where reasonable, potential benefit to Minnesota

37.2 citizens and businesses and the utility's ratepayers.

37.3 ~~(n)~~ (n) The cost of acquiring the services of the independent third-party expert described

37.4 in paragraph (m) and any other costs incurred in administering the advisory group and its

37.5 actions as required by this section shall be paid from funds withheld by the public utility

37.6 under paragraph (d). The total withheld under this paragraph shall not exceed \$500,000 per

37.7 year.

37.8 (o) The advisory group shall submit funding recommendations to the public utility,

37.9 which has full and sole authority to determine which expenditures shall be submitted by

37.10 the advisory group to the ~~legislature~~ commission. The commission may approve proposed

37.11 expenditures, may disapprove proposed expenditures that it finds not to be in compliance

37.12 with this subdivision or otherwise not in the public interest, and may, if agreed to by the

37.13 public utility, modify proposed expenditures. The commission shall, by order, submit its

37.14 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (m).

160.11 (i) enhancing the reliability of the electrical grid;

160.12 (ii) improving the security of the electrical grid against cyberthreats and physical threats;

160.13 and

160.14 (iii) increasing energy conservation opportunities by facilitating communication between

160.15 the utility and its customers through the use of two-way meters, control technologies, energy

160.16 storage and microgrids, technologies to enable demand response, and other innovative

160.17 technologies.

160.18 ~~(j)~~ (m) A renewable development account advisory group that includes, among others,

160.19 representatives of the public utility and its ratepayers, and includes at least one representative

160.20 of the Prairie Island Indian community appointed by that community's tribal council, shall

160.21 develop recommendations on account expenditures. Members of the advisory group shall

160.22 be chosen by the public utility. The advisory group must design a request for proposal and

160.23 evaluate projects submitted in response to a request for proposals. The advisory group must

160.24 utilize an independent third-party expert to evaluate proposals submitted in response to a

160.25 request for proposal, including all proposals made by the public utility. A request for proposal

160.26 for research and development under paragraph ~~(j)~~ (k), clause (1), may be limited to or include

160.27 a request to higher education institutions located in Minnesota for multiple projects authorized

160.28 under paragraph ~~(j)~~ (k), clause (1). The request for multiple projects may include a provision

160.29 that exempts the projects from the third-party expert review and instead provides for project

160.30 evaluation and selection by a merit peer review grant system. In the process of determining

160.31 request for proposal scope and subject and in evaluating responses to request for proposals,

160.32 the advisory group must strongly consider, where reasonable, potential benefit to Minnesota

160.33 citizens and businesses and the utility's ratepayers.

161.1 (n) The cost of acquiring the services of the independent third-party expert described in

161.2 paragraph (m) and any other reasonable costs incurred to administer the advisory group and

161.3 its actions as required by this section shall be paid from funds withheld by the public utility

161.4 under paragraph (d).

161.5 ~~(n)~~ (o) The advisory group shall submit funding recommendations to the public utility,

161.6 which has full and sole authority to determine which expenditures shall be submitted by

161.7 the advisory group to the ~~legislature~~ commission. The commission may approve proposed

161.8 expenditures, may disapprove proposed expenditures that it finds not to be in compliance

161.9 with this subdivision or otherwise not in the public interest, and may, if agreed to by the

161.10 public utility, modify proposed expenditures. The commission shall, by order, submit its

161.11 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (p).

37.15 ~~(p)~~ (p) The commission shall present its recommended appropriations from the account  
 37.16 to the senate and house of representatives committees with jurisdiction over energy policy  
 37.17 and finance annually by February 15. Expenditures from the account must be appropriated  
 37.18 by law. In enacting appropriations from the account, the legislature:

37.19 (1) may approve or disapprove, but may not modify, the amount of an appropriation for  
 37.20 a project recommended by the commission; and

37.21 (2) may not appropriate money for a project the commission has not recommended  
 37.22 funding.

37.23 ~~(q)~~ (q) A request for proposal for renewable energy generation projects must, when  
 37.24 feasible and reasonable, give preference to projects that are most cost-effective for a particular  
 37.25 energy source.

37.26 ~~(r)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking  
 37.27 minority members of the legislative committees with jurisdiction over energy policy on:  
 37.28 (1) projects funded by the account for the prior year and all previous years; (2) cost of  
 37.29 acquiring the services of an independent third-party expert described in paragraph (n); and  
 37.30 (3) any other administrative costs incurred by the utility in administering the advisory group.  
 37.31 The report must, to the extent possible and reasonable, itemize the actual and projected  
 37.32 financial benefit to the public utility's ratepayers of each project.

38.1 ~~(s)~~ (s) By February 1, 2018, and each February 1 thereafter, the commissioner of  
 38.2 management and budget shall submit a written report regarding the availability of funds in  
 38.3 and obligations of the account to the chairs and ranking minority members of the senate  
 38.4 and house committees with jurisdiction over energy policy and finance, the public utility,  
 38.5 and the advisory group.

161.12 ~~(p)~~ (p) The commission shall present its recommended appropriations from the account  
 161.13 to the senate and house of representatives committees with jurisdiction over energy policy  
 161.14 and finance annually by February 15. Expenditures from the account must be appropriated  
 161.15 by law. In enacting appropriations from the account, the legislature:

161.16 (1) may approve or disapprove, but may not modify, the amount of an appropriation for  
 161.17 a project recommended by the commission; and

161.18 (2) may not appropriate money for a project the commission has not recommended  
 161.19 funding.

161.20 ~~(q)~~ (q) A request for proposal for renewable energy generation projects must, when  
 161.21 feasible and reasonable, give preference to projects that are most cost-effective for a particular  
 161.22 energy source.

161.23 ~~(r)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking  
 161.24 minority members of the legislative committees with jurisdiction over energy policy on  
 161.25 projects funded by the account under paragraph (k) for the prior year and all previous years.  
 161.26 The report must, to the extent possible and reasonable, itemize the actual and projected  
 161.27 financial benefit to the public utility's ratepayers of each project.

161.28 ~~(s)~~ (s) By June 1, 2018, and each June 1 thereafter, the public utility that owns the Prairie  
 161.29 Island Nuclear Electric Generating Plant must submit to the commissioner of management  
 161.30 and budget an estimate of the amount the public utility will deposit into the account the  
 161.31 following January 15, based on the provisions of paragraphs (c) to (h) and any appropriations  
 161.32 made from the fund during the most recent legislative sessions.

162.1 ~~(t)~~ (t) By February 1 June 30, 2018, and each February 1 June 30 thereafter, the  
 162.2 commissioner of management and budget shall estimate the balance in the account as of  
 162.3 the following January 31, taking into account the balance in the account as of June 30 and  
 162.4 the information provided under paragraph (r). By July 15, 2018, and each July 15 thereafter,  
 162.5 the commissioner of management and budget shall submit a written report regarding the  
 162.6 availability of funds in and obligations of the account to the chairs and ranking minority  
 162.7 members of the senate and house committees with jurisdiction over energy policy and  
 162.8 finance, the public utility, and the advisory group. If more than \$15,000,000 is estimated  
 162.9 to be available in the account as of January 31, the advisory group must, by July 30, 2018,  
 162.10 and each July 30 thereafter, issue a request for proposals to initiate a grant cycle for the  
 162.11 purposes of paragraph (k).

38.6 ~~(t)~~ (u) A project receiving funds from the account must produce a written final report  
 38.7 that includes sufficient detail for technical readers and a clearly written summary for  
 38.8 nontechnical readers. The report must include an evaluation of the project's financial,  
 38.9 environmental, and other benefits to the state and the public utility's ratepayers.

38.10 ~~(u)~~ (v) Final reports, any mid-project status reports, and renewable development account  
 38.11 financial reports must be posted online on a public Web site designated by the commissioner  
 38.12 of commerce.

38.13 ~~(v)~~ (w) All final reports must acknowledge that the project was made possible in whole  
 38.14 or part by the Minnesota renewable development account, noting that the account is financed  
 38.15 by the public utility's ratepayers.

38.16 ~~(w)~~ (x) Of the amount in the renewable development account, priority must be given to  
 38.17 making the payments required under section 216C.417.

