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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1079

03/04/2013 Authored by Benson, J.,
The bill was read for the first time and referred to the Committee on Energy Policy

1.1 A bill for an act
1.2 relating to energy; renewable energy; allowing geothermal heating and cooling
1.3 systems to apply to a utility's renewable energy obligation under certain
1.4 conditions; amending Minnesota Statutes 2012, section 216B.1691, by adding a
1.5 subdivision.

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

1.7 Section 1. Minnesota Statutes 2012, section 216B.1691, is amended by adding a
1.8 subdivision to read:

1.9 Subd. 1a. **Geothermal heating and cooling system.** (a) The net reduction in
1.10 electrical consumption resulting from the replacement or displacement of space or water
1.11 heating systems and space cooling systems fueled by electricity, after accounting for
1.12 the electrical consumption by the geothermal heating and cooling system itself, may be
1.13 counted toward a utility's standard obligation under this section, provided that the utility
1.14 provides financial assistance to the owner of the geothermal heating and cooling system in
1.15 an amount that reduces the purchase and installation cost by at least ... percent.

1.16 (b) The commissioner of commerce shall determine how to calculate the net reduction
1.17 in electrical consumption resulting from the installation of a geothermal heating and
1.18 cooling system that a utility may apply toward its standard obligation under this section.

1.19 (c) For the purposes of this subdivision, "geothermal heating and cooling system"
1.20 means a system that:

1.21 (1) exchanges thermal energy from groundwater or a shallow ground source to
1.22 generate thermal energy through a geothermal heat pump or a system of geothermal heat
1.23 pumps interconnected with any geothermal extraction facility that is an open loop system
1.24 in which ground or surface water is circulated in an environmentally safe manner directly
1.25 into the geothermal extraction facility and is:

- 2.1 (i) returned to the same aquifer or surface water source; or
- 2.2 (ii) transported to a water treatment plant prior to distribution through a municipal
- 2.3 water system;
- 2.4 (2) meets or exceeds federal Energy Star product specification standards;
- 2.5 (3) is manufactured, installed, and operated in accordance with applicable
- 2.6 government and industry standards; and
- 2.7 (4) does not transmit electricity to the electrical grid.

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