

(b) The commissioner shall establish an early season two-day, special firearms deer season, under Minnesota Statutes, section 97B.112, for youth residents that are at least age 12 and under age 15 to take an antlerless deer in Kittson, Lake of the Woods, Marshall, Pennington, and Roseau Counties. The two-day special season shall be established on the weekend following the third Thursday in October.

(c) A violation related to antler size in the quality deer management zone is not a crime and shall not result in a penalty, but is punishable only by a warning.

(d) If a quality deer management pilot zone is established, the commissioner shall annually report to the senate and house of representatives committees with jurisdiction over natural resources policy on the quality deer management pilot zone. The report must include information on the number of antlered deer taken in the quality deer management pilot zone and estimates of the antlered deer population in the zone, including the quality of the population.

(e) This section expires on December 31, 2008.

Sec. 37. ROADSIDE WILDLIFE HABITAT STUDY; REPORT.

The commissioner of natural resources, in consultation with the commissioner of transportation and other interested persons, shall study and make recommendations to improve and promote wildlife habitat within the right-of-ways of public roads in the state and the impact of those recommendations on public safety. The study must include, but is not limited to, an analysis of current mowing restrictions and any recommendations for changes to those restrictions, under Minnesota Statutes, section 160.232. By January 15, 2005, the commissioner of natural resources shall provide a report of the study and recommendations under this section to the senate and house committees with jurisdiction over natural resource policy and transportation policy.

Sec. 38. REPEALER.

Minnesota Statutes 2002, section 97B.731, subdivision 2, is repealed.

Presented to the governor May 15, 2004

Signed by the governor May 19, 2004, 9:35 a.m.

CHAPTER 216—S.F.No. 1753

An act relating to utilities; modifying provisions related to wind energy systems; modifying low-income electric rate discount program; regulating conservation improvement by cooperatives and municipalities; eliminating duplicate language related to budget payment plans as a required customer option; amending Minnesota Statutes 2002, sections 123B.02, by adding a subdivision; 216B.16, subdivision 14; Minnesota Statutes 2003 Supplement, section 216B.241, subdivision 1b; repealing Minnesota Statutes 2002, section 325E.015.

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

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Section 1. Minnesota Statutes 2002, section 123B.02, is amended by adding a subdivision to read:

Subd. 21. WIND ENERGY CONVERSION SYSTEM. The board may construct, acquire, own in whole or in part, operate, and sell and retain and spend the payment received from selling energy from a wind energy conversion system, as defined in section 216C.06, subdivision 19. The board's share of the installed capacity of the wind energy conversion systems authorized by this subdivision must not exceed 3.3 megawatts of nameplate capacity. A board owning, operating, or selling energy from a wind energy conversion system must integrate information about wind energy conversion systems in its educational programming.

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

Sec. 2. Minnesota Statutes 2002, section 216B.16, subdivision 14, is amended to read:

Subd. 14. LOW-INCOME ELECTRIC RATE DISCOUNT. A public utility shall provide fund an affordability program for low-income customers in an amount based on a 50 percent electric rate discount on the first 300 kilowatt hours consumed in a billing period for a low-income residential customer customers of the utility. For the purposes of this subdivision, "low-income" means describes a customer who is receiving assistance from the federal low-income home energy assistance program. The affordability program must be designed to target participating customers with the lowest incomes and highest energy costs in order to lower the percentage of income they devote to energy bills, increase their payments, and lower costs associated with collection activities on their accounts. For low-income customers who are 62 years of age or older or disabled, the program must, in addition to any other program benefits, include a 50 percent electric rate discount on the first 300 kilowatt hours consumed in a billing period. For the purposes of this subdivision, "public utility" includes only those public utilities with more than 200,000 residential electric service customers. The commission may issue orders necessary to implement, administer, and recover the discount rate costs of the program on a timely basis.

EFFECTIVE DATE. This section is effective July 1, 2004.

Sec. 3. Minnesota Statutes 2003 Supplement, section 216B.241, subdivision 1b, is amended to read:

Subd. 1b. CONSERVATION IMPROVEMENT BY COOPERATIVE ASSOCIATION OR MUNICIPALITY. (a) This subdivision applies to:

- (1) a cooperative electric association that provides retail service to its members;
- (2) a municipality that provides electric service to retail customers; and
- (3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

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(1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

(c) Each municipality and cooperative electric association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a large electric customer facility for which the commissioner has issued an exemption under subdivision 1a, paragraph (b).

(d) Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association.

(e) Load-management activities that do not reduce energy use but that increase the efficiency of the electric system may be used to meet the following percentage of the conservation investment and spending requirements of this subdivision:

- (1) 2002 - 90 percent;
- (2) 2003 - 80 percent;
- (3) 2004 - 65 percent; and
- (4) 2005 and thereafter - 50 percent.

(f) A generation and transmission cooperative electric association that provides energy services to cooperative electric associations that provide electric service at retail to consumers may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the conservation, spending, reporting, and energy savings goals on an aggregate basis. A municipal power agency or other not-for-profit entity that provides energy service to municipal utilities that provide electric service at retail may invest in energy conservation improvements on behalf of the municipal utilities it serves and may fulfill the conservation, spending, reporting, and energy savings goals on an aggregate basis, under an agreement between the municipal power agency or not-for-profit entity and each municipal utility for funding the investments.

(g) By June 1, 2002, and Every two years thereafter, on a schedule determined by the commissioner, each municipality or cooperative shall file an overview of its conservation improvement plan with the commissioner. With this overview, the municipality or cooperative shall also provide an evaluation to the commissioner

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detailing its energy conservation improvement spending and investments for the previous period. The evaluation must briefly describe each conservation program and must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility or association that is the result of the spending and investments. The evaluation must analyze the cost-effectiveness of the utility's or association's conservation programs, using a list of baseline energy and capacity savings assumptions developed in consultation with the department. The commissioner shall review each evaluation and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities. Up to three percent of a utility's conservation spending obligation under this section may be used for program pre-evaluation, testing, and monitoring and program evaluation. The overview and evaluation filed by a municipality with less than \$2,500,000 ~~60,000,000~~ kilowatt hours in annual gross revenues from the retail sale sales of electric service may consist of a letter from the governing board of the municipal utility to the department providing the amount of annual conservation spending required of that municipality and certifying that the required amount has been spent on conservation programs pursuant to this subdivision.

(h) The commissioner shall also review each evaluation for whether a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available. For the purposes of this subdivision and subdivision 2, "low-income" means an income at or below 50 percent of the state median income.

(i) As part of its spending for conservation improvement, a municipality or association may contribute to the energy and conservation account. A municipality or association may propose to the commissioner to designate that all or a portion of funds contributed to the account be used for research and development projects that can best be implemented on a statewide basis. Any amount contributed must be remitted to the commissioner by February 1 of each year.

(j) A municipality may spend up to 50 percent of its required spending under this section to refurbish an existing district heating or cooling system. This paragraph expires July 1, 2007.

Sec. 4. REPEALER.

Minnesota Statutes 2002, section 325E.015, is repealed.

Presented to the governor May 15, 2004

Signed by the governor May 19, 2004, 10:05 a.m.

CHAPTER 217—H.F.No. 2633

An act relating to the environment; providing for exemptions from environmental review for ethanol plants; amending Minnesota Statutes 2003 Supplement, section 116D.04, subdivision 2a.

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