38.18 **EFFECTIVE DATE.** This section is effective June 1, 2018, except the amendments to  
 38.19 paragraphs (c) and (d) are effective January 16, 2021.

38.20 Sec. 2. Minnesota Statutes 2017 Supplement, section 116C.7792, is amended to read:

38.21 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

38.22 The utility subject to section 116C.779 shall operate a program to provide solar energy  
 38.23 production incentives for solar energy systems of no more than a total nameplate capacity  
 38.24 of ~~20~~ 40 kilowatts direct current or less. The program shall be operated for eight consecutive  
 38.25 calendar years commencing in 2014. \$5,000,000 shall be allocated in each of the first four  
 38.26 years, \$15,000,000 in the fifth year, \$10,000,000 in each of the sixth and seventh years, and  
 38.27 \$5,000,000 in the eighth year from funds withheld from transfer to the renewable  
 38.28 development account under section 116C.779, subdivision 1, ~~paragraphs (b) and (c) paragraph~~  
 38.29 ~~(d)~~, and placed in a separate account for the purpose of the solar production incentive  
 38.30 program operated by the utility and not for any other program or purpose. Any unspent  
 38.31 amount allocated in the fifth year is available until December 31 of the sixth year. Beginning  
 38.32 with the allocation in the sixth year and thereafter, any unspent amount remaining at the  
 38.33 end of an allocation year must be transferred to the renewable development account.  
 39.1 Applications submitted in the fifth year may be amended without reapplication for that  
 39.2 portion of a project over a nameplate capacity of 20 kilowatts. The solar system must be  
 39.3 sized to less than 120 percent of the customer's on-site annual energy consumption when  
 39.4 combined with other distributed generation resources and subscriptions provided under  
 39.5 section 216B.1641 associated with the premise. The production incentive must be paid for  
 39.6 ten years commencing with the commissioning of the system. The utility must file a plan  
 39.7 to operate the program with the commissioner of commerce. The utility may not operate  
 39.8 the program until it is approved by the commissioner. A change to the program to include

162.12 ~~(u)~~ (v) A project receiving funds from the account must produce a written final report  
 162.13 that includes sufficient detail for technical readers and a clearly written summary for  
 162.14 nontechnical readers. The report must include an evaluation of the project's financial,  
 162.15 environmental, and other benefits to the state and the public utility's ratepayers.

162.16 ~~(v)~~ (w) Final reports, any mid-project status reports, and renewable development account  
 162.17 financial reports must be posted online on a public Web site designated by the commissioner  
 162.18 of commerce.

162.19 ~~(w)~~ (x) All final reports must acknowledge that the project was made possible in whole  
 162.20 or part by the Minnesota renewable development account, noting that the account is financed  
 162.21 by the public utility's ratepayers.

162.22 ~~(x)~~ (y) Of the amount in the renewable development account, priority must be given to  
 162.23 making the payments required under section 216C.417.

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

162.25 Sec. 2. Minnesota Statutes 2017 Supplement, section 116C.7792, is amended to read:

162.26 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

162.27 The utility subject to section 116C.779 shall operate a program to provide solar energy  
 162.28 production incentives for solar energy systems of no more than a total aggregate nameplate  
 162.29 capacity of ~~20~~ 40 kilowatts direct current per premises. The owner of a solar energy system  
 162.30 installed before June 1, 2018, is eligible to receive a production incentive under this section  
 162.31 for any additional solar energy systems constructed at the same customer location, provided  
 162.32 the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.  
 162.33 The program shall be operated for eight consecutive calendar years commencing in 2014.  
 163.1 \$5,000,000 shall be allocated in each of the first four years, \$15,000,000 in the fifth year,  
 163.2 \$10,000,000 in each of the sixth and seventh years, and \$5,000,000 in the eighth year from  
 163.3 funds withheld from transfer to the renewable development account under section 116C.779,  
 163.4 subdivision 1, ~~paragraphs (b) and (c) paragraph~~ (d), and placed in a separate account for  
 163.5 the purpose of the solar production incentive program operated by the utility and not for  
 163.6 any other program or purpose. Any unspent amount allocated in the fifth year is available  
 163.7 until December 31 of the sixth year. Any unspent amount remaining at the end of an  
 163.8 allocation year must be transferred to the renewable development account or returned to  
 163.9 customers. The solar system must be sized to less than 120 percent of the customer's on-site  
 163.10 annual energy consumption when combined with other distributed generation resources and  
 163.11 subscriptions provided under section 216B.1641 associated with the premise. The production  
 163.12 incentive must be paid for ten years commencing with the commissioning of the system.  
 163.13 The utility must file a plan to operate the program with the commissioner of commerce.

39.9 projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file  
 39.10 a plan with the commissioner. Any plan approved by the commissioner of commerce must  
 39.11 not provide an increased incentive scale over prior years unless the commissioner  
 39.12 demonstrates that changes in the market for solar energy facilities require an increase.

39.13 **EFFECTIVE DATE.** This section is effective June 1, 2018.

39.14 Sec. 3. **[116C.7793] BIOMASS BUSINESS COMPENSATION.**

39.15 Subdivision 1. **Office of Administrative Hearings; claims process.** The chief  
 39.16 administrative law judge of the Office of Administrative Hearings must name an

163.14 The utility may not operate the program until it is approved by the commissioner. A change  
 163.15 to the program to include projects up to a nameplate capacity of 40 kilowatts or less does  
 163.16 not require the utility to file a plan with the commissioner. Any plan approved by the  
 163.17 commissioner of commerce must not provide an increased incentive scale over prior years  
 163.18 unless the commissioner demonstrates that changes in the market for solar energy facilities  
 163.19 require an increase.

163.20 **EFFECTIVE DATE.** This section is effective June 1, 2018.

163.21 Sec. 3. **[116C.7793] PRAIRIE ISLAND NET ZERO PROJECT.**

163.22 Subdivision 1. **Program established.** The Prairie Island Net Zero Project is established  
 163.23 with the goal of the Prairie Island Indian Community developing an energy system that  
 163.24 results in net zero emissions.

163.25 Subd. 2. **Grant.** The commissioner of employment and economic development shall  
 163.26 enter into a grant contract with the Prairie Island Indian Community to provide \$20,000,000  
 163.27 on July 1, 2018, and \$5,000,000 each year thereafter for four years to stimulate research,  
 163.28 development, and implementation of renewable energy projects benefitting the Prairie Island  
 163.29 Indian Community or its members.

163.30 Subd. 3. **Plan; report.** The Prairie Island Indian Community shall file a plan with the  
 163.31 commissioner of employment and economic development no later than July 1, 2019,  
 163.32 describing the Prairie Island Net Zero Project elements and implementation strategy. The  
 163.33 Prairie Island Indian Community shall file a report on July 1, 2020, and each July 1 thereafter  
 164.1 through 2023, describing the progress made in implementing the project and the use of  
 164.2 funds expended.

164.3 Subd. 4. **Appropriation.** Notwithstanding section 116C.779, subdivision 1, paragraph  
 164.4 (k), \$20,000,000 is appropriated in fiscal year 2019 and \$5,000,000 is appropriated each  
 164.5 year in fiscal years 2020, 2021, 2022, and 2023, from the renewable development account  
 164.6 under section 116C.779, subdivision 1, to the commissioner of employment and economic  
 164.7 development for a grant to the Prairie Island Indian Community for the purposes of this  
 164.8 section. Any funds remaining at the end of a fiscal year do not cancel to the renewable  
 164.9 development account but remain available until spent. This subdivision expires upon the  
 164.10 last transfer of funds to the commissioner.

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

39.17 administrative law judge to administer a claims award process to compensate businesses  
39.18 negatively affected by the sale and closure of the biomass plant identified under section  
39.19 116C.779, subdivision 1, paragraph (e). The administrative law judge may create a process,  
39.20 including creation of forms, to consider claims for affected businesses and issue awards to  
39.21 eligible businesses. A form developed for the process must, at a minimum, require the name  
39.22 of the business, the business address and telephone number, and the name of a contact  
39.23 person.

39.24 Subd. 2. **Eligibility.** To be eligible for compensation, an affected business must verify  
39.25 that as of May 1, 2017, it was operating under the terms of a valid contract or provide other  
39.26 documentation demonstrating an ongoing business relationship of preparing, supplying, or  
39.27 transporting products, fuel, or by-products to or from either the company operating the  
39.28 biomass plant identified under section 116C.779, subdivision 1, paragraph (e), or a fertilizer  
39.29 plant integrated with the biomass plant identified under section 116C.779, subdivision 1,  
39.30 paragraph (e).

39.31 Subd. 3. **Calculation of award.** (a) An eligible business shall make any claim for  
39.32 compensation with the administrative law judge in accordance with this section.

39.33 (b) A claim for compensation by an eligible business shall:

40.1 (1) demonstrate the extent of its lost business opportunity by providing copies of any  
40.2 contracts or other documentation under subdivision 2, including financial statements showing  
40.3 company financial performance over the past five years for supplying or managing material  
40.4 for, or receiving material from, the biomass plant identified under section 116C.779,  
40.5 subdivision 1, paragraph (e);

40.6 (2) report any payment received from business interruption insurance policies or other  
40.7 payments, settlements, or awards received as a result of termination of an agreement resulting  
40.8 from the closure of the biomass plant identified under section 116C.779, subdivision 1,  
40.9 paragraph (e), the payment of which would offset compensation provided under this section.  
40.10 A business seeking compensation must also provide a valuation of the sales, salvage, or  
40.11 scrap value of real or personal property associated with the business if there is no alternative  
40.12 use available for the company's real and personal property;

40.13 (3) provide information documenting its stranded investment in personal property  
40.14 essential to the business operation but for which there is no valuable alternative use in the  
40.15 marketplace. Such stranded investment may be included in the calculation of compensable  
40.16 loss for purposes of seeking compensation under this section; and



- 40.17 (4) provide any other documentation it deems appropriate, or as required by the  
40.18 administrative law judge, to support its claim for compensation, including a narrative  
40.19 regarding the facts of the business claim that gives rise to the request for compensation.
- 40.20 (c) Section 13.591 applies to data submitted by a business requesting compensation  
40.21 under this section.
- 40.22 Subd. 4. **Priority.** The administrative law judge may give priority to claims by eligible  
40.23 businesses that demonstrate a significant effort to:
- 40.24 (1) mitigate losses resulting from the closure of the biomass plant identified under section  
40.25 116C.779, subdivision 1, paragraph (e); or
- 40.26 (2) repurpose the business for another use through retasking and retooling.
- 40.27 Whether the business is requesting compensation for a total business loss without mitigation  
40.28 efforts shall also be a factor in determining awards.
- 40.29 Subd. 5. **Amount of claim.** Any claim is limited by and proportional to the amount  
40.30 provided for compensation in the biomass business compensation fund established under  
40.31 section 116C.7794, and the number of claimants. A request for compensation must not  
40.32 exceed the average of the annual net revenue generated from a contract or business  
40.33 relationship with the biomass plant identified under section 116C.779, subdivision 1,  
41.1 paragraph (e), or a fertilizer plant integrated with the biomass plant identified under section  
41.2 116C.779, subdivision 1, paragraph (e), for the past five years times ten or times the number  
41.3 of years remaining on the biomass plant's original power purchase agreement, whichever  
41.4 is less.
- 41.5 Subd. 6. **Deadlines.** The administrative law judge shall make an application process for  
41.6 compensation available by August 1, 2018. A business seeking to submit a request for  
41.7 compensation under this section must file claims with the administrative law judge within  
41.8 60 days following closure of the biomass plant. The administrative law judge shall issue  
41.9 orders on award determinations within 180 days after the deadline for filing claims.
- 41.10 Subd. 7. **Appeals.** Orders issued by the administrative law judge under this section are  
41.11 final. An order denying compensation claimed under this section is subject to the contested  
41.12 case review procedures under chapter 14.
- 41.13 **EFFECTIVE DATE.** This section is effective June 1, 2018.
- 41.14 Sec. 4. **[116C.7794] BIOMASS BUSINESS COMPENSATION ACCOUNT.**

- 41.15 Subdivision 1. **Account established.** A biomass business compensation account is  
41.16 established as a separate account in the special revenue fund in the state treasury.  
41.17 Appropriations and transfers to the account must be credited to the account. Earnings, such  
41.18 as interest, and any other earnings arising from the assets of the account are credited to the  
41.19 account. Funds remaining in the account as of December 31, 2020, must be transferred to  
41.20 the renewable development account established under section 116C.779.
- 41.21 Subd. 2. **Funding for the special account.** On July 1, 2019, \$40,000,000 must be  
41.22 transferred from the renewable development account under section 116C.779 to the biomass  
41.23 business compensation account established under subdivision 1. The transferred funds are  
41.24 appropriated for payment of eligible obligations under the biomass business compensation  
41.25 program established in section 116C.7793.
- 41.26 Subd. 3. **Repayment of funds transferred from the renewable development account.**  
41.27 The public utility subject to section 116C.779 shall petition the commission to approve a  
41.28 rate schedule that provides for the automatic adjustment of charges to recover payments  
41.29 awarded under a process provided for in section 116C.7793. The commission shall approve  
41.30 the rate schedule upon a showing that the recovery of investments, expenses and costs, and  
41.31 earnings on the investments continues to be less than the costs that would have been  
41.32 recovered from customers had the utility continued to purchase energy under the power  
41.33 purchase agreement under section 216B.2424, in effect before May 1, 2017. Beginning July  
42.1 1, 2019, and continuing annually thereafter, the public utility subject to section 116C.779  
42.2 shall deposit an amount, not to exceed \$20,000,000 annually, into the renewable development  
42.3 account under section 116C.779, until total contributions equal the total compensation  
42.4 amount identified in subdivision 2.
- 42.5 Subd. 4. **Payment of expenses.** The chief administrative law judge shall certify to the  
42.6 commissioner of management and budget the total costs incurred for administering the  
42.7 biomass business compensation claims process during each fiscal year, in an amount less  
42.8 than or equal to \$200,000. The commissioner of management and budget shall transfer the  
42.9 amount of certified costs incurred for these activities from the renewable development  
42.10 account under section 116C.779 and deposit it to the administrative hearings account under  
42.11 section 14.54. Transfers may occur quarterly, based on quarterly cost and revenue reports,  
42.12 throughout the fiscal year, with final certification and reconciliation after each fiscal year.
- 42.13 Subd. 5. **Expiration.** This section expires the day following the final deposit to the  
42.14 renewable development account under section 116C.779, as required in subdivision 3.
- 42.15 **EFFECTIVE DATE.** This section is effective June 1, 2018.

42.16 Sec. 5. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to  
42.17 read:

42.18 Subd. 13b. **Pension rate base.** The commission must allow a public utility to include  
42.19 in the rate base and recover from ratepayers the costs incurred to contribute to employee  
42.20 pensions, including (1) accumulated contributions in excess of net periodic benefit costs,  
42.21 and (2) contributions necessary to comply with the federal Pension Protection Act of 2006  
42.22 and other applicable federal and state pension funding requirements. A public utility is  
42.23 authorized to track for future recovery any unrecoverable return of pension rate base costs  
42.24 and investments at the return on investment level established in the public utility's last  
42.25 general rate case that have been incurred during the period between general rate cases.

42.26 Sec. 6. Minnesota Statutes 2016, section 216B.1641, is amended to read:

164.12 Sec. 4. Minnesota Statutes 2016, section 216A.03, is amended by adding a subdivision to  
164.13 read:

164.14 Subd. 10. **Offices.** The Public Utilities Commission's offices must be located in Virginia,  
164.15 Minnesota.

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

164.17 Sec. 5. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to  
164.18 read:

164.19 Subd. 13a. **Pension rate base.** The commission must allow a public utility to include  
164.20 in the rate base and recover from ratepayers the costs incurred to contribute to employee  
164.21 pensions, including (1) accumulated contributions in excess of net periodic benefit costs,  
164.22 and (2) contributions necessary to comply with the federal Pension Protection Act of 2006  
164.23 and other applicable federal and state pension funding requirements. A public utility is  
164.24 authorized to track for future recovery any unrecoverable return of pension rate base costs  
164.25 and investments at the return on investment level established in the public utility's last  
164.26 general rate case that have been incurred during the period between general rate cases.

164.27 Sec. 6. Minnesota Statutes 2017 Supplement, section 216B.164, subdivision 5, is amended  
164.28 to read:

164.29 Subd. 5. **Dispute; resolution.** (a) In the event of ~~disputes~~ a dispute between a qualifying  
164.30 facility and a public utility ~~and a qualifying facility~~ or a cooperative electric association that  
164.31 has not elected to resolve disputes under subdivision 11, either party may request a  
164.32 determination of the issue by the commission. In any such determination, the burden of  
165.1 proof ~~shall be~~ is on the public utility or cooperative electric association. The commission  
165.2 in its order resolving each such dispute shall require payments to the prevailing party of the  
165.3 prevailing party's costs, disbursements, and reasonable attorneys' fees, except that the  
165.4 qualifying facility will be required to pay the costs, disbursements, and attorneys' fees of  
165.5 the public utility or cooperative electric association only if the commission finds that the  
165.6 claims of the qualifying facility in the dispute have been made in bad faith, or are a sham,  
165.7 or are frivolous.

165.8 (b) Notwithstanding subdivisions 9 and 11, a qualifying facility over 20 megawatts may,  
165.9 until December 31, 2022, request that the commission resolve a dispute with any utility,  
165.10 including a cooperative electric association or municipal utility, under paragraph (a).

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

42.27 **216B.1641 COMMUNITY SOLAR GARDEN.**

42.28 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a  
42.29 plan with the commission to operate a community solar garden program which shall begin  
42.30 operations within 90 days after commission approval of the plan. Other public utilities may  
42.31 file an application at their election. The community solar garden program must be designed  
42.32 to offset the energy use of not less than five subscribers in each community solar garden  
43.1 facility of which no single subscriber has more than a 40 percent interest. The owner of the  
43.2 community solar garden may be a public utility or any other entity or organization that  
43.3 contracts to sell the output from the community solar garden to the utility under section  
43.4 216B.164. There shall be no limitation on the number or cumulative generating capacity of  
43.5 community solar garden facilities other than the limitations imposed under section 216B.164,  
43.6 subdivision 4c, or other limitations provided in law or regulations.

43.7 (b) A solar garden is a facility that generates electricity by means of a ground-mounted  
43.8 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the  
43.9 electricity generated in proportion to the size of their subscription. The solar garden must  
43.10 have a nameplate capacity of no more than one megawatt. Each subscription shall be sized  
43.11 to represent at least 200 watts of the community solar garden's generating capacity and to  
43.12 supply, when combined with other distributed generation resources serving the premises,  
43.13 no more than 120 percent of the average annual consumption of electricity by each subscriber  
43.14 at the premises to which the subscription is attributed.

43.15 (c) The solar generation facility must be located in the service territory of the public  
43.16 utility filing the plan. Subscribers must be retail customers of the public utility and must be  
43.17 located in the same county or a county contiguous to where the facility is located, unless  
43.18 the facility has a minimum setback of 100 feet from the nearest residential property not on  
43.19 the same parcel.

43.20 (d) The public utility must purchase from the community solar garden all energy generated  
43.21 by the solar garden. The purchase shall be at the rate calculated under section 216B.164,  
43.22 subdivision 10, or, until that rate for the public utility has been approved by the commission,  
43.23 the applicable retail rate. A solar garden is eligible for any incentive programs offered under  
43.24 either section 116C.7792 or ~~section~~ 216C.415. A subscriber's portion of the purchase shall  
43.25 be provided by a credit on the subscriber's bill.

43.26 (e) The commission may approve, disapprove, or modify a community solar garden  
43.27 program. Any plan approved by the commission must:

43.28 (1) reasonably allow for the creation, financing, and accessibility of community solar  
43.29 gardens;

- 43.30 (2) establish uniform standards, fees, and processes for the interconnection of community  
43.31 solar garden facilities that allow the utility to recover reasonable interconnection costs for  
43.32 each community solar garden;
- 43.33 (3) not apply different requirements to utility and nonutility community solar garden  
43.34 facilities;
- 44.1 (4) be consistent with the public interest;
- 44.2 (5) identify the information that must be provided to potential subscribers to ensure fair  
44.3 disclosure of future costs and benefits of subscriptions;
- 44.4 (6) include a program implementation schedule;
- 44.5 (7) identify all proposed rules, fees, and charges; and
- 44.6 (8) identify the means by which the program will be promoted.
- 44.7 (f) Notwithstanding any other law, neither the manager of nor the subscribers to a  
44.8 community solar garden facility shall be considered a utility solely as a result of their  
44.9 participation in the community solar garden facility.
- 44.10 (g) Within 180 days of commission approval of a plan under this section, a utility shall  
44.11 begin crediting subscriber accounts for each community solar garden facility in its service  
44.12 territory, and shall file with the commissioner of commerce a description of its crediting  
44.13 system.
- 44.14 (h) For the purposes of this section, the following terms have the meanings given:
- 44.15 (1) "subscriber" means a retail customer of a utility who owns one or more subscriptions  
44.16 of a community solar garden facility interconnected with that utility; and
- 44.17 (2) "subscription" means a contract between a subscriber and the owner of a solar garden.
- 44.18 Sec. 7. Minnesota Statutes 2016, section 216B.1645, is amended by adding a subdivision  
44.19 to read:
- 44.20 Subd. 2b. Energy storage system pilot projects. (a) A public utility may petition the  
44.21 commission as provided in subdivision 2a to recover costs associated with the implementation  
44.22 of an energy storage system pilot project, provided the following conditions are met:

44.23 (1) the public utility has submitted a report to the commission containing, at a minimum,  
 44.24 the following information regarding the proposed energy storage system pilot project:

44.25 (i) the storage technology utilized;

44.26 (ii) the energy storage capacity and the duration of output at that capacity;

44.27 (iii) the proposed location;

44.28 (iv) the purchasing and installation costs;

44.29 (v) how the project will interact with existing distributed generation resources on the  
 44.30 utility's grid; and

45.1 (vi) the goals the project proposes to achieve, including controlling frequency or voltage,  
 45.2 mitigating transmission congestion, providing emergency power supplies during outages,  
 45.3 reducing curtailment of existing renewable energy generators, and reducing peak power  
 45.4 costs;

45.5 (2) the utility has adequately responded to any commission requests for additional  
 45.6 information regarding the energy storage system pilot project; and

45.7 (3) the commission has determined that the energy storage system pilot project is in the  
 45.8 public interest.

45.9 (b) The commission may modify a proposed energy storage system pilot project the  
 45.10 commission approves for rate recovery.

45.11 (c) For the purposes of this subdivision:

45.12 (1) "energy storage system" has the meaning given in section 216B.2422, subdivision  
 45.13 1, paragraph (f); and

45.14 (2) "pilot project" means a project deployed at a limited number of locations in order to  
 45.15 assess the technical and economic effectiveness of its operations.

45.16 Sec. 8. Minnesota Statutes 2017 Supplement, section 216B.1691, subdivision 2f, is amended  
 45.17 to read:

45.18 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a  
 45.19 and 2b, each public utility shall generate or procure sufficient electricity generated by solar

165.12 Sec. 7. Minnesota Statutes 2017 Supplement, section 216B.1691, subdivision 2f, is amended  
 165.13 to read:

165.14 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a  
 165.15 and 2b, each public utility shall generate or procure sufficient electricity generated by solar

45.20 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at  
 45.21 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is  
 45.22 generated by solar energy.

45.23 (b) For a public utility with more than 200,000 retail electric customers, at least ten  
 45.24 percent of the 1.5 percent goal must be met by solar energy generated by or procured from  
 45.25 solar photovoltaic devices with a nameplate capacity of ~~20~~ 40 kilowatts or less.

45.26 (c) A public utility with between 50,000 and 200,000 retail electric customers:

45.27 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by  
 45.28 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or  
 45.29 less; and

45.30 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions  
 45.31 of 40 kilowatts or less to a community solar garden program operated by the public utility  
 45.32 that has been approved by the commission.

46.1 (d) The solar energy standard established in this subdivision is subject to all the provisions  
 46.2 of this section governing a utility's standard obligation under subdivision 2a.

46.3 (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail  
 46.4 electric sales in Minnesota be generated by solar energy.

46.5 (f) For the purposes of calculating the total retail electric sales of a public utility under  
 46.6 this subdivision, there shall be excluded retail electric sales to customers that are:

46.7 (1) an iron mining extraction and processing facility, including a scam mining facility  
 46.8 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

46.9 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board  
 46.10 manufacturer.

46.11 Those customers may not have included in the rates charged to them by the public utility  
 46.12 any costs of satisfying the solar standard specified by this subdivision.

46.13 (g) A public utility may not use energy used to satisfy the solar energy standard under  
 46.14 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may  
 46.15 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the  
 46.16 solar standard under this subdivision.

165.16 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at  
 165.17 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is  
 165.18 generated by solar energy.

165.19 (b) For a public utility with more than 200,000 retail electric customers, at least ten  
 165.20 percent of the 1.5 percent goal must be met by solar energy generated by or procured from  
 165.21 solar photovoltaic devices with a nameplate capacity of ~~20~~ 40 kilowatts or less.

165.22 (c) A public utility with between 50,000 and 200,000 retail electric customers:

165.23 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by  
 165.24 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or  
 165.25 less; and

165.26 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions  
 165.27 of 40 kilowatts or less to a community solar garden program operated by the public utility  
 165.28 that has been approved by the commission.

165.29 (d) The solar energy standard established in this subdivision is subject to all the provisions  
 165.30 of this section governing a utility's standard obligation under subdivision 2a.

165.31 (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail  
 165.32 electric sales in Minnesota be generated by solar energy.

166.1 (f) For the purposes of calculating the total retail electric sales of a public utility under  
 166.2 this subdivision, there shall be excluded retail electric sales to customers that are:

166.3 (1) an iron mining extraction and processing facility, including a scam mining facility  
 166.4 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

166.5 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board  
 166.6 manufacturer.

166.7 Those customers may not have included in the rates charged to them by the public utility  
 166.8 any costs of satisfying the solar standard specified by this subdivision.

166.9 (g) A public utility may not use energy used to satisfy the solar energy standard under  
 166.10 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may  
 166.11 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the  
 166.12 solar standard under this subdivision.

46.17 (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated  
 46.18 with a solar photovoltaic device installed and generating electricity in Minnesota after  
 46.19 August 1, 2013, but before 2020 may be used to meet the solar energy standard established  
 46.20 under this subdivision.

46.21 (i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file  
 46.22 a report with the commission reporting its progress in achieving the solar energy standard  
 46.23 established under this subdivision.

46.24 **EFFECTIVE DATE.** This section is effective June 1, 2018.

166.13 (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated  
 166.14 with a solar photovoltaic device installed and generating electricity in Minnesota after  
 166.15 August 1, 2013, but before 2020 may be used to meet the solar energy standard established  
 166.16 under this subdivision.

166.17 (i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file  
 166.18 a report with the commission reporting its progress in achieving the solar energy standard  
 166.19 established under this subdivision.

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

166.21 Sec. 8. **[216B.1697] CARBON REDUCTION FACILITIES; NUCLEAR ENERGY.**

166.22 Subdivision 1. **Qualifying facilities.** An existing large electric generating power plant,  
 166.23 as defined in section 216B.2421, subdivision 2, clause (1), employing nuclear technology  
 166.24 to generate electricity qualifies for designation as a carbon reduction facility as provided in  
 166.25 this section.

166.26 Subd. 2. **Proposal submission.** (a) A public utility may submit a proposal to the  
 166.27 commission for designation of a qualifying facility as a carbon reduction facility under this  
 166.28 section. The proposal must be filed within a public utility's new resource plan filing no  
 166.29 earlier than February 1, 2019. The commission has sole discretion to determine whether to  
 166.30 consider this proposal. The proposal shall include:

166.31 (1) a showing that the facility meets the requirements of subdivision 1;

167.1 (2) a proposed statement of the total expected costs, including, but not limited to, capital  
 167.2 investments and operation and maintenance costs associated with the operation of the facility.  
 167.3 The total expected costs shall cover a period not to exceed the planning period of the public  
 167.4 utility's new resource plan;

167.5 (3) details about all costs currently included in rates, current operating costs if different  
 167.6 than those currently included in rates, and an evaluation of the public utility's forecasted  
 167.7 costs prepared by an independent evaluator; and

167.8 (4) an analysis of how the proposed capital investments and operation and maintenance  
 167.9 costs would impact rates if that impact is different than any described in the public utility's  
 167.10 most recently filed resource plan.



167.11 (b) If the information submitted in the original proposal changes because it was unknown  
167.12 and not capable of being known at the time of the original proposal, a public utility may at  
167.13 any time file additional proposals for the same facility.

167.14 (c) The proposal may ask the commission to establish a sliding scale rate-of-return  
167.15 mechanism for the capital investments to provide an additional incentive for the public  
167.16 utility to complete the project at or under the proposed costs.

167.17 Subd. 3. **Proposal approval.** (a) The commission shall approve, reject, or modify the  
167.18 proposed designation of the facility and the total expected costs submitted by the public  
167.19 utility. The commission shall make a final determination on the proposed designation  
167.20 concurrent with its order in the resource plan, or sooner, should the commission determine  
167.21 that it is in the public interest. The public utility submitting the proposal bears the burden  
167.22 of proof to demonstrate that total expected costs are just and reasonable.

167.23 (b) When conducting the review in paragraph (a), the commission shall allow intervention  
167.24 by the Department of Commerce, the Office of the Attorney General, ratepayer advocates,  
167.25 the Prairie Island and Monticello communities, and other interested parties. The public  
167.26 utility shall pay the costs of any nuclear expert retained by the Department of Commerce.

167.27 (c) To the extent the commission modifies the proposal, the public utility may choose  
167.28 whether to accept the modifications. If the public utility does not accept the modifications,  
167.29 the commission shall deem the proposal withdrawn.

167.30 (d) The commission's approval of total expected costs for a carbon reduction facility  
167.31 under this subdivision constitutes a presumption of prudence for those total expected costs.  
167.32 Accordingly, in any future cost recovery proceeding regarding those approved total expected  
167.33 costs, the commission shall presume that the public utility's actual expenditures, not in  
168.1 excess of the total expected costs approved by the commission, were prudent, provided,  
168.2 however, that there is no presumption of prudence for any expenditure made:

168.3 (1) to extend the operation of the carbon reduction facility beyond the expiration of its  
168.4 operating license;

168.5 (2) to modify the capacity of the carbon reduction facility; or

168.6 (3) to terminate operation of the carbon reduction facility before the expiration of its  
168.7 operating license.

168.8 In any future cost recovery proceeding concerning these approved total expected costs, any  
168.9 party may submit, and the commission must consider, evidence opposing the presumption

168.10 of prudence. The party presenting the evidence bears the burden of proof to demonstrate  
 168.11 that an expenditure is not prudent.

168.12 (e) The commission shall presume that an expenditure for a carbon reduction facility is  
 168.13 prudent under this section only if the public utility continues to operate the carbon reduction  
 168.14 facility on which it made the expenditure. If the public utility is issued an order to discontinue  
 168.15 operations of the carbon reduction facility, there is no presumption of prudence for any  
 168.16 expenditures made on that carbon reduction facility after the date of the order.

168.17 (f) Notwithstanding the provisions of paragraph (d), the commission has sole discretion  
 168.18 to approve any cost recovery in excess of total expected costs. The public utility bears the  
 168.19 burden of proof to demonstrate that an expenditure exceeding total expected costs approved  
 168.20 by the commission under paragraph (d) is just and reasonable.

168.21 (g) Upon approval of a proposed designation of a facility and the total expected costs  
 168.22 submitted by the public utility, the public utility shall provide biennial updates to the  
 168.23 commission regarding its progress with respect to adhering to the approved costs. The  
 168.24 commission may issue orders it deems necessary to ensure that the carbon reduction facility  
 168.25 remains cost-effective for customers and financially viable for the public utility.

46.25 Sec. 9. Minnesota Statutes 2017 Supplement, section 216B.241, subdivision 1d, is amended  
 46.26 to read:

46.27 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation  
 46.28 improvement programs on the basis of cost-effectiveness and the reliability of the  
 46.29 technologies employed. The commissioner shall, by order, establish, maintain, and update  
 46.30 energy-savings assumptions that must be used when filing energy conservation improvement  
 46.31 programs. The commissioner shall establish an inventory of the most effective energy  
 46.32 conservation programs, techniques, and technologies, and encourage all Minnesota utilities  
 47.1 to implement them, where appropriate, in their service territories. The commissioner shall  
 47.2 describe these programs in sufficient detail to provide a utility reasonable guidance  
 47.3 concerning implementation. The commissioner shall prioritize the opportunities in order of  
 47.4 potential energy savings and in order of cost-effectiveness. The commissioner may contract  
 47.5 with a third party to carry out any of the commissioner's duties under this subdivision, and  
 47.6 to obtain technical assistance to evaluate the effectiveness of any conservation improvement  
 47.7 program. The commissioner may assess up to \$850,000 annually for the purposes of this  
 47.8 subdivision. The assessments must be deposited in the state treasury and credited to the  
 47.9 energy and conservation account created under subdivision 2a. An assessment made under  
 47.10 this subdivision is not subject to the cap on assessments provided by section 216B.62, or  
 47.11 any other law.

47.12 (b) Of the assessment authorized under paragraph (a), the commissioner may expend  
 47.13 ~~up to \$400,000 annually~~ \$800,000 each biennium for the purpose of developing, operating,

47.14 maintaining, and providing technical support for a uniform electronic data reporting and  
47.15 tracking system available to all utilities subject to this section, in order to enable accurate  
47.16 measurement of the cost and energy savings of the energy conservation improvements  
47.17 required by this section. This paragraph expires June 30, ~~2018~~ 2022.

47.18 (c) The commissioner must establish a utility stakeholder group to direct development  
47.19 and maintenance of the tracking system available to all utilities. The utility stakeholder  
47.20 group will direct 50 percent of the biennium expenditures. The utility stakeholder group  
47.21 shall include, but is not limited to, stakeholders representative of the Minnesota Rural  
47.22 Electric Association, the Minnesota Municipal Utility Association, investor-owned utilities,  
47.23 municipal power agencies, energy conservation organizations, and businesses that work in  
47.24 energy efficiency. One of the stakeholder members must serve as chair. The utility  
47.25 stakeholder group must develop and submit its work plan to the commissioner. The utility  
47.26 stakeholder group shall study alternative tracking system options, which shall be submitted  
47.27 with the work plan to the commissioner by January 15, 2020. The utility stakeholder group  
47.28 must meet regularly at the call of the chair. Meetings of the utility stakeholder group are  
47.29 subject to chapter 13D.

47.30 Sec. 10. Minnesota Statutes 2016, section 216B.2422, subdivision 1, is amended to read:

47.31 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this  
47.32 subdivision have the meanings given them.

48.1 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more  
48.2 of electric power and serving, either directly or indirectly, the needs of 10,000 retail  
48.3 customers in Minnesota. Utility does not include federal power agencies.

48.4 (c) "Renewable energy" means electricity generated through use of any of the following  
48.5 resources:

48.6 (1) wind;

48.7 (2) solar;

48.8 (3) geothermal;

48.9 (4) hydro;

48.10 (5) trees or other vegetation;

48.11 (6) landfill gas; or

48.12 (7) predominantly organic components of wastewater effluent, sludge, or related  
48.13 by-products from publicly owned treatment works, but not including incineration of  
48.14 wastewater sludge.

48.15 (d) "Resource plan" means a set of resource options that a utility could use to meet the  
48.16 service needs of its customers over a forecast period, including an explanation of the supply  
48.17 and demand circumstances under which, and the extent to which, each resource option  
48.18 would be used to meet those service needs. These resource options include using,  
48.19 refurbishing, and constructing utility plant and equipment, buying power generated by other  
48.20 entities, controlling customer loads, and implementing customer energy conservation.

48.21 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating  
48.22 resource of 30 megawatts or greater.

48.23 (f) "Energy storage system" means commercially available technology capable of  
48.24 absorbing and storing energy, and delivering stored energy for use at a later time. For  
48.25 purposes of this section, energy storage systems must be from a stationary source. For  
48.26 purposes of this section:

48.27 (1) an energy storage system may be:

48.28 (i) either centralized or distributed; or

48.29 (ii) owned by a load-serving entity or local publicly owned electric utility, a customer  
48.30 of a load-serving entity or local publicly owned electric utility, a third party, or jointly owned  
48.31 by two or more of the entities under this item or any other entity;

49.1 (2) an energy storage system must:

49.2 (i) reduce demand for peak electrical generation;

49.3 (ii) defer or substitute for an investment in generation, transmission, or distribution  
49.4 assets; or

49.5 (iii) improve the reliable operation of the electrical transmission or distribution grid;  
49.6 and

49.7 (3) an energy storage system must:

49.8 (i) use mechanical, chemical, or thermal processes to store energy that was generated  
49.9 at one time for use at a later time;

49.10 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner  
49.11 that reduces the demand for electricity at that later time;

49.12 (iii) use mechanical, chemical, or thermal processes to store energy generated from  
49.13 renewable resources for use at a later time; or

49.14 (iv) use mechanical, chemical, or thermal processes to store energy generated from  
49.15 mechanical processes that would otherwise be wasted for delivery at a later time.

49.16 (g) "Investor-owned utility" means a utility, as defined in paragraph (b), that is owned  
49.17 by private persons.

49.18 Sec. 11. Minnesota Statutes 2016, section 216B.2422, is amended by adding a subdivision  
49.19 to read:

49.20 Subd. 7. **Energy storage systems assessment.** (a) Each investor-owned utility must  
49.21 include as part of an integrated resource plan or plan modification filed by the investor-owned  
49.22 utility an assessment of energy storage systems. The assessment must:

49.23 (1) consider energy storage systems as both transmission and distribution-interconnected  
49.24 resources;

49.25 (2) analyze energy storage systems both as an alternative for and as an adjunct to  
49.26 generation resources for ancillary services and resource adequacy; and

49.27 (3) require that in any prudence determination for a new resource acquisition that resource  
49.28 options analysis must include a storage alternative.

49.29 (b) In approving a resource plan, the commission must determine, with respect to the  
49.30 assessment required in paragraph (a), whether:

50.1 (1) the utility's forecast requirements are based on substantially accurate data and an  
50.2 adequate forecasting method;

50.3 (2) the plan identifies and takes into account any present and projected reductions in  
50.4 energy demand that may result from measures to improve energy efficiency in the industrial,  
50.5 commercial, residential, and energy-producing sectors of the area being served; and

50.6 (3) the plan includes appropriate and up-to-date methods for modeling resources,  
50.7 including the modeling and valuing of flexible operations.

50.8 Sec. 12. Minnesota Statutes 2017 Supplement, section 216B.62, subdivision 3b, is amended  
50.9 to read:

50.10 Subd. 3b. **Assessment for department regional and national duties.** In addition to  
50.11 other assessments in subdivision 3, the department may assess up to \$500,000 per fiscal  
50.12 year for performing its duties under section 216A.07, subdivision 3a. The amount in this  
50.13 subdivision shall be assessed to energy utilities in proportion to their respective gross  
50.14 operating revenues from retail sales of gas or electric service within the state during the last  
50.15 calendar year and shall be deposited into an account in the special revenue fund and is  
50.16 appropriated to the commissioner of commerce for the purposes of section 216A.07,  
50.17 subdivision 3a. An assessment made under this subdivision is not subject to the cap on  
50.18 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,  
50.19 an "energy utility" means public utilities, generation and transmission cooperative electric  
50.20 associations, and municipal power agencies providing natural gas or electric service in the  
50.21 state. This subdivision expires June 30, ~~2018~~ 2019.

50.22 Sec. 13. **[216C.418] SOLAR ENERGY GRANTS FOR SCHOOL DISTRICTS.**

50.23 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
50.24 the meanings given them.

50.25 (b) "Energy storage system" means a commercially available technology capable of (1)  
50.26 absorbing and storing electrical energy, and (2) dispatching stored electrical energy at a  
50.27 later time.

50.28 (c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

50.29 (d) "School district" means an independent or special school district.

50.30 (e) "Solar energy system" means photovoltaic devices installed alone or in conjunction  
50.31 with a solar thermal system or an energy storage system.

51.1 (f) "Solar thermal system" means a flat plate or evacuated tube with a fixed orientation  
51.2 that collects the sun's radiant energy and transfers it to a storage medium for distribution as  
51.3 energy to heat or cool air or water.

51.4 Subd. 2. **Establishment.** A grant program is established under the Department of  
51.5 Commerce to award grants to school districts to fund the design, purchase, and installation  
51.6 of solar energy systems on school district buildings.

- 51.7 Subd. 3. **Eligible applicants.** In order to be eligible to receive a grant under this section,  
 51.8 a school district must obtain electric service from the public utility that owns a nuclear  
 51.9 electric generating facility in Minnesota.
- 51.10 Subd. 4. **Eligible expenditures.** (a) Grants awarded to a school district under this section:
- 51.11 (1) may be used to pay up to 95 percent of the cost of designing, engineering, purchasing,  
 51.12 and installing a solar energy system;
- 51.13 (2) must be used to fund a solar energy system whose capacity matches the electric load  
 51.14 of the school district building using the electricity generated, but must not exceed 300  
 51.15 kilowatts; and
- 51.16 (3) must be used to fund a solar energy system placed on, adjacent to, or in proximity  
 51.17 to the school district building using the electricity generated.
- 51.18 (b) A school district that receives a rebate or other financial incentive for a solar energy  
 51.19 system under section 116C.7792, or from any utility is not eligible to receive a grant under  
 51.20 this section for the same solar energy system.
- 51.21 Subd. 5. **Application process.** A school district must submit an application to the  
 51.22 commissioner on a form prescribed by the commissioner. The commissioner must develop  
 51.23 administrative procedures governing the application and grant award process, and must  
 51.24 award grants on a first-come, first-served basis.
- 51.25 Subd. 6. **Geographical distribution of grants.** The commissioner must endeavor to  
 51.26 award grants under this section to school districts located throughout the electric service  
 51.27 territory of the public utility that owns a nuclear electric generating facility in Minnesota.
- 51.28 Subd. 7. **Other funds.** A school district may issue debt under section 123B.62 to provide  
 51.29 its share of the costs for a solar energy system receiving a grant under this section.
- 51.30 **EFFECTIVE DATE.** This section is effective June 1, 2018.

168.26 Sec. 9. **[216C.419] RESIDENTIAL BIOMASS HEATING SYSTEM GRANT**  
 168.27 **PROGRAM.**

168.28 Subdivision 1. **Definition.** For purposes of this section, the following definitions have  
 168.29 the meanings given.

168.30 (a) "Homeowner" means the owner of a residential homestead, as defined in section  
 168.31 273.124, subdivision 1, paragraph (a), or the owner of an agricultural homestead, as defined  
 168.32 in section 273.13, subdivision 23, paragraph (a).

169.1 (b) "Residential biomass heating system" means:

169.2 (1) a pellet stove or wood heater, as defined in Code of Federal Regulations, title 40,  
 169.3 section 60.531; or

169.4 (2) a residential forced-air furnace or residential hydronic heater, as defined in Code of  
 169.5 Federal Regulations, title 40, section 60.5473.

169.6 Subd. 2. **Establishment.** A grant program is established under the Department of  
 169.7 Commerce to award grants to homeowners to fund the purchase and installation of a  
 169.8 residential biomass heating system.

169.9 Subd. 3. **Eligible expenditures.** (a) Grants awarded to a homeowner under this section  
 169.10 may be used to pay up to the lesser of 33 percent of the cost to purchase and install a  
 169.11 residential biomass heating system in the homeowner's residence, or \$5,000.

169.12 (b) A grant must not be awarded under this section to a homeowner for a residential  
 169.13 biomass heating system that is not certified by the federal Environmental Protection Agency  
 169.14 as meeting the 2015 New Source Performance Standards for air emissions for these heating  
 169.15 systems, contained in Code of Federal Regulations, title 40, part 60, subparts AAA and  
 169.16 QQQQ, as applicable.

169.17 Subd. 4. **Application process.** A homeowner must submit an application to the  
 169.18 commissioner on a form prescribed by the commissioner. The commissioner must develop  
 169.19 administrative procedures governing the application and grant award process, and must  
 169.20 award grants on a first-come, first-served basis.

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

169.22 Sec. 10. **[216C.437] LOCAL GOVERNMENT EMERALD ASH BORER REMOVAL**  
 169.23 **GRANT PROGRAM.**

169.24 Subdivision 1. **Establishment.** The Department of Commerce must establish a program  
 169.25 to:



169.26 (1) assist eligible local units of government collect and dispose of the wood waste created  
 169.27 when ash trees are removed from public land due to either (i) emerald ash borer infestation,  
 169.28 or (ii) an emerald ash borer management program;

169.29 (2) award grants to process the wood waste into usable biomass fuel, properly transport  
 169.30 the biomass fuel to an eligible district heating and cooling system cogeneration facility, and  
 169.31 use the biomass fuel to generate electricity and thermal energy; and

170.1 (3) reduce the biomass fuel costs passed through by an eligible heating and cooling  
 170.2 system cogeneration facility to the public utility that owns the Prairie Island nuclear  
 170.3 generating plant.

170.4 Subd. 2. **Eligibility.** In order to be eligible for the program under subdivision 1, an  
 170.5 applicant must be a district heating and cooling system cogeneration facility that:

170.6 (1) is located in the city of St. Paul;

170.7 (2) operates as a nonprofit entity;

170.8 (3) accepts wood waste from a local unit of government that is:

170.9 (i) located within the service area of the public utility that is subject to section 116C.779;

170.10 (ii) located in a county or portion of a county that has been designated by the  
 170.11 commissioner of agriculture as quarantined with respect to the transportation of woody  
 170.12 materials from ash trees due to demonstrated emerald ash borer infestation; and

170.13 (iii) responsible for the removal of diseased ash trees from public lands within its  
 170.14 jurisdiction; and

170.15 (4) uses biomass fuel to generate electricity and thermal energy.

170.16 Subd. 3. **Eligible expenditures.** (a) Grants may be awarded under this section to an  
 170.17 eligible recipient under subdivision 2 to:

170.18 (1) process into acceptable biomass fuel woody materials containing ash trees that have  
 170.19 been removed due to disease or implementation of an emerald ash borer management  
 170.20 program; or

170.21 (2) transport processed biomass fuel, woody materials infested by emerald ash borer,  
 170.22 and woody material removed under an emerald ash borer management program to a storage

170.23 location or to the district heating and cooling system cogeneration facility in downtown St.  
 170.24 Paul.

170.25 (b) Grant funds may be used to pay reasonable costs incurred by the Department of  
 170.26 Agriculture to administer this section.

170.27 (c) All funds awarded under paragraph (a) must reduce on a dollar-for-dollar basis the  
 170.28 charges billed by an eligible heating and cooling system cogeneration facility to the public  
 170.29 utility that owns the Prairie Island Nuclear Electric Generating Plant under the power  
 170.30 purchase agreement in effect on January 1, 2018. A heating and cooling system cogeneration  
 170.31 facility receiving a grant under this section must submit a monthly statement showing the  
 171.1 reduction in charges resulting from the requirement of this paragraph to the public utility  
 171.2 that owns the Prairie Island Nuclear Electric Generating Plant.

171.3 Subd. 4. **Expiration.** This section expires the day after the power purchase agreement  
 171.4 in effect on January 1, 2018, between an eligible heating and cooling system cogeneration  
 171.5 facility and the public utility that owns the Prairie Island Nuclear Electric Generating Plant  
 171.6 expires. This section does not extend or renew a power purchase agreement referenced in  
 171.7 this subdivision.

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

52.1 Sec. 14. Minnesota Statutes 2016, section 216D.03, is amended by adding a subdivision  
 52.2 to read:

52.3 Subd. 5. **Contact information database.** The notification center must create a database  
 52.4 to collect, maintain, and continually update the contact information for each operator in  
 52.5 Minnesota. Each operator must furnish the notification center with the operator's telephone  
 52.6 number for 24 hours per day and seven days per week response related to each underground  
 52.7 facility excavation. The information contained in the database must be made available to  
 52.8 an excavator upon request to facilitate damage response or damage prevention related to  
 52.9 an excavation.

52.10 Sec. 15. **COST-BENEFIT ANALYSIS OF ENERGY STORAGE SYSTEMS.**

52.11 (a) The commissioner of commerce must contract with an independent consultant selected  
 52.12 through a request for proposal process to produce a report analyzing the potential costs and  
 52.13 benefits of energy storage systems, as defined in Minnesota Statutes, section 216B.2422,  
 52.14 subdivision 1, in Minnesota. In examining the cost-effectiveness of energy storage systems,  
 52.15 the study must analyze:

- 52.16 (1) cost savings to ratepayers from the provision of services, including but not limited  
 52.17 to energy price arbitrage, ancillary services, resource adequacy, and transmission and  
 52.18 distribution asset deferral or substitution;
- 52.19 (2) direct-cost savings to customers that deploy energy storage systems;
- 52.20 (3) an improved ability to integrate renewable resources;
- 52.21 (4) improved reliability and power quality;
- 52.22 (5) the effect on retail electric rates over the useful life of a given energy storage system  
 52.23 compared to the impact on retail electric rates using a nonenergy storage system alternative  
 52.24 over the useful life of the nonenergy storage system alternative;
- 52.25 (6) reduced greenhouse gas emissions; and
- 52.26 (7) any other value reasonably related to the application of energy storage system  
 52.27 technology.
- 52.28 (b) By April 1, 2019, the commissioner of commerce shall submit the study to the chairs  
 52.29 and ranking minority members of the legislative committees with jurisdiction over energy  
 52.30 policy and finance.

171.9 Sec. 11. Minnesota Statutes 2016, section 216E.03, subdivision 9, is amended to read:

171.10 Subd. 9. **Timing.** The commission shall make a final decision on an application within  
 171.11 60 days after receipt of the report of the administrative law judge. A final decision on the  
 171.12 request for a site permit or route permit shall be made within one year after the commission's  
 171.13 determination that an application is complete. The commission may extend this time limit  
 171.14 for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

171.15 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 171.16 applies to any application filed with the commission on or after that date.

171.17 Sec. 12. Minnesota Statutes 2016, section 216E.04, subdivision 7, is amended to read:

171.18 Subd. 7. **Timing.** The commission shall make a final decision on an application within  
 171.19 60 days after completion of the public hearing. A final decision on the request for a site  
 171.20 permit or route permit under this section shall be made within six months after the  
 171.21 commission's determination that an application is complete. The commission may extend

171.22 this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the  
171.23 applicant.

171.24 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
171.25 applies to any application filed with the commission on or after that date.

171.26 Sec. 13. Laws 2017, chapter 94, article 10, section 28, is amended to read:

171.27 Sec. 28. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**  
171.28 **THERMAL REBATES.**

171.29 (a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner  
171.30 of a solar thermal system whose application was approved by the commissioner of commerce  
171.31 after the effective date of this act.

172.1 (b) Unspent money remaining in the account established under Minnesota Statutes 2014,  
172.2 section 216C.416, as of July 2, 2017, must be transferred to the ~~C-LEAF~~ renewable  
172.3 development account established under Minnesota Statutes 2016, section 116C.779,  
172.4 subdivision 1.

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

172.6 Sec. 14. Laws 2017, chapter 94, article 10, section 29, is amended to read:

172.7 Sec. 29. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF**  
172.8 **UNEXPENDED GRANT FUNDS.**

172.9 (a) No later than 30 days after the effective date of this section, the utility subject to  
172.10 Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person  
172.11 who received a grant funded from the renewable development account ~~previously~~ established  
172.12 under that subdivision:

172.13 (1) after January 1, 2012; and

172.14 (2) before January 1, 2012, if the funded project remains incomplete as of the effective  
172.15 date of this section.

172.16 The notice must contain the provisions of this section and instructions directing grant  
172.17 recipients how unexpended funds can be transferred to the ~~clean energy advancement fund~~  
172.18 renewable development account.

172.19 (b) A recipient of a grant from the renewable development account ~~previously~~ established  
172.20 under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after  
172.21 receiving the notice required under paragraph (a), transfer any grant funds that remain

172.22 unexpended as of the effective date of this section to the ~~clean energy advancement fund~~  
 172.23 renewable development account if, by that effective date, all of the following conditions  
 172.24 are met:

172.25 (1) the grant was awarded more than five years before the effective date of this section;

172.26 (2) the grant recipient has failed to obtain control of the site on which the project is to  
 172.27 be constructed;

172.28 (3) the grant recipient has failed to secure all necessary permits or approvals from any  
 172.29 unit of government with respect to the project; and

172.30 (4) construction of the project has not begun.

173.1 (c) A recipient of a grant from the renewable development account ~~previously~~ established  
 173.2 under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds  
 173.3 that remain unexpended five years after the grant funds are received by the grant recipient  
 173.4 if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant  
 173.5 recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary  
 173.6 of the receipt of the grant funds.

173.7 (d) A person who transfers funds to the ~~clean energy advancement fund~~ renewable  
 173.8 development account under this section is eligible to apply for funding from the ~~clean energy~~  
 173.9 ~~advancement fund~~ renewable development account.

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

173.11 **Sec. 15. STUDY; ELECTRICAL GRID VULNERABILITY TO GEOMAGNETIC**  
 173.12 **DISTURBANCES AND ELECTROMAGNETIC PULSE.**

173.13 (a) The Public Utilities Commission and the Department of Public Safety must conduct  
 173.14 a joint study analyzing the Minnesota electrical grid's vulnerability to geomagnetic  
 173.15 disturbances caused by solar storms and electromagnetic pulse, and include information  
 173.16 regarding how any vulnerability may be reduced. Information must be gathered from a  
 173.17 variety of stakeholders, including but not limited to (1) electric utilities, (2) the Midcontinent  
 173.18 Independent System Operator, (3) scientists and others with expertise in the field of solar  
 173.19 disturbances, electromagnetic pulses, and the impact of each on the electrical grid, and (4)  
 173.20 emergency hazard planners.

173.21 (b) At a minimum, the report must contain information regarding:

- 173.22 (1) potential disturbances that may impact Minnesota's electrical grid as a result of solar  
173.23 storms and electromagnetic pulse;
- 173.24 (2) the existing system for predicting solar storms;
- 173.25 (3) steps utilities and the private and public sectors could take to minimize grid  
173.26 vulnerability to geomagnetic disturbances and electromagnetic pulse;
- 173.27 (4) how to maintain and restore communications systems after grid damage from  
173.28 geomagnetic disturbances and electromagnetic pulse; and
- 173.29 (5) how current emergency planning efforts may incorporate concerns regarding grid  
173.30 damage and long-term power outage resulting from geomagnetic disturbances and  
173.31 electromagnetic pulse.
- 174.1 (c) By February 15, 2019, the Public Utilities Commission and the Department of Public  
174.2 Safety must submit a report to the chairs and ranking minority members of the senate and  
174.3 house of representatives committees with jurisdiction over energy policy and public safety.
- 174.4 (d) For the purposes of this section, "solar storms" means the ejection of particles, plasma,  
174.5 flares, or electromagnetic radiation from the sun's surface or corona that travel through  
174.6 space and reach the surface of the earth, where the ejection may damage the electric power  
174.7 grid and other critical infrastructure.
- 174.8 (e) For the purposes of this section, "electromagnetic pulse" means one or more pulses  
174.9 of electromagnetic energy capable of disabling, disrupting, or destroying an electric  
174.10 transmission and distribution system.
- 174.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 174.12 Sec. 16. **REPEALER.**
- 174.13 Minnesota Statutes 2016, section 216B.2423, is repealed.
- 174.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.